

OFFICE OF INSPECTOR GENERAL

SEMIANNUAL REPORT TO CONGRESS

FOR THE PERIOD ENDING MARCH 31, 2017



U.S. DEPARTMENT
OF HOUSING
AND URBAN
DEVELOPMENT

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

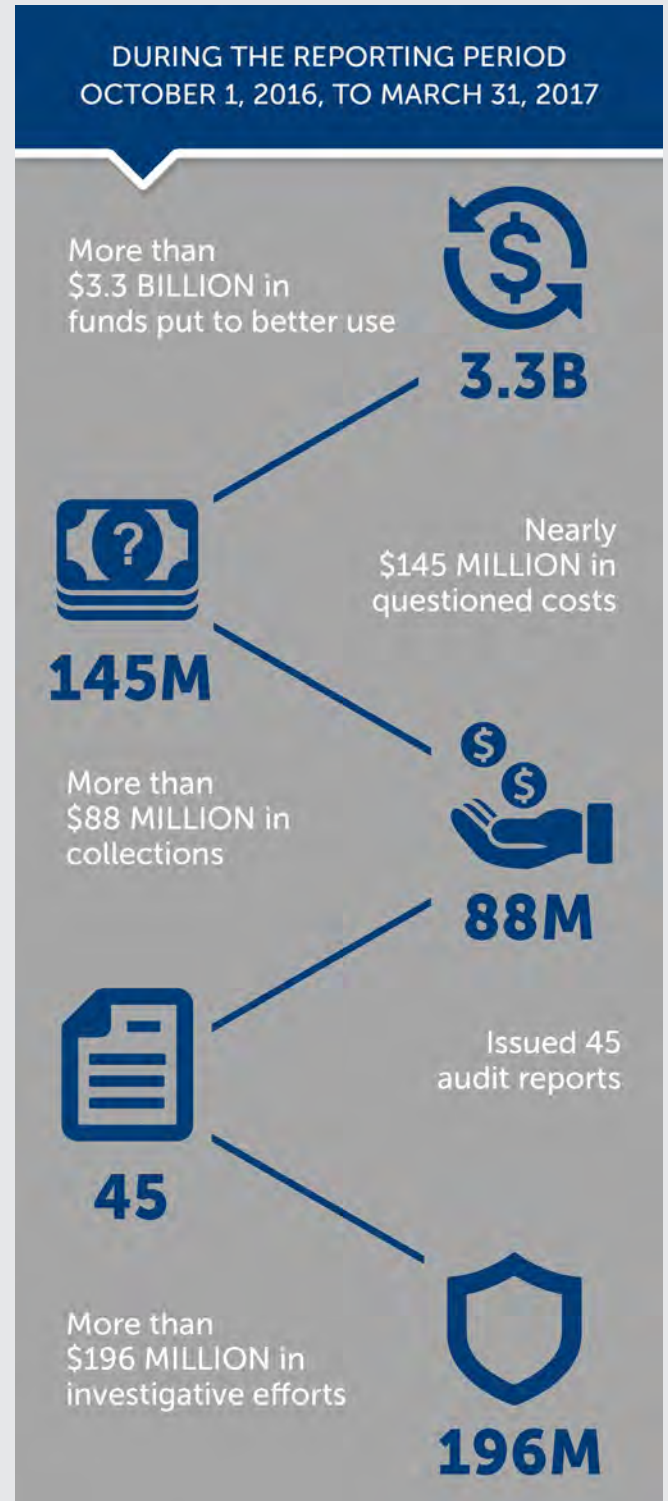
Respect is appreciating the uniqueness of our workforce. We treat others with dignity, civility, and mutual consideration.

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 first half of fiscal year 2017. This report describes the extraordinary and varied accomplishments of the dedicated employees of HUD OIG.

Among these are a continuation of OIG's return on investment of 59 to 1 for every dollar spent on our work. By promoting better stewardship and accountability, HUD OIG staff ensures that we have a lasting, positive impact on the Department and our communities for the benefit of the American people.

In the past reporting period, HUD OIG has conducted a number of noteworthy audits, evaluations, and investigations. Many of these have their roots in longstanding problems that have crossed administrations and HUD secretaries over the years. Significant among these are a lack of priority in hiring skilled people to fill vitally needed positions. This lack of priority includes taking more than 18 months to fill HUD's Chief Financial Officer position. We also see the hiring of senior leaders at HUD with limited accounting backgrounds, even though their primary responsibilities need that experience and education to execute the duties and oversight in preparing Federal financial statements. This problem was best illustrated during our financial audit, when we found several instances in which rounding was performed to the nearest billion and hundred billion, while the Office of Management and Budget's standard of rounding is to the nearest million.

We are also seeing serious shortcomings in information technology (IT) systems, of which 87 percent are at or near the end of their life cycle. These systems include 400 IT products that no longer have technical support. This vital component of HUD also suffers from the same difficulty of filling critical staff positions with individuals having the appropriate skills, background, and knowledge to oversee the rapidly changing world of computer systems, especially in an environment of increasing cybersecurity threats.

A direct result of these problems is seen in audits we conducted during this reporting period, which were especially concerning. In an audit of HUD's consolidated financial statements and notes for fiscal years 2016 and 2015 (restated), dated November 15, 2016, we issued a disclaimer of opinion because of many irregularities and because HUD was unable to prepare its financial statements in time for this audit. However, after this audit was completed, we discovered more than half a trillion dollars in additional errors, which caused HUD to withdraw its financial statements included in its agency financial report.

HUD later revised its financial statements. On March 1, 2017, we revised and reissued our report which continued our disclaimer opinion and showed that HUD's financial statements still had 11 material weaknesses, 7 significant deficiencies, and 5 instances of noncompliance with applicable laws and regulations. This is the third year in a row in which HUD OIG could not issue a clean opinion on HUD's financial statements.

In another significant audit, we reviewed HUD's attempt to transition its aging core financial systems to a Federal shared service provider at the U.S. Department of the Treasury. During the last 14 years, HUD has spent more than \$131 million to modernize its legacy financial management systems. HUD's most recent attempt, the New Core Project, was designed to complete the transition of data to the Treasury. However, this endeavor failed to significantly improve the handling of HUD's financial management transactions or produce reliable, useful, and timely financial information. As a result, the project was terminated, and 97 percent of HUD programmatic transactions are still being executed using HUD's aging legacy systems.

HUD OIG's Office of Investigation continues to have significant impact on the Department through its investigative work. In one case, HUD OIG investigated a senior housing development located in upstate New York, which was financed by a \$46.5 million Federal Housing Administration (FHA)-insured loan. The investigation determined that the developer fraudulently drew down more than \$300,000 for personal use and also inflated bids for more than \$865,000 in materials through a kickback scheme. The developer and other conspirators were found guilty of a number of crimes and sentenced to 37 to 50 months incarceration plus other penalties and restitutions. In addition, the developer defaulted on its FHA-insured mortgage, which resulted in the development's being auctioned off at a loss of more than \$28 million.

In another case, in Baltimore, MD, a development company used real estate agents to find straw buyers to purchase properties using FHA-insured mortgage loans supported by fraudulent documentation. These loans swiftly fell into default and resulted in more than \$1.8 million in losses to FHA. The investigation resulted in five conspirators pleading guilty to violating multiple Federal criminal statutes and being sentenced to 15 to 27 months incarceration and paying more than \$1.8 million in restitution to FHA.

One area of significant development has been the maturing of our Integrity and Compliance Program (ICP), which we launched in December 2015. The ICP continues to demonstrate our commitment to the public to maintain a high level of integrity and dedication to creating a values-based ethical culture. This then becomes the standard for every decision we make and every action we take. We are currently finishing a manager-led training program for all of our employees. This program incorporates scenarios and ethical dilemmas that are based on actual events and require staff to use HUD OIG's core values to address the issues presented. These core values have also been included in our staff's performance plans.

In closing, I would like to express my continued gratitude to Congress and the Department for their sustained commitment to improving HUD's programs and operations. I also want to reiterate my sincere appreciation of the people 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 "David A. Montoya". The signature is fluid and cursive, with a long horizontal stroke at the end.

David A. Montoya | Inspector General

PROFILE OF PERFORMANCE

For the period October 1, 2016, to March 31, 2017

AUDIT RESULTS ¹	THIS REPORTING PERIOD
Recommendations that funds be put to better use	\$3,316,329,791
Recommended questioned costs	\$144,534,022
Collections from audits	\$22,763,570
Administrative sanctions	0
Civil actions	2
Subpoenas	10
Personnel action	0

INVESTIGATION RESULTS ¹	THIS REPORTING PERIOD
Total restitutions and judgments	\$196,109,878
Total recoveries and receivables to HUD programs	\$10,959,917
Arrests	157
Indictments and informations	154
Convictions, pleas, and pretrial diversions	105
Civil actions	19
Total administrative sanctions	157
Suspensions	68
Debarments	52
Limited denial of participation	1
Removal from program participation	0
Evictions	13
Other ²	23
Systemic implication reports	2
Search warrants	27
Subpoenas	342

JOINT CIVIL FRAUD RESULTS ¹	THIS REPORTING PERIOD
Recoveries and receivables to HUD programs or HUD program participants	\$54,754,576
Recoveries and receivables for other entities ³	\$12,869,422
Recommendations that funds be put to better use	\$0
Civil actions	4
Administrative sanctions	18

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

² 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.

³ 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.

TRENDING

INSPECTOR GENERAL EMPOWERMENT ACT

BACKGROUND AND SUMMARY

The Inspector General Empowerment Act (Public Law 114-317) (IGEA), enacted in December 2016, mandates several new reporting requirements in the Offices of Inspectors General's (OIG) Semiannual Report to Congress (SAR). Below are the statutory requirements stipulated in the IGEA with the internal document hyperlinks to the detailed information as addressed throughout the SAR, as appropriate:

- Summary of all reports with no establishment comment
 - [Trending Section \(below\)](#)
- Summary of all reports with outstanding unimplemented recommendations, including potential cost savings
 - [Appendix 5 - Open Recommendations](#)
- Statistical table showing investigative report metrics
 - [Trending Section](#)
- Whistleblower retaliation instances
 - [Chapter 11 - Whistleblower Ombudsman](#)
- Instances of HUD interference through budget constraints, resistance, or objections
 - [Trending Section](#)
- 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 statistical table below, the data used were extracted from the U.S. Department of Housing and Urban Development, Office of Inspector General's (HUD OIG) 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 footnotes to the table provide 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.

Investigative statistical table:

Requirement	Total
A. Total number of investigative reports issued during the reporting period ⁴	220
B. Total number of persons referred to the U.S. Department of Justice for criminal prosecution during the reporting period ⁵	148
C. Total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period ⁶	148
D. Total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities ⁷	154

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 FAILURE TO TAKE APPROPRIATE ACTION

During the selection process for a noncompetitive position, a HUD OIG director became aware of the fact that the resume of a potential applicant contained false information. Despite knowing this information, the director selected the candidate for the position. Furthermore, it was determined, that a senior HUD OIG executive was advised of the fraudulent resume and failed to take appropriate action against the director and applicant upon receipt of this information. The director was demoted to a GS-14 and received a 14-day suspension. The senior executive received a 15-day suspension. HUD OIG referred the case to the United States Attorney's Office (USAO) on January 20, 2016, for false statements. On January 20, 2016, the USAO declined criminal prosecution due to available administrative remedies.

PROHIBITED PERSONNEL PRACTICES AND OBSTRUCTION OF JUSTICE

A HUD administrative officer-director admitted that she made an independent decision to hire a new Intern based on his gender, a violation of Title 5 United States Code (U.S.C.) 2302 - Prohibited personnel practices. Additionally, the director attempted to influence the statement of events that was being provided to investigators by witnesses in violation of Title 18 U.S.C. 73 - Obstruction of justice. HUD OIG referred the case to the USAO on August 31, 2016. On August 31, 2016, the USAO declined criminal prosecution due to available administrative remedies. The director received a verbal reprimand for her actions and retired from Federal service.

CONFLICT OF INTEREST AND FAILURE TO TAKE APPROPRIATE ACTION

⁴ Includes approved reports of investigation.

⁵ Includes total cases presented for prosecution. HUD OIG's Case Management System is not currently configured to quantify persons referred.

⁶ Includes total cases presented for prosecution. HUD OIG's Case Management System is not currently configured to quantify persons referred.

⁷ Includes all charging documents reported: criminal complaints, indictments, informations, and superseding indictments.

A HUD attorney admitted she approved reimbursement for an ineligible legal services invoice. She admitted to this approval despite her direct knowledge of a subordinate employee's existing conflict of interest in working on matters related to a particular housing authority at the time, a violation of 5 CFR (Code of Federal Regulations) Part 2635 - Standards of Ethical Conduct for Employees of the Executive Branch. HUD OIG referred the case to the USAO on May 8, 2014, for conflict of interest violations. On May 8, 2014, the USAO declined criminal prosecution. The case was declined based on the facts gathered and the USAO's lack of interest in pursuing charges in this matter. OIG later referred this matter to HUD. HUD advised that additional corrective action was unnecessary as the Department had already taken corrective action before receiving OIG's final report of investigation by conducting remedial training for the manager and employee.

SUMMARY OF REPORTS WITH NO ESTABLISHMENT COMMENT

The Empowerment Act requires OIGs to report on each audit and evaluation report for which the Department did not return comments within 60 days of HUD OIG 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 Empowerment Act requires OIGs to report on each audit and evaluation report for which there are any outstanding unimplemented recommendations, including the aggregate potential cost saving of these recommendations. A summary of these recommendations for the Office of Audit and Office of Evaluation are presented below. The complete details of each open recommendation can be found in Appendix 5

Audit

The following table summarizes the Office of Audit's reports with open recommendations. The recommendations remain open because the agency management has not yet come to a decision about the recommendation; because the agency management has not yet finished implementing the recommendation; or because the agency management and the Inspector General disagree about the recommendations.

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	\$6,593,635
2008	51	\$72,957,525
2009	33	\$80,231,180
2010	46	\$64,222,765
2011	74	\$107,063,059
2012	56	\$23,086,047
2013	173	\$518,341,775
2014	265	\$2,080,155,207
2015	369	\$1,675,453,066
2016	743	\$9,294,027,584
2017	166	\$101,828,877
Total	2083	\$14,062,130,644

Evaluation

The Office of Evaluation conducts evaluations focused on improving departmental process and programs. As of the writing of this SAR, our recommendations have not focused on producing direct cost savings, but rather improve program effectiveness and reduce the likelihood of negative outcomes. For example, during this reporting period, some of our recommendations addressed how HUD should enhance the risk assessment process to provide grantee technical assistance.

The following table summarizes the Office of Evaluation's reports with open recommendations

Year	Number of Open Recommendations
Pre -2013	0
2013	18
2014	27
2015	25
2016	24
2017	0
Total	94



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CHAPTER 1 – INTEGRITY AND COMPLIANCE PROGRAM



THE INTEGRITY & COMPLIANCE PROGRAM: ASSESSMENT AND NEXT STEPS

In October 2015, the U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), set out to establish its Integrity and 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.

It is the mission of every Office of Inspector General to conduct independent and objective oversight of the program and operations of its department or agency. Helping to ensure effective and efficient operations of its Departments and ferreting out fraud, waste, abuse, and mismanagement is at the heart of OIG's mission. There is a high standard for those who work within the Inspector General community. Employees must comport themselves in a manner that cultivates trust, confidence, and respect in the performance of their duties as well as their interactions with their coworkers.

KEY OBJECTIVES

As we developed the ICP, we had several key objectives:

- ★ assess our employees' perceptions of OIG's ethical culture,
- ★ compare our results vis-à-vis the National Business Ethics Survey benchmarks⁸, and
- ★ help identify key strengths and areas of improvement regarding ethics and compliance within OIG.

Since the creation of the program, the Chief Integrity and Compliance Officer has led the effort to educate staff on ICP advances and share the results of our cultural assessment survey.

⁸ The National Business Ethics Survey generates the U.S. benchmark on ethical behavior in corporations.

CULTURAL ASSESSMENT SURVEY

The assessment focused strongly on the leadership climate and ethical culture. This assessment was completed in December 2015 through an online survey conducted by an independent and objective third party.⁹ In addition to identifying priorities for HUD OIG, the questions in the survey were designed to provide an assessment of the key objectives referenced above. HUD OIG is the first in the Executive Branch to undertake an agency wide employee survey focused exclusively on integrity and values. Of our 620 employees, 457 responded to the survey. Not only was the 74 percent response rate remarkable, it was among the highest of any organization, private and public, surveyed by the Ethics and Research Center.

Overall **457 HUD OIG employees** participated in the survey, a **74 % response rate**.

What the data clearly demonstrated was that employees

- ★ agreed that HUD OIG has a strong ethical culture,
- ★ were committed to the effort, and
- ★ shared a common set of core values.

But the result also showed that we had areas in need of improvement, such as

- ★ a gap exists between top management's commitment to integrity and employees' perception of its commitment, and
- ★ we need to do more to reward individuals who excel in upholding our core values.

⁹ The Ethics and Compliance Initiative conducted the survey for HUD OIG.

CORE VALUES

At the heart of the ICP is the establishment of the agency’s Core Values. As a result of employee feedback from the assessment, five Core Values were identified. They are:

- ★ Accountability
- ★ Courage
- ★ Respect
- ★ Stewardship
- ★ Trust



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. A key step in the formulation of our program was to communicate these values to our staff. Communicating our values was accomplished through an internal interactive campaign focused across the workforce.

From his first day on the job, Inspector General Montoya has communicated and advanced his belief that an Office of Inspector General has to model a “Speak Up – Listen Up” culture if it expects its parent organization to do the same. The communication initiative provided staff with the self-empowerment tools essential to raising concerns and institutionalizing a “Speak Up – Listen Up” culture. Our tools included written communications, brochures, and videos conveying to staff where they could go to raise questions or report concerns or suspected misconduct. Also, a guide was published clarifying the roles of each office and program that receives these reports.

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 introduction to the report noted that

Accountability involves a process of seeing it, owning it, solving it, and doing it. Key to learning is accepting responsibility and being accountable for our decisions and actions. Accountability needs to have consequences, which are both positive and negative, and those consequences need to be consistently applied. It is important to not only practice accountability, but as much as possible, communicate that commitment to accountability.

The release of the report demonstrates the importance of transparency and illustrates how HUD OIG holds its staff accountable.

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

In March 2017, HUD OIG initiated a 2-hour, manager-led training program 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 training also provided staff with the options available to raise questions or report concerns or suspected misconduct. All training sessions will be concluded in May 2017.



NEXT STEPS

The ICP is designed to strengthen and sustain our culture of compliance and integrity. In doing so, it supports a professional environment in which every individual is empowered to speak up and use our Core Values as a guide to make smart decisions and do the right thing.

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, since such programs are relatively uncommon within the Executive Branch.

“I am proud that we are the first OIG to create this type of program. It is my hope that through our ICP, we will demonstrate our commitment to the highest standard of integrity and that our efforts become a model for the rest of the Inspector General community and our Department.”

-The Honorable David A. Montoya, Inspector General

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	5 audits	\$20,636	\$2,238,721,464

REVIEW OF FHA PAYMENT OF DELAYED CLAIMS

The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), audited HUD to determine whether it paid servicers' claims for properties that did not foreclose or convey to HUD on time.

HUD paid claims for an estimated 239,000 properties that servicers did not foreclose upon or convey on time. OIG estimated that HUD paid nearly \$142 million for servicers' claims for unreasonable and unnecessary debenture interest that was incurred after the missed foreclosure or conveyance deadline and nearly \$2.1 billion for servicers' claims for unreasonable and unnecessary holding costs that were incurred after the deadline to convey.

OIG recommended that HUD issue a change to 24 CFR (Code of Federal Regulations) Part 203 to correct deficiencies that allowed more than \$2.2 billion in unreasonable and unnecessary costs to the FHA insurance fund. These changes include a maximum period for filing insurance claims and disallowance of expenses incurred beyond established timeframes. OIG also recommended that HUD develop a strategic information technology plan to make significant operational changes to its monitoring of single-family conveyance claims to ensure that servicers comply with foreclosure and conveyance timeframes. OIG further recommended that HUD develop and implement controls to identify noncompliance with current regulations at 24 CFR 203.402. (Audit Report: **2017-KC-0001**)

REVIEW OF DEPARTMENTAL CLEARANCE PROTOCOLS FOR FHA PROGRAMS

HUD OIG audited FHA's process for making changes to its programs, policies, and operations to determine whether HUD followed the proper requirements and procedures when implementing changes to FHA single-family programs, policies, and operations.

HUD failed to follow required departmental clearance procedures when implementing changes to FHA programs. Specifically, HUD did not always pursue required departmental clearance and posted draft documents or directives in final form before conducting departmental clearance. When departmental clearance was pursued, HUD did not always ensure that key officials reviewed the documents before issuance. As a result, significant policy information

was distributed without proper review and clearance, which undermined the intent and integrity of the process. This action effectively bypassed the required review by other HUD offices, including OIG, which had questioned or opposed document policies in some cases. Additionally, the risk of issuing incorrect or inconsistent information was increased, potentially resulting in significant financial losses or other unintended consequences.

OIG recommended that HUD (1) pursue departmental clearance for the 13 documents and policies identified that did not go through required departmental clearance and recall any documents that cannot be appropriately cleared; (2) update its clearance tracking system to include missing concurrence forms; (3) ensure that appropriate concurrence forms were obtained and documented for directives issued by other HUD program offices; and (4) implement controls, update policies, and provide training to ensure that directives are reviewed and documented as required. (Audit Report: **2017-LA-0002**)

REVIEW OF HUD'S OVERSIGHT OF FHA-INSURED LOANS WITH BORROWER-FINANCED DOWNPAYMENT ASSISTANCE

HUD OIG audited HUD's oversight of FHA-insured loans originated with borrower-financed downpayment assistance to determine whether HUD had adequate controls to ensure that FHA-insured loans with downpayment assistance complied with HUD requirements.

HUD failed to adequately oversee more than \$16.1 billion in FHA loans that may have been originated with borrower-financed downpayment assistance to ensure compliance with HUD requirements, putting the FHA Mutual Mortgage Insurance Fund at unnecessary risk. Between October 1, 2015, and September 30, 2016, HUD guaranteed nearly \$12.9 billion in FHA loans that may have contained questionable downpayment assistance. While government entities are not prohibited sources of downpayment assistance, the assistance provided through these programs did not comply with HUD requirements. FHA borrowers were required to obtain a premium interest rate and, therefore, repaid the assistance through higher mortgage payments and fees. Despite the prohibition against similar seller-funded programs, HUD's requirements appeared to have enabled the growth of these questionable programs. In addition, HUD did not adequately track these types of loans and review the funding structure of these programs. Despite concerns raised by OIG, HUD failed to protect FHA borrowers against the higher monthly mortgage payments and higher fees imposed on them, which increased the risks to the Insurance Fund in the event of default.

OIG recommended that HUD (1) reconsider its position on questioned borrower-financed downpayment assistance programs, (2) develop and implement policies and procedures for reviewing loans with downpayment assistance, (3) develop requirements for lenders to review downpayment assistance programs, (4) require lenders to obtain a borrower certification that details borrower participation, (5) ensure that lenders enter all downpayment assistance data into FHA Connection, and (6) implement data fields where lenders would be required to enter specific downpayment assistance information. (Audit Report: **2017-LA-0003**)

INVESTIGATION

Program results

Administrative - civil actions	54
Convictions - pleas - pretrial diversions	34
Financial recoveries	\$163,892,032

SEVEN IMPRISONED FOR LOAN MODIFICATION SCAM

Seven employees of a mortgage modification company were sentenced in U.S. District Court in connection with earlier guilty pleas to conspiracy to commit mail fraud, wire fraud, and misprision of a felony. Collectively, the defendants were sentenced to more than 26 years imprisonment and ordered to pay more than \$2.4 million in restitution to the victims. The defendants jointly operated a series of California-based companies that falsely purported to provide home loan modification services to many homeowners in exchange for upfront fees. To induce homeowners to pay these fees, the defendants told the homeowners they had been approved for modifications on extremely favorable terms, the modification already had been negotiated with the homeowner's lenders, and they would receive financial assistance under various government relief programs. None of those promises were true, and few homeowners received any type of mortgage loan modification through the defendants' companies. HUD OIG, the United States Postal Inspection Service, the Federal Bureau of Investigation (FBI), the Special Inspector General for the Troubled Asset Relief Program, the Federal Housing Finance Agency OIG, and Homeland Security Investigations conducted this investigation. **(Bridgeport, CT)**

SEVEN MORTGAGE COMPANY EMPLOYEES ORDERED TO PAY ALMOST \$57 MILLION FOR CONSPIRACY AND WIRE FRAUD

Seven employees of an FHA-insured lender were sentenced in U.S. District Court for their earlier guilty pleas to conspiracy and wire fraud for their roles in a mortgage fraud conspiracy. Collectively, the defendants were sentenced to a total of 17 years of probation and ordered to pay almost \$57 million in restitution to FHA. The employees participated in a mortgage fraud scheme by accepting, processing, and submitting fraudulent loan applications for as many as 189 FHA-insured mortgages that contained false information pertaining to borrower income, assets, employment, rental payments, and other credit worthiness documentation. HUD OIG and the FBI conducted this investigation. **(Newark, NJ)**

FIVE SENTENCED TO PRISON FOR ROLE IN MORTGAGE FRAUD SCHEME

Five codefendants were sentenced in U.S. District Court following their convictions of mail fraud, wire fraud, and conspiracy. Collectively, the defendants were sentenced to 10 years in jail and ordered to pay more than \$1.8 million in restitution to FHA and \$3.1 million to various victims. The codefendants recruited individuals to purchase renovated houses owned by development companies and falsified income and asset information in order

for borrowers to qualify for the home loans. The defendants then received substantial payments from the proceeds of the sales. HUD OIG and the FBI conducted this investigation. **(Baltimore, MD)**

MORTGAGE COMPANY FOUNDER ORDERED TO PAY MORE THAN \$10 MILLION TO GOVERNMENT

In a civil judgement filed in U.S. District Court, the founder of a mortgage company was ordered to pay the government \$10.3 million for violations of the False Claims Act. The owner submitted false verification forms showing that the HUD-approved loan correspondent was not involved in any proceeding “that could result in or has resulted in a criminal conviction, debarment, limited denial of participation, suspension or civil monetary penalty,” when he was under indictment. FHA realized losses of more than \$3.4 million when 237 FHA-insured loans defaulted. HUD OIG conducted this investigation. **(Chicago, IL)**

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	9 audits	\$6,508,918	\$12,531,138

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

HUD OIG audited the Town of **Amherst, NY's** Housing Choice Voucher program administered through a contractor, Belmont Housing Resources for Western New York, to determine whether officials established and implemented adequate controls over the Town's Housing Choice Voucher program to ensure compliance with HUD regulations.

The Town and its contractor generally established and implemented adequate controls over the Town's Housing Choice Voucher program for admission, initial application, recertification, and rental assistance payment and unit size determinations; however, they did not ensure that units met housing quality standards. Specifically, of 70 units inspected, 63 failed to meet housing quality standards, and 41 were materially noncompliant. Additionally, the Town and its contractor did not conduct adequate housing quality standards quality control inspections and did not address tenant complaints related to the condition of program units adequately and in a timely manner. If the Town and its contractor do not improve the housing quality standards inspection process for the Town's Housing Choice Voucher program, the Town could spend more than \$9.3 million on units that fail to meet HUD's minimum housing quality standards in the next year.

OIG recommended that HUD instruct Town officials to (1) reimburse the program from non-Federal funds more than \$118,000 spent on ineligible costs related to housing assistance payments disbursed and administrative fees received for units that materially failed to meet HUD's housing quality standards and overpayments of housing assistance due to recertification errors; (2) certify that the identified deficiencies have been corrected for the units cited; and (3) implement procedures to ensure that the Town's Housing Choice Voucher program units meet housing quality standards, housing quality standards quality control inspections are adequately conducted, and tenant complaints related to the condition of program units are resolved adequately and in a timely manner. (Audit Report: **2017-NY-1003**)

HUD OIG audited the public housing and Housing Choice Voucher programs of the Houston Housing Authority in **Houston, TX**, to determine whether the Authority (1) followed HUD requirements when it procured goods and services and incurred miscellaneous expenses, (2) calculated tenant housing assistance payments in accordance with HUD payment standards, and (3) conducted tenant certifications in a timely manner.

The Authority did not follow HUD's regulations or its own policies when contracting for goods and services and paying for miscellaneous expenses. It also did not always use correct payment standards or perform annual tenant recertifications for its program tenants in a timely manner and in accordance with HUD regulations and its administrative plan. As a result, the Authority paid more than \$3.2 million in Federal funds for ineligible and unsupported costs.

OIG recommended that HUD require the Authority to (1) repay more than \$183,000 in ineligible expenditures; (2) support or repay more than \$3 million in questionable costs; and (3) implement adequate internal controls, including written procedures, to ensure that its procurement and expense payments comply with HUD's regulations and its own policies. (Audit Report: **2017-FW-1003**)

REVIEW OF PROGRAM PARTICIPANTS RECEIVING MULTIPLE SUBSIDIES

HUD OIG audited HUD's Office of Public and Indian Housing to determine whether HUD prevented program participants from concurrently receiving subsidies from both public housing and multifamily subsidy programs.

HUD did not prevent program participants from receiving multiple subsidies in 38 of the 80 files reviewed. As a result, OIG estimated that HUD did not have more than \$2.24 million available to assist other eligible participants.

OIG recommended that HUD (1) require PHAs 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 more than \$935,000 to be put to better use; (2) require PHAs to report the program admission date to any multifamily property listed on the Enterprise Income Verification existing tenant search during the admission process; (3) require PHAs to maintain support for any communication with a multifamily property listed on the Enterprise Income Verification existing tenant search; (4) 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; and (5) implement recommendations 1 through 4 to ensure that more than \$2.24 million in housing assistance funds will be put to better use. (Audit Report: **2017-KC-0002**)

PUBLIC HOUSING PROGRAM

HUD OIG audited the public housing program of the Port Huron Housing Commission in **Port Huron, MI**, to determine whether the Commission administered its program in accordance with HUD's and its own program requirements.

The Commission did not properly implement asset management. Specifically, it inappropriately allocated more than \$1.4 million in expenses incurred by its central office cost center to its asset management projects. As a result, HUD and the Commission lacked assurance that the costs allocated to the Commission's projects were (1) necessary and reasonable and (2) for eligible program-related activities or services received by the projects.

OIG recommended that HUD require the Commission to (1) support that more than \$1.4 million in central office cost center expenses allocated to the public housing program were eligible, necessary, and reasonable program costs and (2) implement adequate procedures and controls to address the issue cited. (Audit Report: **2017-CH-1001**)

HUD OIG audited the Housing Authority of the Township of **Irvington, NJ**, regarding the administration of its public housing program to determine whether the issues identified in a complaint could be substantiated and whether the Authority administered its public housing program in accordance with HUD regulations and had sufficient financial controls.

The complaint allegations regarding serious financial and operational mismanagement were valid. Authority officials did not always administer the Authority's public housing program in accordance with program requirements. Specifically, officials spent program funds for unsupported and ineligible costs, excessive compensation was provided to the former executive director, HUD was not notified about litigation, deficiencies were noted in rent collection, program income was spent for ineligible and unsupported costs, and controls over procurement were inadequate. As a result, HUD had no assurance that more than \$1.2 million in expenditures charged by the Authority was eligible and adequately supported.

OIG recommended that HUD require Authority officials to (1) reimburse the public housing program from non-Federal funds for more than \$95,000 in ineligible expenditures, (2) provide supporting documentation to justify more than \$1.1 million in unsupported expenditures charged to the public housing program or repay the program from non-Federal funds, and (3) establish adequate controls to ensure compliance with program requirements. OIG also recommended that HUD pursue administrative sanctions against any current or former Authority officials found to have spent public housing program funds for personal or unallowable use. (Audit Report: **2017-NY-1008**)

INVESTIGATION

Program results

Administrative - civil actions	83
Convictions - pleas - pretrial diversions	49
Financial recoveries	\$9,630,973

HOUSING AUTHORITY OFFICIALS SENTENCED FOR BRIBES

Five former housing authority officials and contractors were sentenced in U.S. District Court for conspiracy, bribery, and tax evasion, among other charges, for their role in exchanging housing authority business and contracts for bribes. The former executive director was sentenced to 48 months imprisonment and ordered to pay more than \$1.5 million in restitution to the housing authority and \$363,781 in back taxes, penalties, and interest to the Internal Revenue Service. Other defendants were collectively sentenced to 18 months imprisonment and 5 years probation and ordered to pay more than \$1.8 million in restitution and \$100,000 in fines. The housing authority officials used their positions to direct contracts to known associates in exchange for payments. The executive director alone

received approximately \$1.5 million in payments from individuals related to the awarding of housing authority business. HUD OIG and the Federal Bureau of Investigation conducted this investigation. (**Hartford, CT**)

GUILTY PLEA BY FORMER HOUSING OFFICIAL FOR THEFT OF FUNDS

A former housing authority resident services coordinator pled guilty in U.S. District Court to one count of theft of funds from a program receiving Federal funds. The official embezzled \$91,576 in funds from the HUD-funded Family Self-Sufficiency program, which is administered by the housing authority. The official embezzled an additional \$1,300 from a housing authority resident tenant association. HUD OIG and the South Portland Police Department conducted this investigation. (**Portland, ME**)

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	9 audits	\$7,812,102	\$8,701,004

REVIEW OF MULTIFAMILY SPECIAL ESCROW FUNDS

HUD's Office of Inspector General (OIG) audited the multifamily special escrow funds of the Puerto Rico Department of Housing in **San Juan, PR**, to determine whether the Department administered and disbursed its escrow funds in accordance with its memorandum of understanding with HUD and whether funded activities fully provided the intended benefits.

Since September 2012, the Department had maintained a high balance in its escrow accounts without awarding funds for new projects. In addition, it did not ensure the completion of three escrow-funded activities that showed signs of slow progress and did not support the eligibility and propriety of five disbursements. As a result, HUD had no assurance that more than \$12 million in escrow funds was effectively used to meet program objectives and provide the intended benefits.

The Department did not ensure that escrow deposits were fully secured by the Federal Government and that program beneficiaries met income limit requirements. In addition, it failed to certify to HUD that funded activities met program requirements. As a result, HUD lacked assurance that funds were properly safeguarded and used for authorized purposes.

OIG recommended that HUD (1) determine the eligibility of more than \$4 million in unsupported escrow fund disbursements and activities that showed signs of slow progress, (2) use more than \$7 million in unspent escrow funds to meet program objectives and increase the supply of low- and moderate-income housing, and (3) require the transfer of unspent funds to a more sound financial institution to ensure that escrow account deposits are fully secured by the Federal Government. (Audit Report: **2017-AT-1003**)

REVIEW OF MULTIFAMILY MANAGEMENT AGENT

HUD OIG audited Majestic Management, LLC, located in **St. Louis, MO**, to determine whether it charged only the appropriate fees in managing its projects, properly procured goods and services, and disbursed project funds only for eligible and supported expenses.

Majestic Management improperly charged fees to its projects, did not properly procure goods and services, and spent project funds for ineligible and unsupported costs. As a result, it deprived its projects of more than \$242,000 in funds needed to pay for essential items, and HUD and property owners had no assurance that the projects benefited from nearly \$976,000 paid without adequate support.

OIG recommended that HUD require Majestic Management to (1) support or reimburse the appropriate projects for the unsupported disbursements and improper procurements; (2) reimburse the appropriate projects their portion of the funds spent for work not completed, overbilled, or ineligible; (3) be monitored by HUD to ensure that employees understand and correctly apply procurement requirements; (4) update its management agreements to properly disclose its identity-of-interest companies to HUD and property owners; and (5) implement adequate controls to ensure that payments are adequately supported, goods and services are properly procured, and only authorized fees are collected. (Audit Report: **2017-KC-1001**)

REVIEW OF HUD'S OVERSIGHT OF THE FUNDS COVERED UNDER THE LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990

HUD OIG audited HUD's oversight of funds covered under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 in HUD's Line of Credit Control System to determine whether HUD had adequate oversight of funds covered under the Act to ensure that the balances in its projects' grant accounts in HUD's System were appropriate.

HUD did not ensure that (1) it remitted its share of the proceeds from initial sales associated with resident homeownership program grants to the U.S. Treasury, (2) excess capital funds were deposited into the reserve for replacements accounts for the projects, and (3) authorized capital funds in the projects' grant accounts did not exceed the capital grant agreement amounts. As a result, (1) the U.S. Treasury did not have more than \$1.2 million available for other appropriations, (2) HUD could not sufficiently support the use of more than \$341,000 in proceeds from initial sales, and (3) six grantees did not have nearly \$368,000 in capital funds in their projects' reserve for replacements accounts.

OIG recommended that HUD (1) ensure that the proceeds are remitted to the U.S. Treasury, (2) provide sufficient documentation to support what it did with proceeds from initial sales, (3) deposit capital funds into the reserve for replacements accounts for six projects, and (4) implement adequate procedures and controls to ensure that future proceeds from initial sales paid to HUD are remitted to the U.S. Treasury. (Audit Report: **2017-CH-0001**)

REVIEW OF HUD'S OVERSIGHT OF COMPLIANCE WITH PARTIAL PAYMENT OF CLAIM USE AGREEMENT RESTRICTIONS

HUD OIG audited HUD's implementation of use agreement restrictions for affordable set-aside units to determine whether HUD ensured compliance with use agreement restrictions for affordable set-aside units as a condition of partial payment of claims.

HUD did not ensure compliance with use agreement restrictions for affordable set-aside units as a condition of partial payment of claims. As a result, HUD had no assurance that owners made available the affordable set-aside units required by the partial payment of claims use agreements.

OIG recommended that HUD (1) develop and implement written procedures to track the required annual certifications using the Integrated Real Estate Management System (iREMS), (2) develop and implement written procedures to verify that properties comply with their partial payment of claims use agreement restrictions, and (3) obtain the missing annual certifications for two properties and record them in iREMS. (Audit Report: **2017-LA-0001**)

INVESTIGATION

Program results

Administrative - civil actions	8
Convictions - pleas - pretrial diversions	9
Financial recoveries	\$21,907,216

THREE SENTENCED TO PRISON FOR KICKBACK SCHEME

A developer and two contractors were sentenced in U.S. District Court in connection with their guilty pleas and jury convictions of conspiracy, mail fraud, money laundering, and making false statements. The developer was sentenced to 37 months imprisonment and ordered to pay \$1.3 million in restitution to HUD. One contractor was sentenced to 50 months imprisonment, and both defendants were collectively ordered to pay \$865,000 in restitution to HUD. The defendants participated in a kickback scheme to falsely inflate a framing contract by \$865,000 for a HUD-insured multifamily development. The developer was unable to make mortgage payments on the fraudulently inflated loan, and the development went into default, leading to HUD's realizing losses of \$28 million. HUD OIG conducted this investigation. (**White Plains, NY**)

CHAPTER 5 – COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

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	8 audits ¹⁰	\$51,110,230	\$3,687,984

The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), audited the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program.

COMMUNITY DEVELOPMENT BLOCK GRANT

HUD OIG audited the City of **Pittsburgh, PA**'s administration of its CDBG program to determine whether the City administered its program in accordance with applicable HUD and Federal requirements.

The City did not always administer its CDBG program in accordance with HUD and Federal requirements. Specifically, of seven activities reviewed, the City did not (1) prepare independent cost estimates before awarding contracts for three activities with costs of more than \$1.4 million, (2) ensure that more than \$1 million disbursed to subrecipients for two activities was for costs that benefited the activity, and (3) document its determination that seven activities with costs totaling more than \$4.7 million were exempt or categorically excluded from environmental review requirements. Additionally, the City did not always properly report program accomplishments to HUD. As a result, it could not show that costs totaling more than \$4.7 million complied with applicable requirements and accomplishments were accurately reported.

OIG recommended that HUD require the City to provide documentation to show that (1) prices paid for products and services of more than \$1.4 million were fair and reasonable, (2) disbursements to subrecipients totaling more than \$1 million were for costs that benefited the activity, and (3) seven activities with costs of nearly \$2.3 million were exempt or categorically excluded from environmental reviews or repay its program from non-Federal funds for any amount that it cannot support. OIG also recommended that HUD require the City to review its accomplishment data to ensure accurate reporting. (Audit Report: **2017-PH-1001**)

¹⁰ The total CPD audits, questioned costs, and funds put to better use amounts include any disaster recovery type audits conducted in the CPD area (6 audits). The write-ups for these audits may be shown separately in chapter 6 of this semiannual report.

HOME INVESTMENT PARTNERSHIPS PROGRAM

HUD OIG audited **Union County, NJ**'s HOME Investment Partnerships Program to determine whether County officials had established and implemented adequate controls to ensure that the County's program was administered in compliance with HOME program requirements.

The County's HOME program was not always administered in compliance with program requirements. Specifically, the County's HOME fund was not reimbursed for assistance spent on partially canceled and noncompliant activities, was used for ineligible and unsupported community housing development organizations (CHDO), and was maintained in a bank account while drawdowns were made from the line of credit. In addition, activities were not administered in compliance with program requirements, income was not always collected and reported in the Integrated Disbursement and Information System, HOME match was not accurately calculated, and units were either leased to tenants or sold to home buyers without documentation to support eligibility. As a result, more than \$242,000 was spent on ineligible CHDOs; more than \$4.7 million was unavailable for eligible activities and CHDOs; nearly \$924,000 was spent on unsupported costs, a CHDO, and two home buyers; and HUD's and the County's interest of nearly \$598,000 in assisted properties was not protected.

OIG recommended that HUD instruct County officials to (1) reimburse more than \$3.7 million for disbursements made for terminated and noncompliant activities and an ineligible CHDO; (2) impose deed restrictions on two properties assisted with nearly \$598,000; (3) reallocate nearly \$574,000 to an eligible CHDO; (4) provide documents to support the eligibility of a CHDO that received nearly \$228,000 in CHDO reserve funds, two home buyers who received nearly \$261,000 in HOME assistance, and unsupported costs of more than \$435,000; (5) reimburse nearly \$537,000 to the local bank account for the uncollected and unreported program income; and (6) disburse nearly \$93,000 to pay eligible HOME costs before making additional drawdowns from the Line of Credit Control System. (Audit Report: **2017-NY-1005**)

INVESTIGATION

Program results

Administrative - civil actions	17
Convictions - pleas - pretrial diversions	4
Financial recoveries	\$274,306

THREE SENTENCED TO PRISON FOR BID-RIGGING SCHEME

A nonprofit employee, two contractors, and a construction company were sentenced in U.S. District Court for theft of Federal funds and violations of State lead-based paint program requirements for their role in a bid-rigging scheme. Collectively, the defendants were sentenced to 5 years imprisonment and ordered to pay \$32,280 in restitution to the nonprofit and \$9,000 in fines. The corporation was sentenced to 5 years probation and ordered to pay a special cost to a training-licensing institution for lead abatement worker training and licensing for its eight employees. The individuals and the corporation conspired to commit bribery concerning programs receiving

Federal funds. The nonprofit employee provided the contractors confidential bid sheets and the information contained on the bid sheets for various HUD community planning and development rehabilitation projects before bids were submitted to the nonprofit. Combined, the two contractors were falsely awarded approximately \$610,000 in contracts, which reached nearly \$1 million after change orders were paid. In addition, the contractor and corporation accepted responsibility for violating lead-based paint program requirements, and the nonprofit employee was found to have embezzled money from the nonprofit. HUD OIG, the Federal Bureau of Investigation, and the Environmental Protection Agency, Criminal Investigation Division, conducted this investigation. **(Cleveland, OH)**

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 \$47.1 billion in active disaster grants, the funds have been allocated nationwide, with nearly \$38.1 billion obligated and \$34.9 billion disbursed as of March 31, 2017.

Disaster	Funds allocated	Funds disbursed	Percentage of funds disbursed	Fiscal year funds allocated
Louisiana, Texas & West Virginia	\$1.8 billion	\$0	0	2016
Hurricane Sandy	\$15.2 billion	\$7.1 billion	47	2013
Hurricanes Ike, Gustav & Dolly	\$6.1 billion	\$5.1 billion	84	2008
Hurricanes Katrina, Rita & Wilma	\$19.5 billion	\$19 billion	97	2006 & 2008
9-11	\$3.5 billion	\$3.1 billion	89	2001-2002
Other	\$1.0 billion	\$0.57 billion	53	Various

Keeping up with communities in the recovery process can be a challenging position for HUD. HUD 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	6 audits ¹¹	\$41,320,063	\$1,887,712

HUD OIG audited the **City of New York**, Office of Management and Budget's administration of the Interim Assistance Rapid Repairs Program, funded with Community Development Block Grant Disaster Recovery (CDBG-DR) funds provided by HUD to assist in the disaster recovery and rebuilding efforts resulting from Hurricane Sandy. The objective of the audit was to determine whether City officials had adequate controls to ensure that the use of CDBG-DR funds was consistent with the Program guidelines established under the HUD-approved action plan, applicable Federal requirements, and City policy.

City officials lacked adequate controls to ensure that the use of CDBG-DR funds was always consistent with the action plan and applicable Federal and State regulations. Specifically, they disbursed more than \$18.2 million in CDBG-DR funds for State sales tax on repairs and maintenance services that the City was exempt from paying under New York State tax law, section 1116(a)(1). As a result, they could not assure HUD that the funds were disbursed for allowable, reasonable, and necessary expenses in compliance with the action plan and Federal and State requirements.

OIG recommended that HUD instruct City officials to (1) reimburse the Program from non-Federal funds for the exempt State sales tax on repairs and maintenance services and (2) 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 requirements. (Audit Report: **2017-NY-1004**)

HUD OIG audited the CDBG-DR assistance grant provided to the **State of Connecticut** to determine whether the State complied with CDBG-DR requirements for its Owner Occupied Rehabilitation and Rebuilding and Owner Occupied Reimbursement programs.

The State did not always comply with CDBG-DR requirements. Specifically, procurements were not always executed in accordance with HUD requirements. The State also did not always support the low- and moderate-income national objective. Further, not all costs were eligible because the State did not always complete environmental reviews in accordance with requirements. In addition, the State did not always properly support and calculate the unmet need of homeowners. As a result, more than \$2.4 million in CDBG-DR funds was ineligible, and more than \$13.5 million was unsupported. Further, HUD did not have assurance that all environmental hazards were appropriately identified and addressed or that low- and moderate-income information reported by the State in HUD's Disaster Recovery Grant Reporting system was accurate.

¹¹ 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.

OIG recommended that HUD instruct State officials to (1) repay from non-Federal funds or support that the more than \$13.3 million awarded for architect, engineer, and construction management services contracts was fair and reasonable; (2) repay from non-Federal funds nearly \$317,000 in payments made for services outside the scope of work for seven contracts; (3) repay from non-Federal funds or support that more than \$227,000 in funds awarded met the low- and moderate-income national objective; (4) repay from non-Federal funds more than \$2.1 million in ineligible CDBG-DR funds spent without the notice of intent and request for release of funds being published; and (5) strengthen program controls over procurement, contract scope of work, national objective documentation, environmental review determinations, and unmet need determinations. (Audit Report: **2017-BO-1001**)

HUD OIG audited the City of New York, Mayor's Office of Housing Recovery Operations' administration of the Build it Back Single Family Program, funded with HUD CDBG-DR funds to assist in the disaster recovery and rebuilding efforts resulting from Hurricane Sandy. The objective of the audit was to determine whether City officials had adequate controls to ensure that the use of CDBG-DR funds was consistent with the Build it Back Single Family Program guidelines established under the HUD-approved action plan.

City officials implemented policies that did not always ensure that CDBG-DR funds were disbursed in accordance with the action plan and Federal requirements. Specifically, the policies did not ensure that all eligible homeowners were reimbursed in accordance with the action plan and the Program and CDBG-DR-assisted homes complied with HUD's Lead Safe Housing Rule requirements. In addition, City officials did not maintain complete and accurate Program files and records. As a result, they could not assure HUD that the use of CDBG-DR funds benefited eligible homeowners in a fair and equitable manner, assisted homes were lead safe, and Program records were properly maintained.

OIG recommended that HUD instruct City officials to (1) submit an amended action plan for approval to ensure that it agrees with the City's policies regarding the use of nearly \$4.5 million and planned use of more than \$1.3 million in additional CDBG-DR assistance to homeowners with Small Business Administration loans and more than \$32,000 in assistance above the Program's 60 percent reimbursement rate, (2) reimburse more than \$101,000 in additional grants owed to 11 homeowners, and (3) provide documentation to support that more than \$1 million in CDBG-DR funds was disbursed for lead-safe homes. (Audit Report: **2017-NY-1001**)

HUD OIG audited the CDBG-DR assistance grant provided to the City of **Springfield, MA**, to determine whether the City properly followed Federal procurement requirements and whether payments to vendors were adequately supported.

A review of more than \$8.3 million, representing 60 percent of more than \$13.9 million in CDBG-DR funds obligated, found that the funds were budgeted for eligible and HUD-approved activities. However, City officials did not ensure that more than \$1.9 million met Federal procurement requirements or payments to vendors were adequately supported. Further, the City did not always document the duplication of benefits in accordance with requirements.

OIG recommended that HUD instruct City officials to (1) provide evidence showing that more than \$1.4 million was spent for supported, necessary, and reasonable costs or repay HUD from non-Federal funds; (2) obtain support for more than \$472,000 or reprogram the funds to other allowable activities; and (3) strengthen and follow

procurement policies and financial and administrative controls to ensure compliance with Federal requirements. (Audit Report: **2017-BO-1002**)

INVESTIGATION

Program results

Administrative - civil actions	8
Convictions - pleas - pretrial diversions	7
Financial recoveries	\$301,813

FRAUDSTER ORDERED TO REPAY ALMOST \$100,000 IN HURRICANE SANDY FUNDS

A recipient of Hurricane Sandy disaster relief funds was sentenced in State Superior Court to 24 months probation and ordered to pay restitution of \$96,710 to the New Jersey Department of Community Affairs in connection with her guilty plea to theft by deception. In June 2013, the recipient filed an application for damage assistance with the State of New Jersey Department of Community Affairs, the Federal Emergency Management Agency, and the Small Business Administration, claiming that her house in Amboy, NJ, was her primary residence at the time of Hurricane Sandy, when she resided in Keyport, NJ, during and after the storm. Only primary residence properties were entitled to Federal disaster assistance. The recipient received HUD CDBG-DR funds in the New Jersey State-run Rehabilitation, Reconstruction, Elevation, and Mitigation Grant program. HUD OIG and the Middlesex County Prosecutor's Office conducted this investigation. (**Middlesex, NJ**)

EVALUATION

OPPORTUNITIES FOR IMPROVEMENT WITHIN CPD'S RISK MANAGEMENT PROCESS FOR HURRICANE SANDY GRANTS

The Office of Community Planning and Development (CPD) manages \$15.2 billion in disaster recovery funding that Congress appropriated as part of the Disaster Relief Appropriations Act of 2013. To date, the OIG Office of Audit has identified nearly \$450 million, or nearly 3 percent of the appropriated funds, in questioned costs. HUD OIG evaluated the risk analysis process for Hurricane Sandy grants performed by CPD. The objective was to assess CPD's risk management process to identify opportunities for improvement. OIG observed five areas in which CPD could improve the risk analysis process. OIG observed that (1) the risk analysis worksheet did not consider risk related to performance outputs, (2) the risk analysis did not consider the likelihood of risk events occurring, (3) there was no clear correlation between the risk analysis and monitoring, (4) CPD made limited use of data analytics in its risk management process, and (5) CPD staff was not trained to conduct a risk analysis.

OIG recommended that (1) CPD revise the risk assessment worksheet to include measurement of performance outputs; (2) update risk analysis guidance to include the assessment of the likelihood of risk occurrence; (3) ensure that monitoring strategies correlate to the high-risk areas identified during risk analysis; and (4) ensure that CPD staff that plans for, awards, and manages grants and other forms of financial assistance receives formal risk analysis training. In its written response to OIG's report, HUD agreed with the last two recommendations but disagreed with the first two findings and recommendations. (Evaluation Report: **2016-OE-0004S**)

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	10 Audits	\$76,891,010	\$1,034,919,570

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 FISCAL YEARS 2016 AND 2015 FINANCIAL STATEMENTS

In accordance with the Chief Financial Officers Act of 1990, as amended, HUD OIG is required to annually audit HUD's consolidated financial statements and the stand-alone financial statements of the Federal Housing Administration (FHA) and Government National Mortgage Association (Ginnie Mae). The objective was to express an opinion on the fairness of the financial statements in accordance with generally accepted accounting principles (GAAP). This report presents the results of OIG's audit of fiscal years 2016 and 2015 (restated) HUD consolidated financial statements, including its report on HUD's internal controls and a test of compliance with applicable laws and regulations.

On November 15, 2016, HUD OIG issued a disclaimer of opinion on HUD's consolidated financial statements for fiscal years 2016 and 2015 (restated) due to HUD's inability to deliver principal financial statements for the fiscal years ending September 30, 2016 and 2015 (restated), and accompanying notes in a timely manner. OIG then discovered that the consolidated financial statements that were published in HUD's agency financial report (AFR) contained material errors, and the Office of the Chief Financial Officer withdrew the AFR to revise and reissue it. The total amounts of errors corrected in HUD's notes and consolidated financial statements were more than \$516.4 billion and nearly \$3.4 billion, respectively.

On March 1, 2016, OIG completed its review of the revised financial statements, withdrew its previous independent auditor's report issued on November 15, 2016, and replaced it with a report that removed one basis for disclaimer due to HUD's inability to deliver principal financial statements and accompanying notes in a timely manner. However, OIG's previous audit opinion of a disclaimer of opinion remains unchanged due to other unresolved material matters identified in its audit, which restricted its ability to obtain sufficient, appropriate evidence to express an opinion. Those matters related to (1) the Office of General Counsel's refusal to sign the management representation letter, (2) HUD's improper use of cumulative and first-in, first-out budgetary accounting methods of disbursing community planning and development program funds, (3) the more than \$4.2 billion in nonpooled loan assets from Ginnie Mae's stand-alone financial statements that OIG could not audit because Ginnie Mae could not provide adequate support to enable the testing of these asset balances, (4) the improper accounting for HUD's assets and liabilities, and (5) material differences between HUD's subledger and general ledger accounts.

Primarily, HUD (1) lacked adequate controls over its financial reporting preparation process, (2) inadequately accounted for assets and liabilities in accordance with GAAP, (3) delayed completion of significant reconciliations, (4) did not account for the Office of Community Planning and Development's formula grant programs' commitments and disbursements in accordance with GAAP, and (5) lacked adequate financial management systems to ensure accurate and reliable financial reporting. OIG provided additional details on 11 material weaknesses, 7 significant deficiencies, and 5 instances of noncompliance with applicable financial management laws and regulations. Details of the results of the audit of HUD's component entities, FHA and Ginnie Mae, can be found in separate audit reports.

OIG recommended that HUD (1) properly account for all financial transactions in accordance with GAAP, (2) improve internal controls over the financial reporting process, (3) transition nearly \$168.3 million in excess funding from public housing agencies to HUD-held reserves, and (4) deobligate nearly \$332.4 million in invalid or inactive obligations. Additionally, OIG made recommendations to FHA and Ginnie Mae to improve and strengthen internal controls over financial reporting and governance of financial operations. (Audit Reports: **2017-FO-0003** and **2017-FO-0005**)

AUDIT OF THE FEDERAL HOUSING ADMINISTRATION'S FINANCIAL STATEMENTS FOR FISCAL YEARS 2016 AND 2015

In accordance with the Chief Financial Officers Act of 1990 (Public Law 101-576), as amended, HUD OIG is required to audit the financial statements of FHA annually. The scope of the audit included FHA's fiscal years 2016 and 2015 financial statements, which are composed of the balance sheets and the related statements of net cost and changes in net position and the combined statements of budgetary resources for the years then ended, and the related notes to the financial statements. This report presented the results of OIG's audit of FHA's fiscal years 2016 and 2015 financial statements, including its report on FHA's internal controls and a test of compliance with selected provisions of laws and regulations that apply to FHA.

In OIG's opinion, except for the effects of FHA's general counsel's refusal to sign off on certain matters included in the management representation letter concerning all known actual or possible FHA litigations, claims, and assessments, FHA's fiscal years 2016 and 2015 financial statements were presented fairly, in all material respects, in accordance with GAAP.

The audit disclosed two material weaknesses, three significant deficiencies in internal controls, and one instance of noncompliance with applicable laws and regulations. OIG's audit recommendations were directed toward improving and strengthening FHA's internal controls over financial reporting. (Audit Report: **2017-FO-0002**)

AUDIT OF THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION'S FISCAL YEARS 2016 AND 2015 FINANCIAL STATEMENTS

HUD OIG audited Ginnie Mae's fiscal years 2016 and 2015 (restated) financial statements, including reporting on Ginnie Mae's internal control and test of compliance with selected provisions of laws and regulations applicable to Ginnie Mae.

For the third consecutive year, in fiscal year 2016, OIG was unable to obtain sufficient, appropriate evidence to express an opinion on the fairness of more than \$4.2 billion (net of allowance) in nonpooled loan assets from Ginnie Mae's defaulted issuers' portfolio as of September 30, 2016. Ginnie Mae also continued to improperly account for FHA reimbursable costs as an expense instead of capitalizing them. The combination of these unresolved issues for a number of years was both material and pervasive because it impacted multiple financial statement line items across all of Ginnie Mae's basic financial statements. As a result of the scope limitation in OIG's audit work and the effects of material weaknesses in internal controls, OIG was not able to obtain sufficient and appropriate evidence to provide a basis for an audit opinion on Ginnie Mae's fiscal years 2016 and 2015 (restated) statements.

OIG identified four material weaknesses, one significant deficiency, and one reportable noncompliance with selected provisions of laws and regulations. OIG's audit recommendations were directed toward improving and strengthening Ginnie Mae's governance of its financial operations. (Audit Report: **2017-FO-0001**)

REVIEW OF CHIEF PROCUREMENT OFFICER'S PROCUREMENT OF MAJOR SERVICE CONTRACTS

HUD OIG audited HUD's procurement of major service contracts to determine whether HUD had adequate procedures in place to plan and monitor major service contracts to prevent waste and abuse.

HUD did not always support that Federal acquisition requirements were met when planning and monitoring major service contracts. A review of 10 contracts found violations of HUD procurement policies for specific contracts or agreements, resulting in unreasonable and unnecessary costs of more than \$21.3 million, more than \$9.6 million in funds to be put to better use, and ineligible costs of nearly \$162,000.

OIG recommended that HUD (1) provide adequate documentation to support that more than \$21.3 million in obligated funds was spent for reasonable and necessary costs; (2) strengthen and implement acquisition controls to ensure that proper cost and price documentation is obtained, adequate monitoring is conducted, adequate market research is conducted, contractors are evaluated to assess their capability to perform the work, and required contract documentation is maintained in the file to ensure that more than \$9.6 million will not be spent for unreasonable and unnecessary costs; and (3) seek reimbursement of nearly \$162,000 in ineligible funds disbursed for equipment and support services not specified in a scanning services contract. (Audit Report: **2017-BO-0001**)

ATTESTATION REVIEW OF HUD'S DATA ACT IMPLEMENTATION EFFORTS

The Digital Accountability and Transparency Act of 2014 (DATA Act) and implementation guidance provided in Office of Management and Budget Memorandum M-15-12 mandate that Federal agencies report their financial, budgetary, and programmatic information to the USASpending.gov website by the statutory May 2017 deadline.

HUD OIG reviewed HUD's compliance with implementation efforts as of December 16, 2016. It assessed whether HUD completed steps 5-8 and reassessed outstanding issues related to steps 3 and 4 of the U.S. Department of the Treasury's DATA Act Playbook, which provides guidance for reporting agencies. OIG concluded that HUD had begun steps to implement the DATA Act. However, it remained not on track to provide complete departmentwide, comprehensive reporting by the statutory May 2017 deadline. HUD continued to be unable to show that it had

completed most required Playbook steps for its contract, grant, and subsidy programs. Additionally, HUD would not be able to report most of its required data files for its FHA and Ginnie Mae components before the reporting deadline.

OIG's recommendations were intended to ensure that HUD becomes compliant with the DATA Act by (1) allocating resources for system updates, (2) resolving errors and data quality issues that the agency identified during implementation, (3) designating official points of contact for FHA and Ginnie Mae and completing implementation plans, and (4) completing data mapping. (Audit Memorandum: **2017-FO-0801**)

AUDIT OF HUD'S TRANSITION TO FEDERAL SHARED SERVICES

HUD OIG audited HUD's computing environment as part of the internal control assessments required for the fiscal year 2016 financial statement audit under the Chief Financial Officer's Act of 1990. The audit objective was to assess 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.

Since 2003, HUD had spent more than \$131 million on two projects to replace its core financial system. The latest project, the New Core Project, provided for a transition to a Federal shared service provider. HUD ended the project and its transition to the Federal shared service provider before completion in April 2016 after spending more than \$96.3 million. Although the service provider maintained the system of record for HUD fiscal year 2016 funds, the transition did not significantly improve the handling of HUD's financial management transactions. A year after the transition, HUD had inaccurate data resulting from the conversions and continued to execute 97 percent of its programmatic transactions in its legacy applications. In addition, HUD did not decommission all of the applications it wanted to, including its core financial system, nor did it achieve the planned cost savings.

OIG recommended that HUD complete the actions necessary to address the procurement data conversion errors, classify NCIS as mission critical, and include it in HUD's disaster recovery exercises. OIG also recommended that the New Core staff from the Office of the Chief Financial Officer work with the Office of the Chief Information Officer on the projects HUD created to address functionality that was not completed in the New Core implementation. (Audit Report: **2017-DP-0001**)

AUDIT OF HUD'S FHA SINGLE FAMILY PREMIUMS COLLECTION SUBSYSTEM

HUD OIG audited the general and application controls over FHA's Single Family Premiums Collection Subsystem – Periodic (SFPCS-P) and Single Family Acquired Asset Management System (SAMS) as part of the internal control assessments required for the fiscal year 2016 financial statement audit under the Chief Financial Officer's Act of 1990. The audit objective was to review the general and application controls over SFPCS-P and SAMS for compliance with HUD information technology (IT) policies and Federal information system security and financial management requirements.

OIG has determined that the contents of this audit report would not be appropriate for public disclosure and has, therefore, limited its distribution to those officials listed on the report distribution list. (Audit Report: **2017-DP-0002**)

EVALUATION

TOPIC BRIEF: EVALUATION MONITORING OF NONBANK ISSUERS PRESENTING CHALLENGES FOR GINNIE MAE

Upon his recent departure from Ginnie Mae, its president expressed concerns with regard to the size and complexity of the Ginnie Mae portfolio. He was specifically concerned with the role nonbanks are playing in the mortgage industry. Separately, Ginnie Mae contracted with a private firm to assess its staffing relative to changes in the mortgage industry. The private firm concluded that Ginnie Mae staffing had not kept pace with the changes.

HUD OIG developed a topic brief to highlight issues with Ginnie Mae, its staffing, and the role of nonbanks in the mortgage industry. The topic brief highlights OIG's past, present, and future efforts related to the monitoring of nonbanks. Ginnie Mae had made guarantees on loans with remaining principal balances of \$1.7 trillion as of early calendar year 2017. This total is expected to exceed \$2 trillion shortly.

In fiscal year 2016, nonbank issuers accounted for 73 percent of Ginnie Mae's single-family mortgage-backed securities issuance volume for the year, up from 18 percent in fiscal year 2010. Although the growth of nonbanks has diversified the pool of issuers, Ginnie Mae must now oversee significantly more issues than in the past. In addition, Ginnie Mae may not rely on bank regulators to ensure that a majority of its servicers can meet their financial obligations.

FEDERAL AUDIT EXECUTIVE COUNCIL IT SUBCOMMITTEE FISMA MATURITY MODEL DEVELOPMENT

HUD OIG continued its collaboration with the Federal Audit Executive Council (FAEC) IT Subcommittee by participating in a project that developed maturity models for the remaining Federal Information Security Modernization Act (FISMA) Inspector General (IG) metrics. The maturity models allow the Office of Management and Budget to measure and report Federal agency cybersecurity more consistently. The maturity models will replace the IG FISMA metrics during the fiscal year 2017 FISMA assessments of Federal agencies. HUD OIG was one of only a handful of IG offices to volunteer to help develop these models.

MANAGEMENT ASSISTANCE REVIEW

OIG management assistance reviews provide the quality assurance mechanism, which ensures that OIG's audit, investigative, and administrative 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 following:

- the Information Systems Audit Division, Washington, DC, audit activities (Evaluation Report: **2016-OE-MAR6**);
- the Region 9, Los Angeles, CA, audit and investigation activities (Evaluation Report: **2016-OE-MAR7**);
- the fiscal year 2016 summary of reported results (Evaluation Report: **2017-OE-MAR1**);
- the 3-year recurring issues for the Office of Audit, ending fiscal year 2016 (Evaluation Report: **2017-OE-MAR2**); and
- the 3-year recurring issues for the Office of Investigation, ending fiscal year 2016 (Evaluation Report: **2017-OE-MAR3**).

CHAPTER 8 – JOINT CIVIL FRAUD INITIATIVES

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, 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	\$54,754,576
Recoveries and receivables for other entities	\$12,869,422
Recommendations that funds be put to better use	\$0
Civil actions	4

SINGLE FAMILY

HUD OIG assisted the U.S. Department of Justice, Washington, DC, and the U.S. Attorney's Office, Eastern District of Michigan, in the civil investigation of United Shore Financial Services, LLC. United Shore is a Federal Housing Administration (FHA)-approved mortgage lender with its principal place of business located in **Troy, MI**.

United Shore became an FHA-approved direct endorsement lender in March 1988. As a direct endorsement lender, United Shore was authorized by HUD to originate and underwrite mortgage loans on HUD's behalf, including determining a borrower's creditworthiness and whether the proposed loan met all applicable requirements. When a borrower defaults on an FHA-insured loan underwritten and endorsed by a direct endorsement lender, such as United Shore, the lender (or its representative) has the option of submitting a claim to HUD to compensate the lender for any loss sustained as a result of default. Therefore, once a mortgage loan is endorsed for FHA insurance, HUD insures the risk of the borrower's defaulting on that mortgage, which is realized if an insurance claim is submitted.

On December 28, 2016, United Shore entered into a settlement agreement with the Federal Government to pay \$48 million to avoid lengthy litigation of certain civil claims the Government stated that it had against United Shore. As part of the settlement, United Shore agreed that it engaged in certain conduct in connection with its origination, underwriting, quality control, and endorsement of single-family residential mortgage loans insured by FHA. As a result of United Shore's conduct, HUD insured loans approved by United Shore that were not eligible for FHA mortgage insurance under the direct endorsement program and that HUD would not otherwise have insured. (Audit Memorandum: **2017-CF-1803**; Joint Civil Fraud Division)

HUD OIG, in coordination with the U.S. Department of Justice's Civil Division and the U.S. Attorney's Office for the Northern District of Illinois' Eastern Division, conducted a joint review of the former president and founder of MDR Mortgage Corporation in **Palatine, IL**.

MDR Mortgage provided annual verifications to HUD in 2006, 2007, and 2008, certifying that none of its principals, owners, officers, directors, or employees were involved in proceedings that could result or had resulted in criminal conviction, debarment, suspension, or civil monetary penalty by a Federal, State, or local government. However, on April 7, 2005, the former president and founder of MDR Mortgage was indicted in the U.S. District Court for the Northern District of Illinois, Eastern Division. This indictment was not disclosed in the annual verifications. The U.S. Government later identified 237 loans that MDR Mortgage processed between January 2006 and August 2008 that had defaulted and resulted in claims paid by FHA. The U.S. District Court for the Northern District of Illinois found the former president and founder liable under the False Claims Act and Financial Institutions Reform, Recovery, and Enforcement Act for loans insured from 2006 through August 7, 2008, the period in which MDR Mortgage operated using the false verifications.

On November 23, 2016, a judgment of more than \$10 million was entered against the former president and founder of MDR Mortgage in favor of the U.S. Government. Of the more than \$10 million judgment, HUD's loss totaled more than \$3.4 million. (Audit Memorandum: **2017-CH-1801**; Office of Audit Region 5 and Office of Investigation Region 5)

HUD OIG assisted the U.S. Department of Justice, Washington, DC, and the U.S. Attorney's Office for the District of New Jersey in a civil investigation of Security National Mortgage Company. Security National is an FHA-approved mortgage lender with its principal place of business located in **Salt Lake City, UT**.

On September 22, 2016, Security National entered into a settlement agreement with the Federal Government to pay \$4.25 million to avoid lengthy litigation. As part of the settlement, Security National agreed that for 100 FHA-insured loans, it engaged in certain conduct in connection with its origination and underwriting of the loans. The settlement was neither an admission of liability by Security National nor a concession by the United States that its claims were not well founded.

As a result of Security National's conduct, HUD insured loans approved by Security National that were not eligible for FHA mortgage insurance and that HUD would not otherwise have insured. HUD incurred substantial losses when it paid insurance claims on the loans covered by the settlement agreement. (Audit Memorandum: **2017-CF-1802**; Joint Civil Fraud Division and Office of Investigation Regions 4, 5, and 7/8/10)

HUD OIG assisted the U.S. Department of Justice, Washington, DC, and the U.S. Attorney's Office, District of Colorado, in the civil investigation of Primary Residential Mortgage, Inc. Primary has its principal place of business in **Salt Lake City, UT**. Primary became an FHA-approved direct endorsement lender on October 15, 1998. The direct endorsement lender program authorizes private-sector mortgage lenders to approve mortgage loans for FHA insurance. As a result of Primary's conduct, HUD insured loans approved by Primary that were not eligible for FHA mortgage insurance under the direct endorsement program and that HUD would not otherwise have insured.

On September 30, 2016, Primary entered into a settlement agreement with the Federal Government to pay \$5 million to avoid the delay, uncertainty, inconvenience, and expense of lengthy litigation. Primary agreed that for 100 FHA-insured loans, it failed to follow all HUD requirements in connection with its origination, underwriting, and endorsement of the loans. The settlement was neither an admission of liability by Primary nor a concession by the United States that its claims were not well founded. (Audit Memorandum: **2017-CF-1801**; Joint Civil Fraud Division and Office of Investigation Regions 4 and 7/8/10)

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 588 hours to reviewing 151 issuances. The draft directives consisted of 93 notices, 18 mortgagee letters, and 40 other directives. OIG provided comments on 34 (or 23 percent) of the issuances, and nonconcurred on 7 but lifted 2. Of the 40 other directives, OIG reviewed 9 final rules. OIG had no position on the 9 rules. A summary of selected reviews for this 6-month period follows.

Notices, Policy Issuances, and Final Rules

SINGLE-FAMILY HOUSING

Loan review system – OIG reviewed a mortgagee letter and associated Handbook 4000.1 update announcing the implementation of a new loan review system. This review system will be used to manage Title II single-family loan reviews; monitoring reviews; and mortgagee self-reporting of fraud, misrepresentation, and other material findings. The review system will incorporate the Single Family Housing Loan Quality Assessment Methodology (defect taxonomy). OIG's audit of HUD's oversight of the directives process identified the defect taxonomy as an item for which HUD did not complete a full clearance review. Specifically, two of the six required reviewing offices did not provide comments, and the item was put into the clearance process after it was posted for public view. Although OIG did not have issues with the specific mortgagee letter and corresponding handbook update announcing the new loan review system, it commented that its position did not supersede or impact open OIG recommendations pertaining to the defect taxonomy. Mortgagee letter 2017-08 was issued March 23, 2017. The new loan review system will be implemented May 15, 2017.

PUBLIC AND INDIAN HOUSING

Operations notice for the expansion of the Moving to Work demonstration program solicitation of comment – On January 23, 2017, HUD published a notice soliciting comments. The operations notice establishes requirements for the implementation and continued operations of the Moving to Work (MTW) demonstration program under the 2016 MTW Expansion Statute. HUD seeks public comment on all aspects of the operations notice as well as on the topic of regionalization in the MTW demonstration. The 2016 MTW Expansion Statute authorizes HUD to expand the MTW demonstration program from 39 public housing agencies (PHA) to an additional 100 PHAs over 7 years. The PHAs will be added in groups (cohorts) that will be tasked to implement one specific policy change. The operations notice describes a new framework for the MTW demonstration that streamlines and simplifies HUD's oversight of participating PHAs while providing for rigorous evaluation of each specific policy change by cohort. A key feature of the new framework is that HUD will grant a set of general waivers to all MTW agencies when they are designated. In addition, HUD seeks to reduce the data collection and reporting requirements for PHAs under the new framework, focusing on financial data, basic program monitoring and performance assessment, and evaluation of the specific policy changes to be tested through each cohort.

Rental Assistance Demonstration: revised program notice – On January 19, 2017, HUD published a notice announcing further revisions to the Rental Assistance Demonstration program (RAD) and soliciting public comment on changes to some of the selection and eligibility criteria for conversions of public housing under the first component. The changes subject to notice and comment are (1) consolidating the selection priority categories for

new applications into two buckets – high investment applications and all other applications; (2) allowing PHAs to submit a simple letter of interest, rather than an application, when a waiting list has formed – a letter of interest would serve to reserve a project or portfolio’s position on the waiting list subject to future submission of a RAD application; and (3) making eligible an entire contiguous HOPE VI project that was developed in phases as long as the earliest phase is more than 10 years old.

MULTIFAMILY HOUSING

Improving previous participation reviews - On October 14, 2016, HUD published a final rule, FR-5850-F-04, which revises its regulations for reviewing the previous participation in Federal programs of certain participants seeking to take part in multifamily housing and healthcare programs. The rule clarifies and simplifies HUD’s process for reviewing the previous participation of participants that have decision-making authority over their projects as one component of HUD’s responsibility to assess financial and operational risk to the projects in these programs. The approach is not only to bring greater certainty and clarity to the process, but also greater flexibility, avoiding a one-size-fits-all approach.

Policy for amended and restated use agreement – On October 28, 2016, HUD published a housing notice, H 2016-16, which clarifies the circumstances under which a Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) use agreement may be amended and restated, the amendments that may be allowed, and the conditions that must be met in the proposed preservation transaction to be considered for approval. The notice also provides implementation guidance for the recent changes to LIHPRHA that were made when the Fixing America’s Surface Transportation Act, Public Law 114-94, was enacted in December of 2015. These changes will allow unlimited distributions of surplus cash and the release of all accumulated residual receipts to an owner upon request after HUD has determined that the statutory criteria have been met.

Establishing a more effective fair market rent system – On November 16, 2016, HUD published a final rule, FR-5855-F-03, which applies the use of small area fair market rents (FMR) in the administration of the Housing Choice Voucher program for certain metropolitan areas. This final rule provides for the use of small area FMRs, in place of the 50th percentile rent (the currently codified regulations), to address high levels of voucher concentration in certain communities. The use of small area FMRs is expected to give Housing Choice Voucher program tenants access to areas of high opportunity and lower poverty areas by providing a subsidy that is adequate to cover rents in those areas, thereby reducing the number of program families that reside in areas of high poverty concentration.

Narrowing the digital divide through installation of broadband infrastructure – On December 20, 2016, HUD published a final rule, FR-5890-F-02, which requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD, the point at which such installation is generally easier and less costly than when undertaken as a stand-alone effort with exceptions. Installing a unit-based broadband infrastructure in multifamily rental housing will provide a platform for individuals and families residing in such housing to participate in the digital economy and increase their access to economic opportunities.

HUD approval of requests for transfers of multifamily housing project-based rental assistance, HUD-held or insured debt, and income-based use restrictions – On January 19, 2017, HUD published a notice, FR-5967-N-01, which establishes the terms and conditions by which HUD will approve a request for the transfer of project-based rental assistance, debt held or insured by the HUD Secretary, and statutorily required income-based use restrictions from one multifamily housing project to another (or among several such projects). The 2016 appropriations act gives the Secretary the authority to approve transfer requests through 2017.

COMMUNITY PLANNING AND DEVELOPMENT

Effective November 3, 2016, HUD will begin collecting a fee from borrowers of loans guaranteed under HUD's Section 108 Loan Guarantee Program to offset the credit subsidy costs. The fee was necessitated by The Consolidated and Further Continuing Appropriations Act, 2015, and The Continuing Appropriations Act, 2016.

On November 21, 2016, HUD published a notice allocating \$500 million in Community Development Block Grant Disaster Recovery (CDBG-DR) funds appropriated by the Continuing Appropriations Act, 2017. The funding was to assist long-term recovery in Louisiana, Texas, and West Virginia. The notice also described applicable waivers and alternative requirements, relevant statutory provisions for grants provided under the notice, the grant award process, criteria for plan approval, and eligible disaster recovery activities.

On December 2, 2016, HUD published an interim final rule, which changed the method by which HUD complied with the statutory 24-month commitment requirement from a cumulative method to a grant-specific method. The rule also established a method of administering program income that prevents participating jurisdictions from losing appropriated funds when they spend program income.

On January 17, 2017, HUD granted a waiver to allow the Lower Manhattan Development Corporation (LMDC) to transfer property acquired and cleared with CDBG-DR funds in exchange for other property interests. HUD will allow LMDC to compensate its CDBG-DR for funds spent on acquisition and clearance of the properties through the long-term lease and purchase of other properties.

On January 18, 2017, HUD allocated more than \$1.8 billion in CDBG-DR funds appropriated by the Further Continuing and Security Assistance Appropriations Act, 2017, for assisting long-term recovery in Florida, Louisiana, North Carolina, South Carolina, Texas, and West Virginia. The funds are to be spent for disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2016 and occurring before December 10, 2016.

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 single-family fraud alert and three Office of Community Planning and Development (CPD) industry advisories, which are summarized below.

Appraiser Identity Theft – OIG uncovered a series of cases of appraiser identity theft. The schemes varied but resulted from someone using the State certification number of a Federal Housing Administration (FHA) roster appraiser. The FHA roster appraisers were unaware of the misuse until it came to light, usually by accident.

Implementing the Five Key Internal Controls – Internal controls are processes put into place by management to help an organization operate efficiently and effectively to achieve its objectives. Managers often think of internal

controls as the purview and responsibility of accountants and auditors. The fact is that management at all levels of an organization is responsible for ensuring that internal controls are set up, followed, and reviewed regularly.

Documenting the Life Cycle of a CPD Grant – The purpose of this bulletin is to make grantees and subrecipients aware of the impact that insufficient documentation can have on their grant programs and offer guidance on how to avoid these findings through the life cycle of a CPD grant.

Key Components of Financial Management for CPD Grants – Financial management is the systematic application of procedures, forms, rules of conduct, and standards. For a grantee or subrecipient in receipt of Federal funds, its financial management practices must comply with the cost principles established by the Office of Management and Budget. This bulletin is intended to identify components of a sound financial management system and offer guidance on avoiding some of the common challenges grantees face when managing Federal funds.

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 MARCH 31, 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. The OIG report found that HUD's implementation of the new cash management process for the Housing Choice Voucher program departed from Treasury 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 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 for 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 stated that in coordination with the Office of the Chief Information Officer, plans were being developed to address the recommendation. However, OIG had not been able to confirm HUD's plans, and a new proposal had not been made as of March 31, 2017. (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 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 the 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 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 OCFO'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 its 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. OIG is reviewing it at the time of this report.

OCFO submitted a management decision for the other recommendation on March 31, 2016. However, OIG disagrees with this management decision because OIG believes that HUD'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 in compliance 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 is reviewing it at the time of this report. (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 (OGC) and the Offices of Housing, Single Family Housing, and Finance and Budget on January 30, 2015. The meeting ended in disagreement; however, HUD OGC and the OIG Office of Legal Counsel continued discussions.

Single Family Housing received two legal opinions from HUD OGC, dated January 26, 2015, and February 24, 2015. 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 OGC, 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. (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 during the audit 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 March 31, 2017, the Deputy Secretary had not provided a decision. (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 the 14 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 servicer (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 Acting Deputy Secretary on March 6, 2017. As of March 31, 2017, OIG was awaiting a decision. (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

OIG audited HUD's consolidated financial statements and reported on deficiencies in the areas of (1) accounting for assets and liabilities for PIH programs in accordance with GAAP and FFMIA, (2) HUD's financial management governance structure and internal controls over financial reporting, (3) HUD's administrative control of funds system, and (4) compliance with the HOME Investment Partnership Act. HUD disagreed with several recommendations made in each of these areas, and OIG referred them to the Principal Deputy Assistant Secretary for Community Planning and Development, the Principal Deputy Assistant Secretary for Public and Indian Housing, and the Deputy Chief Financial Officer on April 21, 2016. However, OIG received a response on 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.

Accounting for assets and liabilities for PIH programs in accordance with GAAP and FFMIA: OIG reported that HUD had not reported on its financial statements cash advances made to Indian Housing Block Grant (IHBG) grantees who are authorized to invest funds drawn from their line of credit. This requirement is in accordance with GAAP. HUD disagrees because it believes that the use of funds for investment purposes is considered an immediate use for an authorized program purpose. In addition, most of HUD's argument is based on conclusions from the Tenth Circuit Court of Appeals and the U.S. Government Accountability Office (GAO) Redbook and does not consider GAAP at all. None of the references cited by HUD fall into the GAAP hierarchy outlined in OMB Circular A-136, Financial Reporting Requirements. In addition, IHBG grantees report their investments as "cash on hand" on OMB SF-425, in which the instructions state for cash on hand, "a recipient must compute the amount of Federal Cash on Hand due to undisbursed advance payments using the same basis that it uses in requesting the advances." OIG has repeatedly requested that OCFO provide its justification for not classifying these payments as

advances on its financial statements based on accounting principles. On March 29, 2017, OCFO submitted a revised position; however, OCFO still does not agree. OIG is reviewing OCFO's position.

OIG also reported that HUD is not recognizing the accounts payable 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 practice 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.

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. It could not accept the proposed management decisions because (1) OCFO 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.

HUD's administrative control of funds system: OIG reported that data changes were being made in HUD's Central Accounting and Program System (HUDCAPS) by OCFO systems without adequate documentation to support the justification, authorization, and approval of the change. HUD stated that the transition to the Oracle financial management service has resulted in Oracle Federal Financials now being the system of record instead of HUDCAPS and, therefore, this finding should be closed. While the transition occurred, changes to data in HUDCAPS can still be made, which has an impact on the data in Oracle Federal Financials. OIG has not received any new proposals on this matter.

Compliance with the HOME Investment Partnership Act: In prior-year audit reports, OIG reported that HUD was not in compliance with section 218(g) of the HOME statute because of the use of a cumulative method for determining compliance with commitment deadlines. OIG continued work in this area and recommended that HUD implement a payment recapture audit for the HOME Investment Partnerships Program to identify and recapture payments made as a result of the continued use of the cumulative method and to ensure that the impact of the cumulative method is included in the risk assessment process to evaluate the susceptibility to significant improper payments. HUD's management decision indicated that it would determine compliance with section 218(g) of the HOME statute even though GAO has already made a formal decision that HUD is not in compliance. In addition, HUD stated that it would implement a recapture plan after the results of the Antideficiency Act investigation even though the criteria for an Antideficiency Act violation and an improper payment differ. OIG does not agree that one is contingent upon the outcome of the other. In regard to inclusion in the risk assessment, HUD stated that the HOME program would be included and the risk assessment process would be reevaluated as part of a prior-year audit recommendation. However HUD did not specify whether the impact of the cumulative method to meet commitment deadlines in the HOME program would be included. As of March 31, 2017, no new proposals were submitted. (Audit Report: **2016-FO-0003**)

HUD DID NOT EFFECTIVELY NEGOTIATE, EXECUTE, OR MANAGE ITS AGREEMENTS UNDER THE INTERGOVERNMENTAL PERSONNEL ACT, ISSUE DATE: MARCH 30, 2016

HUD OIG audited HUD's implementation and oversight of the Intergovernmental Personnel Act (IPA or Act) mobility program because of deficiencies found in prior reviews of two IPA assignments.¹² The audit objectives were to determine whether (1) HUD's use of IPA agreements met the purpose and intent of the IPA mobility program, (2) HUD's policies and procedures related to IPA agreements were adequate to ensure that its agreements met requirements and established proper oversight and monitoring of the personnel and activities involved, and (3) HUD used IPA agreements to circumvent other requirements.

HUD failed to ensure that its IPA agreements met the purpose of the Act because (1) it did not have sufficient policies and procedures for negotiating, reviewing, and executing agreements; (2) its staff ignored requirements and altered standard documents; and (3) it did not disclose information to decision makers. OIG found that HUD abused the IPA mobility program by circumventing other hiring authorities and had no assurance that the agreements were in HUD's best interest, negotiated at a reasonable cost, or free from conflicts of interest. In addition, HUD did not properly manage the assignees. This condition occurred because HUD did not have a central means of tracking assignees or promptly outprocessing them when they left the program. These shortcomings made HUD vulnerable to security threats.

OIG addressed the report to the Deputy Secretary and recommended that HUD establish an independent, central point of review for IPA agreements to ensure that they are reasonable, meet requirements, and avoid potential conflicts of interest. Further, OIG recommended that the HUD OGC review all IPA agreements before their effective dates. In addition, HUD should ensure that all IPA assignees receive required training and that it promptly outprocesses them when they leave. HUD should also follow procedures to address the payment of nearly \$225,000 in ineligible costs for two invalid IPA agreements and require outside organizations to support or repay nearly \$50,000 in unsupported payments.

On July 29, 2016, HUD proposed management decisions for the recommendations. While HUD addressed many of the deficiencies in the report, OIG could not agree with a number of HUD's management decisions because the evidence for closure was insufficient or there were mistakes in the final action target dates. In addition, OIG substantively disagreed with management decisions for five recommendations:

- 1) Recommendation 1A - Establish a central point of review and authority for IPA agreements.
- 2) Recommendation 1F - Resubmit its revised IPA policy for departmental clearance.
- 3) Recommendation 2A - Establish points of responsibility for oversight and monitoring of personnel assigned to HUD under the IPA.
- 4) Recommendation 2C - Provide formal performance appraisals for IPA assignees.
- 5) Recommendation 2E - Establish controls to ensure IPA assignees receive required information technology security awareness training.

¹² Audit Memorandum 2014-FW-0801, Potential Antideficiency Act Violations Intergovernmental Personnel Act Agreements, dated May 30, 2014, and Audit Memorandum 2015-FW-0801, Intergovernmental Personnel Act Appointment Created an Inherent Conflict of Interest in the Office of Public and Indian Housing, dated January 20, 2015

For each of the five recommendations, OIG disagreed with HUD's proposed actions because they (1) were insufficient to prevent further abuse and mismanagement of IPA assignments, (2) failed to provide transparency to its procedures, and (3) did not ensure the security of its information systems. After discussion with HUD, OIG rejected all of the management decisions on August 18, 2016, and asked HUD to make revisions and provide additional information. On September 30, 2016, OIG referred the recommendations to the Deputy Secretary. Although OIG continued to work with HUD to revise these management decisions, as of March 31, 2017, HUD had not submitted management decisions. (Audit Report: **2016-FW-0001**)

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 oversight of property acquisition and disposition activities.

The OIG report included a recommendation (1C) that the Deputy Assistant Secretary for Grant Programs develop and implement controls to ensure that HUD expeditiously takes action to enforce grantee compliance with monitoring findings or pursue one of the established remedies for noncompliance. It also included a recommendation (1G) 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 Acting Deputy Assistant Secretary for Grant Programs proposed management decisions for both recommendations on December 22, 2016. However, after discussions with HUD, OIG rejected the proposed management decision for recommendation 1C because it did not directly address the development and implementation of controls as recommended. OIG also rejected the proposed management decision for recommendation 1G 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 decisions as acceptable alternative actions, OIG requested clarification and documentation from HUD. However, HUD had not provided the requested information and documentation by the end of the reporting period.

OIG referred these recommendations to the Acting Assistant Secretary for Community Planning and Development on March 30, 2017. (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's DATA Act Playbook to determine whether HUD is positioned to meet the statutory May 2017 deadline. 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 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, stating that the challenges encountered by HUD were not unique to HUD and affected all agencies. Additionally, OCFO stated that it was implementing corrective actions related to current USASpending data and legacy system data quality issues, which included 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 believed it was 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® U.S. Federal Financials. Further, although OCFO stated that HUD had a team working on corrective actions for data quality issues, OIG was not provided sufficient evidence and assurance on how the corrective actions would resolve data reliability issues identified during its 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 Acting Deputy Secretary for decision. (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 certifications of State disaster grantee procurement processes were accurate and supported. The OIG report 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 2013.¹³

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 former Deputy Secretary in her decision regarding resolution of recommendations from OIG's audit of New Jersey's Sandy Integrated Recovery Operations and Management System.¹⁴ In the January 10, 2017, decision, the Deputy Secretary wrote that the State certified that its procurement standards were equivalent to the 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 Acting Deputy Secretary on March 31, 2017. (Audit Report: **2016-PH-0005**)

¹³ Public Law 113-2, dated January 29, 2013

¹⁴ 2015-PH-1003, dated June 4, 2015

THE STATE OF NEW JERSEY DID NOT DISBURSE DISASTER FUNDS TO ITS CONTRACTOR IN ACCORDANCE WITH HUD, FEDERAL, AND OTHER APPLICABLE REQUIREMENTS, ISSUE DATE: SEPTEMBER 30, 2016

HUD OIG audited the State of New Jersey's CDBG-DR-funded Superstorm Sandy Housing Incentive Program contract. OIG conducted the audit because the contract involved more than \$67.7 million in grant funds, was critical to the implementation of three of the State's disaster programs, and was terminated less than 1 year into the 3-year contract term. OIG's objective was to determine whether the State disbursed disaster funds to its contractor in accordance with HUD, Federal, and other applicable requirements for costs that were eligible, supported, reasonable, and necessary.

OIG found that the State did not ensure that (1) disbursements met a national objective, (2) expenses were incurred after the contract was executed, (3) other direct costs were fully supported and the prices paid were fair and reasonable, (4) labor costs were fully supported, (5) travel costs were fully supported, and (6) disbursements were for costs that were reasonable and necessary. Further, the State did not show that it properly managed equipment purchased with disaster funds. These conditions occurred because the State did not have adequate controls in place to administer its contract and monitor contract performance and was not fully aware of Federal procurement and cost principle requirements. As a result, HUD did not have assurance that the nearly \$43.1 million disbursed under the contract was for costs that were eligible, supported, reasonable, and necessary.

The report included five recommendations for the Deputy Assistant Secretary for Grant Programs to direct the State to provide documentation to show that disbursements complied with applicable requirements or repay any amounts that it could not support and one recommendation for the State to repay HUD for ineligible disbursements. The Acting Deputy Assistant Secretary for Grant Programs provided proposed management decisions for all of the recommendations on February 14, 2017. HUD agreed to take corrective action on the recommendations. However, HUD noted that the audit did not reflect applicable Federal procurement and cost principle requirements because States were not required to follow 24 CFR 85.36. HUD stated that if the State cannot show that the amounts associated with the recommendations complied with requirements, it will take one or more actions to prevent a continuation of the deficiencies, as outlined in 24 CFR 570.495. Further, if HUD takes one or more of the remedies in 24 CFR 570.495 and finds that the State does not make an appropriate or timely response, it will pursue one or more of the remedies found in 24 CFR 570.496.

Although OIG agrees with HUD's plan to review the documentation provided by the State, it does not agree with HUD's planned remedies. The remedies in 24 CFR 570.495 and 24 CFR 570.496 include several options that do not require repayment from non-Federal funds. OIG rejected the proposed management decisions on March 27, 2017. To satisfy the recommendations, HUD needs to agree that if the State is unable to show that amounts associated with the recommendations complied with requirements, it must repay HUD from non-Federal funds any amount that it cannot support.

OIG continues to assert that requirements at 24 CFR 85.36 were applicable to the State because its procurement procedures needed to be equivalent to these Federal standards. The State's process was not equivalent to the requirements for a cost estimate and cost analysis in 24 CFR 85.36 because the State did not develop a measure for evaluating the reasonableness of contractors' proposed costs or prices and for evaluating the separate elements that made up the contractors' total costs.

OIG referred these recommendations to the Acting Assistant Secretary for Community Planning and Development on March 31, 2017. (Audit Report: **2016-PH-1009**)

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 has one report in which there were significantly revised management decisions.

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 IPERA. OIG found that HUD did not comply with IPERA reporting requirements. In addition, PIH's and Multifamily Housing'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 prevention, detection, and recovery of improper payments caused by rent component and billing errors, which are root causes identified by HUD's contractor studies. Therefore, OIG recommended that these program offices reassess their corrective actions and develop management-level reports in the Enterprise Income Verification system to allow management to efficiently and effectively identify processing entities that are responsible for improper payments.

In 2014, PIH agreed with OIG's recommendations, and OIG accepted its management decisions. However, as PIH tried to implement its action plans, it realized that to fully address these recommendations, it needed to make several business process improvements, completely redesign its income verification tool, and train PHAs and staff on its new processes. PIH submitted two new management decisions with milestones for completing these items, and OIG accepted these management decisions on March 14, 2017. While this has extended the date for completion, OIG believes that this approach is more holistic and will put PIH in a better place to efficiently and effectively reduce improper payments. (Audit Report: **2014-FO-0004**)

SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

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

THE NIAGARA FALLS HOUSING AUTHORITY DID NOT ALWAYS ADMINISTER ITS HOPE VI GRANT PROGRAM AND ACTIVITIES IN ACCORDANCE WITH HUD REQUIREMENTS, ISSUE DATE: JULY 10, 2014

HUD OIG audited the Niagara Falls Housing Authority's HOPE VI grant program based on an OIG risk analysis and the amount of funding the Authority received. The objectives of the audit were to determine whether the Authority administered its HOPE VI grant program and activities in accordance with HUD and HOPE VI grant program requirements.

The Authority did not always administer its HOPE VI grant program and activities in accordance with requirements. Specifically, contrary to Federal regulations and the HOPE VI grant agreement, Authority officials drew more HOPE VI funds from HUD's Line of Credit Control System than were needed to cover project expenditures. OIG recommended that HUD instruct Authority officials to (1) reimburse the U.S. Treasury for approximately \$1.5

million in HOPE VI funds drawn in excess of need to cover project expenditures and (2) establish procedures to ensure that program funds are drawn in accordance with the grant agreement and regulations.

The Office of Public Housing Investments (OPHI) disagreed with recommendations 1A, 1B, and 1C and believed the funds questioned by OIG were non-Federal cost savings, which could be better used for HOPE VI-eligible activities in the Center Court neighborhood. OPHI believed there was no authority to require non-Federal cost savings to be returned to the U.S. Treasury. OIG disagrees with the proposed management decisions for recommendations 1A, 1B, and 1C and believes that all of the questioned funds should be returned to the U.S. Treasury absent a suitable legal opinion. As a result of November 25, 2014, discussions with OIG, OPHI agreed to obtain a legal determination from HUD OGC regarding the proposed management decisions. On March 26, 2015, OIG referred the disagreement to the Acting Assistant Secretary for Public and Indian Housing as a legal determination had not been provided.

On April 28, 2015, the Associate General Counsel, Office of Assisted Housing and Community Development, provided an opinion on the proposed management decisions and the related OIG concerns. This opinion concluded that approximately \$1.5 million in questioned costs was program income under the definition of excess income and did not have to be repaid to the U.S. Treasury.

The Counsel to the Inspector General reviewed the OGC opinion and agreed that the OIG recommendations should be retained, the questioned costs were not program income, and the interest earned on these funds was also not program income. Also, exhibit H of the annual contributions contract amendment would have required program income to have been spent before the HOPE VI funds were drawn down. Because unspent HOPE VI grant funds are no longer available for expenditure, funds returned to HUD must be returned to the U.S. Treasury.

On August 13, 2015, OIG referred the disagreement on the management decisions to the Deputy Secretary for a decision as the departmental audit resolution official.

On January 19, 2017, the Deputy Secretary provided a final decision on the management decisions and concluded that the Authority is not required to return the funds to the U.S. Treasury. The decision noted that the remaining funds are excess income (program income) and that the Authority could have amended its budget and revitalization plan to use these funds for additional betterments to the previous phases or for other purposes that benefit the project residents or the development.

OIG closed the recommendations with disagreement. In its various responses to resolve the audit, HUD's Office of Public Housing, OGC, and the Deputy Secretary redefined the funds as program income and ignored expenditure deadline requirements that would have required that the funds be repaid and remitted to the Treasury. OIG maintains that HUD's characterization of the funds as program income is unsupported and that its actions have violated the intent of the HOPE VI grant agreement and 31 U.S.C. (United States Code) 1552. (Audit Report: **2014-NY-1007**)

THE STATE OF NEW JERSEY DID NOT COMPLY WITH FEDERAL PROCUREMENT AND COST PRINCIPLE REQUIREMENTS IN IMPLEMENTING ITS DISASTER MANAGEMENT SYSTEM, ISSUE DATE: JUNE 4, 2015

HUD OIG audited the State of New Jersey's CDBG-DR-funded Sandy Integrated Recovery Operations and Management System. OIG determined that the State did not procure services and products for its system in

accordance with Federal procurement and cost principle requirements. It did not do so because its procurement process was not equivalent to Federal procurement standards. Specifically, it did not prepare an independent cost estimate and analysis before awarding the system contract to the only responsive bidder. Further, it did not ensure that option years were awarded competitively and included provisions in its request for quotation that restricted competition. Also, the State did not ensure that software was purchased competitively and that the winning contractor had adequate documentation to support labor costs charged by its employees. As a result, the State did not show that the more than \$38.5 million contract price and options years totaling nearly \$21.7 million were fair and reasonable and that the more than \$1.5 million it disbursed was adequately supported. The State began taking corrective actions during the audit and began providing documentation to resolve these deficiencies. HUD needed to assess the documentation to determine the appropriateness of all contract costs.

The OIG report included five recommendations (1A, 1B, 1C, 1D, and 1E) for HUD's Deputy Assistant Secretary for Grant Programs. The Deputy Assistant Secretary for Grant Programs provided proposed management decisions for all of the recommendations. OIG concurred with the proposed management decision for recommendation 1D. However, for recommendations 1A, 1B, 1C, and 1E, HUD maintained that it had an ongoing disagreement with OIG regarding the applicability of the procurement regulations at 24 CFR 85.36 to State CDBG-DR grantees. HUD also disagreed with OIG concerning the interpretation of the March 5, 2013, Federal Register notice for CDBG-DR grants under Public Law 113-2, which provided that States must have fiscal and administrative requirements for spending and accounting for all funds. HUD contended that the requirements at 24 CFR 85.36, including the cost estimate requirements, do not apply to States unless a State elects to adopt the provisions at 24 CFR 85.36 as its procurement standards. Otherwise, the State must comply with regulations at 24 CFR 570.489 and follow its procurement policies and procedures.

OIG rejected the proposed management decisions for recommendations 1A, 1B, 1C, and 1E because they did not meet the intent of the recommendations. On March 29, 2016, OIG referred the recommendations to the Deputy Secretary for a decision. On January 10, 2017, the Deputy Secretary provided a final decision. The Deputy Secretary stated that since the State did not adopt the procurement standards in 24 CFR 85.36 and instead followed its own procurement standards, the standards at 24 CFR 85.36 did not apply to the State and could not be used as a basis for OIG findings and recommendations. Because all of the recommendations cited 24 CFR 85.36 as their basis and these regulations were inapplicable to the State, the Deputy Secretary found that there was no basis for the OIG finding and recommendations 1A, 1B, 1C, and 1E. Therefore, these recommendations warranted no further action other than closing them out.

OIG disagrees with the Deputy Secretary's decision. 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 based on its certification to HUD, and (2) OIG asserts that the applicability of 24 CFR 85.36 was not the only basis for the recommendations in the audit report and believes that the Deputy Secretary's decision did not consider the other bases of the recommendations, such as regulations at 2 CFR Part 225 that address factors affecting the allowability of costs, including the need for costs to be reasonable and necessary, and the contract that required the contractor to include copies of at least three quotes when submitting invoices for payment of direct costs. To satisfy recommendations 1A, 1B, and 1C, HUD needed to assess whether the documentation the State provided and any additional documentation it provided after the audit were adequate to show that prices were fair and reasonable..

OIG closed the recommendations with disagreement but maintains that the standards at 24 CFR 85.36 applied to the State because its procedures needed to be equivalent to these Federal standards and the Deputy Secretary's decision did not consider the other bases for the recommendations. (Audit Report: **2015-PH-1003**)

LOANDEPOT'S FHA-INSURED LOANS WITH DOWNPAYMENT ASSISTANCE FUNDS DID NOT ALWAYS MEET HUD REQUIREMENTS, ISSUE DATE: SEPTEMBER 30, 2015

LOANDEPOT'S FHA-INSURED LOANS WITH GOLDEN STATE FINANCE AUTHORITY DOWNPAYMENT ASSISTANCE GIFTS DID NOT ALWAYS MEET HUD REQUIREMENTS, ISSUE DATE: SEPTEMBER 30, 2015

In fiscal year 2015, HUD OIG completed three audits of two lenders, NOVA Financial and Investment Corporation and loanDepot LLC, which disclosed that FHA-insured loans with downpayment assistance funds did not always meet HUD requirements. While the Deputy Secretary rendered a decision on the NOVA audit in May 2016, that decision did not include loanDepot. OIG strongly disagreed with the Deputy Secretary's decision on NOVA and noted its disagreement at that time and in the last Semiannual Report to Congress. However, the Deputy Secretary essentially reaffirmed HUD's position when it rendered similar decisions on the loanDepot audits on January 19, 2017. The overarching issue of borrower-financed downpayment assistance is still in disagreement between HUD and OIG.

HUD OIG audited loanDepot based on the results of a previous audit of NOVA and a referral from HUD's Quality Assurance Division detailing a separate lender that originated FHA-insured loans that had ineligible downpayment assistance gifts. The HUD OIG analysis identified loanDepot as a lender with high FHA origination volume in the geographic region that participated in similar downpayment assistance gift and secondary financing programs.

OIG found that loanDepot's FHA-insured loans with downpayment assistance gift funds and secondary financing did not always comply with HUD requirements, putting the FHA insurance fund at unnecessary risk, including potential losses of nearly \$5 million for 53 loans with ineligible assistance and \$29.9 million for a projected 339 loans that likely had ineligible assistance. Projecting forward 1 year, at the time of the audit, this was equivalent to more than \$25 million in potential losses for loans that could have ineligible assistance and have a higher risk of loss in the first year. Also, loanDepot inappropriately charged borrowers nearly \$26,000 in fees that were not customary or reasonable and nearly \$47,000 in discount fees that did not represent the purpose of the fee. The ineligible loans put borrowers at a disadvantage because of higher monthly mortgage payments imposed on them by a premium interest rate.

OIG did a second audit of loanDepot's FHA-insured loans with Golden State Finance Authority downpayment assistance gifts, which again disclosed that loanDepot did not always comply with HUD requirements. This action put the FHA insurance fund at unnecessary risk, including potential losses of nearly \$6 million for 62 loans with ineligible gifts and more than \$16 million for 178 loans that likely contained ineligible gifts. Projecting forward 1 year, this is equivalent to nearly \$16 million in potential losses for loans that would have ineligible gifts and a higher risk of loss in the first year. Also, loanDepot inappropriately charged borrowers nearly \$14,000 in fees that were not customary or reasonable. As OIG determined in the first audit, the ineligible loans put borrowers at a disadvantage because of higher monthly mortgage payments, including the burden of funding the downpayment assistance program through premium interest rates.

The audits reviewed downpayment assistance gifts in which (1) downpayment assistance gift funds were indirectly derived from a premium-priced mortgage and (2) the gifts were not true gifts but were repaid by the borrower through higher interest rates and fees. Because downpayment assistance programs are intended to help creditworthy families obtain housing they might not otherwise obtain, OIG found downpayment assistance programs structured to repay the downpayment assistance at the expense of the borrowers to be objectionable.

Among other things, OIG recommended that HUD require loanDepot to (1) stop originating FHA loans with ineligible downpayment assistance, (2) indemnify HUD for the FHA loans that were originated with ineligible downpayment assistance, (3) reimburse borrowers for misrepresented discount fees and fees that were not customary or reasonable, (4) reduce the interest rate for borrowers who received ineligible downpayment assistance, and (5) reimburse borrowers for overpaid interest as a result of the premium interest rate.

The Office of Single Family Housing disagrees with OIG's conclusions that the downpayment assistance provided by housing finance agencies through premium pricing is not consistent with established law, guidance, and practice. Single Family Housing believes that the downpayment assistance funding mechanisms used are not premium pricing, nor do they violate FHA guidance regarding downpayment assistance by government entities. Single Family Housing stated that premium pricing is defined only as a higher interest rate in exchange for a credit to be applied toward a borrower's closing costs or other prepaid items. Single Family Housing repeated that there are no restrictions on how a government entity may fund its downpayment assistance programs. It considers the downpayment assistance funding mechanisms to be permissible. These mechanisms include generating funds through capital market vehicles, which may result in a negotiated interest rate that is higher than a negotiated interest rate for mortgage loans without downpayment assistance.

In response to OIG's audit report on NOVA, Single Family Housing publicly issued a letter to the lending industry, dated July 20, 2015. The letter reaffirmed FHA's support for certain downpayment assistance programs, like those run by State housing finance agencies. It further stated that the intent of HUD rules regarding downpayment assistance is clear and allows housing finance agencies the discretion necessary to fund these programs appropriately. On August 11, 2015, before an audit resolution or substantive discussions between Single Family Housing and OIG, HUD publicly issued a HUD OGC legal opinion. OGC determined that neither HUD's Interpretative Rule Docket No. FR-5679-N-01 nor Mortgagee Letter 2013-14 placed restrictions on how a government entity may fund its downpayment assistance programs. According to this opinion, FHA's rules and guidance do not place restrictions or prohibitions on how a government entity raises funds to support its downpayment assistance programs. Further, the use of funds derived from the sale of a mortgage with a higher than market interest rate does not constitute premium pricing. In addition, HUD OGC cited that there is no violation of FHA restrictions on premium pricing when the rates agreed upon by the borrower and lender are generally the rates available to borrowers participating in downpayment assistance programs. HUD OGC concluded that it found no basis to challenge the legality of the downpayment assistance programs.

OIG recognizes that housing finance agencies provide home-ownership opportunities to low- and moderate-income families and does not disagree with Interpretative Rule Docket No. FR-5679-N-01 and Mortgagee Letter 2013-14 that housing finance agencies, as instrumentalities of State or local governments, may provide downpayment assistance. The audit reports did not dispute that housing finance agencies are an acceptable source of funds. However, FHA loans that contain downpayment assistance from a housing finance agency must meet all HUD requirements, including those on premium pricing and the definition of gift funds.

The lenders were obligated to conduct due diligence to ensure that planned downpayment assistance gifts met the requirements described in HUD Handbook 4155.1. OIG determined that the FHA loans with downpayment assistance did not meet all HUD requirements, specifically those governing premium pricing and gift funds. Neither HUD's Interpretative Rule Docket No. FR-5679-N-01 nor its related Mortgagee Letter 2013-14 contemplate the use of premium pricing by a lender to reimburse the housing finance agency. The Housing and Economic Recovery Act of 2008 amended section 203(b)(9)(C) of the National Housing Act to preclude the abuse of the program when a seller (or other interested or related party) funded the home buyer's cash investment after the closing by reimbursing third-party entities; specifically, private nonprofit charities. Similarly, it would be contrary to the intended purpose of the Housing and Economic Recovery Act to allow a local government entity to do the same thing.

On December 1, 2015, the Office of Housing issued a response to OIG’s NOVA referral to the Principal Deputy Assistant Secretary for Housing. In its response, Housing upheld the decision of Single Family Housing in disagreeing with OIG’s determinations. The decision points to the HUD OGC legal opinion. Housing also stated that downpayment assistance programs, such as the ones administered by NOVA, are key instruments in FHA’s efforts to make affordable home ownership available to households that otherwise would be shut out of the housing market. OIG continued to disagree with HUD’s stance on the issue and referred the NOVA audit recommendations to the Deputy Secretary on December 15, 2015. After many discussions and meetings with HUD and OIG officials, the Deputy Secretary rendered a decision on the NOVA audit on May 25, 2016, which generally stated that the downpayment assistance program as described in the audit is permissible under law and that OIG has not established a violation of any FHA rules and regulations. Further, the Deputy Secretary concluded that the “prohibited sources” provisions of section 203(b)(9)(C) of the National Housing Act do not mandate the conclusion that government entities are prohibited sources of downpayment assistance in connection with FHA-insured mortgages, regardless of how such entities generate their funds. Consequently, the Deputy Secretary directed the recommendations to be closed with no further action except for one recommendation, which directed FHA to review and, as appropriate, update its guidance, including any internal control checklists, to include FHA rules and regulations governing downpayment assistance, premium interest rates, and allowable fees.

OIG, however, noted its strong disagreement with the Deputy Secretary’s decision and contended that it has a number of inaccuracies and relies heavily on HUD OGC’s legal opinion, which OIG believes is flawed. Despite OIG’s clear disagreement, the Deputy Secretary failed to reconsider HUD’s position and rendered a similar decision on the two loanDepot audits on January 19, 2017. Both the decision and legal opinion considered only the primary FHA mortgage transaction and failed to consider the significant role played by the secondary market transaction after loan closing. It is the secondary market transaction that allows housing finance agency reimbursement and predetermines the nonnegotiable premium interest rate that is unfairly imposed on FHA borrowers. While OIG does not take issue with the legality of downpayment assistance programs in general, it is OIG’s position that the downpayment assistance program structure in which the funding is provided or reimbursed by a party that benefits financially from the transaction is not legal under the National Housing Act. (Audit Reports: **2015-LA-1009** and **2015-LA-1010**)

FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT OF 1996

In fiscal year 2016, OIG noted that HUD’s financial management system continued its noncompliance with the three FFMIA, section 803(a), elements. HUD’s continued noncompliance was largely due to New Core implementation challenges, improper accounting practices, and a reliance on different legacy financial systems and their requisite limitations.

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.

Like many other agencies, HUD has struggled to modernize its legacy financial systems. 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 2016, HUD continued the phased transition of key financial management functions to a Federal shared service provider (FSSP), the U.S. Department of the Treasury, Bureau of Fiscal Service’s Administrative Resource Center (ARC).

HUD experienced significant information processing and data quality challenges following the transition of key financial management functions to ARC with release 3 of the New Core Project on October 1, 2015. Specifically, OIG noted unresolved data conversion errors totaling more than \$9 billion. Inaccurate reports and ineffective controls between HUD and FSSP systems through the New Core Interface System (NCIS) contributed to HUD's 2016 FFMIA noncompliance. Following the implementation of release 3, HUD relied and will continue to rely on legacy applications (such as HUDCAPS) as the authoritative data source for program-related financial data. HUD delayed implementation of the NCIS automated reconciliation tool for the first 9 months of fiscal year 2016 and failed to conduct manual reconciliations, adding to the data quality issues. Initial reports from the reconciliation tool, when it was implemented in June 2016, identified \$4.5 billion in differences between HUD's legacy applications and the general ledger maintained by ARC. While HUD has been working to address the many postdeployment issues, additional work is required. In April of 2016, HUD ended the New Core Project with the closeout of the release 3 implementation. HUD decided that it would continue to use ARC's systems and services for the capabilities that had already been delivered but would not transition to shared services as a means for achieving the remaining New Core capabilities. HUD will need to address weaknesses related to its IT governance and project management practices as it continues to modernize its IT systems.

HUD's noncompliance with the three section 803(a) elements of FFMIA also relates to issues not associated with the recent FSSP transition. HUD's Integrated Disbursement and Information System (IDIS) does not comply with applicable Federal accounting standards or the USSGL at the transaction level. The Office of Community Planning and Development (CPD) is the system owner of IDIS, and the system is FFMIA noncompliant largely due to the use of the first-in, first-out (FIFO) method to account for disbursements from fiscal year 2014 and prior-year grants. While CPD has made progress in addressing this issue for fiscal year 2015 grants and forward, funding constraints and complexities in removing the cumulative method of accounting to meet HOME program commitment rules have delayed completion of the IDIS remediation plan. The plan also includes additional adjustments to the system that are needed to ensure accurate accounting at the USSGL transaction level. To fully remediate this weakness, FIFO will need to be removed retroactively, and the system needs to be completely configured to support USSGL transaction-level accounting. OIG plans to assess the status of HUD's IDIS remediation efforts during the course of the fiscal year 2017 audit.

As of September 30, 2016, HUD reported that the Ginnie Mae Financial and Accounting System (GFAS) was not compliant with FFMIA. OIG noted continuing noncompliance with the three elements of FFMIA within HUD's Ginnie Mae component. GFAS is not compliant with FFMIA primarily due to four material weaknesses related to Ginnie Mae's internal controls over financial reporting and its inability to properly account for its loan portfolio. Ginnie Mae remains unable to support key financial statement line items related to its nonpooled loans portfolio acquired from defaulted issuers. Ginnie Mae's challenges stem from its lack of a financial system (or systems) capable of recording loan-level transaction details in compliance with GAAP accounting requirements. OIG issued a disclaimer of opinion on Ginnie Mae's 2016 financial statements due to its continued inability to support nonpooled loan portfolio balances totaling \$4.2 billion and \$5.2 billion, net, as of September 30, 2016 and 2015, respectively.¹⁵

OIG also noted that, despite progress, Ginnie Mae had not completely resolved deficiencies related to its recording of contract obligations. To remediate its FFMIA noncompliance, Ginnie Mae will need to address its loan and budgetary accounting weaknesses.

¹⁵ Audit of the Government National Mortgage Association's Financial Statements for Fiscal Years 2016 and 2015 (Restated), Audit Report 2017-FO-0001, November 14, 2016; <https://www.hudoig.gov>

As of September 30, 2016, HUD reported that three Office of the Chief Procurement Officer (OCPO) procurement systems, the HUD Procurement System (HPS), Small Purchase System (SPS), and HUD Integrated Acquisition Management System (HIAMS), were not substantially compliant with FFMIA. These systems have been replaced, and OCPO needs to perform procurement closeout actions in HPS and HIAMS and validate SPS data before decommissioning. HUD hopes to complete decommissioning for these three systems during fiscal year 2017.

In addition to the specific financial system weaknesses identified above, there are material weaknesses stemming from a lack of systems and deficiencies related to manual accounting processes. For example, current material weaknesses include cash management processes implemented by PIH that do not comply with FFMIA requirements.

CHAPTER 11 – WHISTLEBLOWER OMBUDSMAN PROGRAM

Whistleblowers play a critical role in keeping our Government honest, efficient, and accountable. The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD 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'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. All HUD employees attended mandatory whistleblower training in October 2016, in conjunction with the agency's annual ethics training. The training was presented live and then posted on HUD's whistleblower web page. Secretary Castro, consistent with his emphasis on this program, introduced the training and stressed its importance.

Training sessions were also held for all HUD OIG staff, managers, and senior executives in June and July 2016, with Inspector General Montoya providing introductory remarks stressing his view of the importance of the program. Training videos were also retained on HUD OIG whistleblower and ethics websites. This training normally occurs during this semiannual reporting period but is provided with annual ethics training, which was conducted earlier in 2016 to offer guidance on the Hatch Act in an election year. In addition, whistleblower training is incorporated into HUD's new employee training. HUD OIG's Whistleblower Ombudsman also provided information on an individual basis to HUD and HUD OIG employees seeking to understand their rights and options as whistleblowers. HUD OIG is in the process of obtaining 2302(c) certification from the Office of Special Counsel for its whistleblower training program. This certification is voluntary and held by approximately 20 percent of Federal OIGs.

Although not statutorily mandated, HUD OIG's Whistleblower Ombudsman also provided information to potential whistleblowers under the National Defense Authorization Act (41 U.S.C. (United States Code) 4712) Pilot Program (NDAA Program), which extended whistleblower protections to employees of Federal contractors, subcontractors, and grantees. In addition, if a grantee's or contractor's employee believes he or she has been retaliated against for whistleblowing, the employee may submit a complaint to OIG, and OIG will review and investigate those complaints.

It is HUD OIG's practice generally to refer HUD employees with whistleblower retaliation complaints to the Office of Special Counsel (OSC). HUD OIG does not track these matters unless OSC 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 under the NDAA Program.

The table below provides further information on those complaints.

Number of complaints received	50
Number of complainants asserting whistleblower status¹⁶	50
Complaints referred for investigation to the HUD OIG Office of Investigation (OI)	21
Complaint investigations opened by OI	21
Complaints declined by OI	0
Complaints currently under review by OI	15
Employee complaint investigations closed by OI	6

¹⁶ 29 cases were referred to the hotline and determined to not have whistleblower status. Many complainants raise questions regarding treatment by housing authorities following alleging wrongdoing by the same housing authority. They define themselves as whistleblowers but are not employees of the housing authority. These complaints are referred to our 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 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>.

OFFICE OF INVESTIGATION

PEER REVIEW CONDUCTED BY HUD OIG ON SSA OIG

HUD OIG conducted an external peer review of the U.S. Social Security Administration (SSA) OIG, Office of Investigation, and issued a final report on August 12, 2013. HUD OIG determined that SSA OIG complied with applicable quality standards established by the Council of the Inspectors General on Integrity and Efficiency and the Attorney General's guidelines.

PEER REVIEW CONDUCTED ON HUD OIG BY DOJ OIG

The U.S. Department of Justice (DOJ) OIG conducted a peer review of the HUD OIG, Office of Investigation, and issued a final report on April 28, 2014. DOJ 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.

APPENDIX 2 – AUDIT REPORTS ISSUED

Internal Reports

AUDIT REPORTS	
Chief Financial Officer	
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. Better use: \$500,689,142.
2017-FO-0004	Fiscal Years 2016 and 2015 (Restated) Consolidated Financial Statements Audit, 11/18/2016.
2017-FO-0005	HUD's Fiscal Years 2016 and 2015 (Restated) Consolidated Financial Statements Audit (Reissued), 03/01/2017.
Chief Procurement Officer	
2017-BO-0001	HUD's OCPO Did Not Always Comply With Acquisition Requirements When Planning and Monitoring Major Service Contracts, 03/22/2017. Questioned: \$21,535,180. Better use: \$9,645,864.
Deputy Secretary	
2017-DP-0001	HUD's Transition to a Federal Shared Service Provider Failed To Meet Expectations, 02/01/2017.
Government National Mortgage Association	
2017-FO-0001	Audit of Fiscal Years 2016 and 2015 (Restated) Financial Statements, 11/14/2016. Better use: \$248,016,624.
Housing	
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. Questioned: \$341,230. Unsupported: \$341,230. Better use: \$219,372.

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.
2017-FO-0002	Audit of the Federal Housing Administration’s Financial Statements for Fiscal Years 2016 and 2015 (Restated), 11/14/2016. Questioned: \$55,350,830. Unsupported: \$55,350,830. Better use: \$276,567,940.
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. Better use: \$2,238,721,464.
2017-LA-0001	HUD Did Not Ensure Compliance With Partial Payment of Claim Use Agreement Restrictions, 10/27/2016.
2017-LA-0002	HUD Failed To Follow Departmental Clearance Protocols for FHA Programs, Policies, and Operations, 01/25/2017.
2017-LA-0003	HUD Failed To Adequately Oversee FHA-Insured Loans With Borrower-Financed Downpayment Assistance, 03/03/2017.
Public and Indian Housing	
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. Better use: \$3,179,963.
AUDIT-RELATED MEMORANDUMS ¹⁷	
CHIEF FINANCIAL OFFICER	
2017-FO-0801	Independent Attestation Review: U.S. Department of Housing and Urban Development, DATA Act Implementation Efforts, 03/02/2017.

¹⁷ The memorandum format is used to communicate the results of review not performed in accordance with generally accepted government audit 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, attestation engagement, or civil actions or settlements.

EXTERNAL REPORTS

AUDIT REPORTS	
COMMUNITY PLANNING AND DEVELOPMENT	
2017-AT-1001	The City of Tuscaloosa, AL, Administered Its CDBG Disaster Recovery Funds in Accordance With HUD Requirements, 01/18/2017.
2017-AT-1002	Shelby County, TN, Administered Its CDBG Disaster Recovery Program Funds for Infrastructure in Accordance With HUD Requirements, 01/18/2017.
2017-BO-1001	The State of Connecticut Did Not Always Comply With CDBG Disaster Recovery Assistance Requirements, 10/12/2016. Questioned: \$16,053,062. Unsupported: \$13,592,687.
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. Questioned: \$1,448,663. Unsupported: \$1,448,663. Better use: \$472,246.
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. Questioned: \$5,544,284. Unsupported: \$1,044,878. Better use: \$1,415,466.
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. Questioned: \$18,274,054.
2017-NY-1005	Union County, NJ'S HOME Investment Partnerships Program Was Not Always Administered in Compliance With Program Requirements, 01/13/2017. Questioned: \$5,057,726. Unsupported: \$1,278,483. Better Use: \$1,800,272.
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. Questioned: \$4,732,441. Unsupported: \$4,732,441.

HOUSING	
2017-AT-1003	The Puerto Rico Department of Housing, San Juan, PR, Did Not Properly Administer Its Multifamily Special Escrow Funds, 03/02/2017. Questioned: \$4,609,004. Unsupported: \$4,609,004. Better use: \$7,984,429.
2017-BO-1003	Staffing Costs and Charges at Pine Grove Health Center, Pascoag, RI, Did Not Always Comply With Regulatory Requirements and Management Agreements, 01/24/2017. Questioned: \$675,734. Unsupported: \$353,420. Better use: \$139,027.
2017-DE-1001	Village North Generally Verified Each Tenant's Income, Social Security Number, and Citizenship Status in Accordance with HUD's Rules and Regulations, 02/28/2017.
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. Questioned: \$1,218,206. Unsupported: \$975,931.
2017-KC-1002	New Horizons, Kansas City, MO, Received Improper Section 8 Housing Assistance Payments, 03/03/2017. Questioned: \$887,642. Unsupported: \$743,086.
2017-NY-1007	Seneca Mortgage Servicing LLC, Elma, NY, Generally Complied With HUD's Loss Mitigation Program Requirements for Servicing Its Portfolio of FHA-Insured Mortgages, 02/17/2017. Questioned: \$19,136.
2017-PH-1002	The Owner of Laurentian Hall Apartments, Pittsburgh, PA, Did Not Always Manage Its HUD-Mortgaged Project in Accordance With HUD Requirements, 03/24/2017. Questioned: \$80,286. Unsupported: \$71,689. Better use: \$358,176.
PUBLIC AND INDIAN HOUSING	
2017-CH-1001	The Port Huron Housing Commission, Port Huron, MI, Did Not Properly Implement Asset Management, 01/24/2017. Questioned: \$1,432,222. Unsupported: \$1,432,222.
2017-FW-1001	The Lubbock Housing Authority, Lubbock, TX, Had Weaknesses in Managing Its Capital Fund Program Operations, 12/12/2016. Questioned: \$38,232. Unsupported: \$29,115.

2017-FW-1002	Fort Worth Housing Solutions, Fort Worth, TX, Generally Complied With HUD Regulations In Its Transactions With Its Related Entity, QuadCo Management Solutions, LLC, 12/21/2016.
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. Questioned: \$3,212,757. Unsupported: \$3,015,824.
2017-NY-1002	The Tarrytown Municipal Housing Authority, Tarrytown, NY, Did Not Always Comply With HUD's Procurement, Administrative, and Program Requirements, 11/22/2016. Questioned: \$474,571. Unsupported: \$474,571.
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. Questioned: \$118,060. Better use: \$9,351,175.
2017-NY-1006	The New Rochelle Municipal Housing Authority, New Rochelle, NY, Did Not Always Administer Its Public Housing in Accordance With HUD's Rules and Regulations, 01/31/2017. Questioned: \$28,349. Unsupported: \$13,329.
2017-NY-1008	The Irvington, NJ, Housing Authority Did Not Always Administer Its Public Housing Program in Accordance With Program Requirements, 3/10/2017. Questioned: \$1,204,727. Unsupported: \$1,109,487.
AUDIT-RELATED MEMORANDUMS¹⁸	
GENERAL COUNSEL	
2017-CF-1801	Final Civil Action: Primary Residential Mortgage, Inc., Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements, 01/19/2017. Questioned: \$3,129,000.
2017-CF-1802	Security National Mortgage Company Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements, 03/02/2017. Questioned: \$3,173,077.

¹⁸ The memorandum format is used to communicate the results of reviews not performed in accordance with generally accepted government audit 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-1803	United Shore Financial Services, LLC, Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements, 03/29/2017. Questioned: \$45,000,000.
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. Questioned: \$3,452,499.
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. Questioned: \$5,000.
2017-PH-1801	Final Civil Action Borrower Settled Alleged Violations of Home Equity Conversion Mortgage Program, 01/06/2017. Questioned: \$1,500.
HOUSING	
2017-BO-1801	Sons of Divine Providence Did Not Ensure That the Don Orione Home, East Boston, MA, Operated in Accordance With Its Regulatory Agreement, 10/13/2016.

APPENDIX 3 – TABLES

TABLE A

AUDIT REPORTS ISSUED BEFORE START OF PERIOD WITH NO MANAGEMENT DECISION AT (03/31/2017)

*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 37	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 38	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 39	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 40	02/27/2015
* 2016-FO-0001 Audit of Fiscal Years 2015 and 2014 (Restated) Financial Statements	See chapter 10, page 40	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 41	11/18/2015
* 2016-FW-0001 HUD Did Not Effectively Negotiate, Execute, or Manage Its Agreements Under the Intergovernmental Personnel Act	See chapter 10, page 43	03/30/2016
* 2016-PH-0001 HUD Did Not Always Provide Adequate Oversight of Property Acquisition and Disposition Activities	See chapter 10, page 44	06/30/2016
* 2016-FO-0802 Independent Attestation Review: U.S. Department of Housing & Urban Development, DATA Act Implementation Efforts	See chapter 10, page 45	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 46	09/29/2016
* 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	See chapter 10, page 47	09/30/2016

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	04/10/2017
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	09/30/2017
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-1003	The City of Cleveland Lacked Adequate Controls Over Its HOME Investment Partnerships Program and American Dream Downpayment Initiative-Funded Afford-A-Home Program, Cleveland, OH	12/27/2010	04/26/2011	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	Note 1
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	06/30/2017
2011-LA-1016	The City of Compton Did Not Administer Its HOME Program in Compliance With HOME Requirements, Compton, CA	08/18/2011	12/15/2011	08/31/2017
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	Note 1
2011-CH-1014	The City of Cleveland Lacked Adequate Controls Over Its HOME Investment Partnerships Program-Funded Housing Trust Fund Program Home-Buyer Activities, Cleveland, OH	09/29/2011	01/26/2012	Note 2
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

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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
2012-CH-1011	The Stark Metropolitan Housing Authority Did Not Always Administer Its Grant in Accordance With Recovery Act, HUD's, and Its Own Requirements, Canton, OH	09/27/2012	01/15/2013	12/31/2018
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 2
2013-NY-1001	The City of Albany CDBG Recovery Act Program, Albany, NY	12/06/2012	04/03/2013	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

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2013-AT-1003	The Municipality of Arecibo Did Not Always Ensure Compliance With CDBG Program Requirements, Arecibo, PR	03/22/2013	06/14/2013	10/31/2018
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	Note 1
2013-LA-1004	The City of San Bernardino Did Not Administer Its CDBG and CDBG-Recovery Act Programs in Accordance With HUD Rules and Regulations, San Bernardino, CA	04/23/2013	09/06/2013	09/30/2017
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-CH-1003	The Stark Metropolitan Housing Authority Did Not Follow HUD's Requirements and Its Own Policies Regarding the Administration of Its Program, Canton, OH	07/15/2013	11/12/2013	04/30/2017
2013-NY-0003	HUD Officials Did Not Always Monitor Grantee Compliance With the CDBG Timeliness Spending Requirement	07/19/2013	11/26/2013	Note 1
2013-AT-1006	The Puerto Rico Housing Finance Authority Did Not Always Comply With HOME Requirements, San Juan, PR	07/23/2013	11/20/2013	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
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

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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	06/17/2017
2013-AT-1008	The City of West Palm Beach Did Not Always Properly Administer Its HOME Program, West Palm Beach, FL	09/30/2013	01/17/2014	Note 1
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	06/17/2017
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-CH-1001	The City of Flint Lacked Adequate Controls Over Its HOME Investment Partnerships Program, Flint, MI	11/15/2013	03/13/2014	10/16/2017
2014-AT-1001	The Municipality of Arecibo Did Not Properly Administer Its HOME Program, Arecibo, PR	12/03/2013	01/24/2014	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2014-FO-0001	Government National Mortgage Association Fiscal Years 2013 and 2012 Financial Statements Audit	12/06/2013	05/02/2014	Note 1
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 1
2014-NY-1001	The Paterson Housing Authority Had Weaknesses in Administration of its Housing Choice Voucher Program, Paterson, NJ	01/15/2014	06/12/2014	07/01/2025
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

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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
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	06/17/2017
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	Note 1
2014-LA-1004	The White Mountain Apache Housing Authority Did Not Always Comply With Its Indian Housing Block Grant Requirements, White River, AZ	07/08/2014	10/24/2014	Note 1

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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
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 2
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

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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
2014-CH-0001	HUD Did Not Always Provide Adequate Oversight of Its Property-Flipping Waiver Requirements	09/30/2014	03/24/2015	Note 1
2014-CH-1011	The City of Chicago Lacked Adequate Controls Over Its HOME Investment Partnerships Program-Funded Rental New Construction Projects and Program Income, Chicago, IL	09/30/2014	01/28/2015	Note 1
2014-KC-0006	The HUD Office of the Chief Financial Officer Had Not Always Implemented Its User Fee Policy	09/30/2014	01/22/2015	Note 2
2014-PH-0001	HUD Policies Did Not Always Ensure That HECM [home equity conversion mortgage] Borrowers Complied With Residency Requirements	09/30/2014	01/28/2015	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

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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 2
2015-FO-0002	Interim Report on HUD's Internal Controls Over Financial Reporting	12/08/2014	09/28/2015	09/30/2017
2015-DP-0004	Office of the Chief Financial Officer Loan Accounting System	12/09/2014	04/17/2015	Note 2
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-DP-0005	Fiscal Year 2014 Review of Information Systems Controls in Support of the Financial Statements Audit	02/24/2015	07/02/2015	04/30/2017
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
2015-BO-1003	The State of Rhode Island Did Not Always Operate Its NSP in Compliance With HUD Regulations, Providence, RI	03/04/2015	07/01/2015	Note 2
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 2
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 2
2015-FO-0005	Compliance With the Improper Payments Elimination and Recovery Act	05/15/2015	10/02/2015	08/31/2018

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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 2
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-FW-1002	The City of New Orleans, LA, Did Not Always Comply With Requirements When Administering Its 2013 Disaster Relief Grant	06/26/2015	09/29/2015	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	Note 2
2015-AT-1005	The City of High Point Did Not Properly Administer Its Lead-Based Paint Hazard Control Grants in Compliance With Federal Requirements	07/09/2015	11/06/2015	09/13/2017
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	05/31/2017
2015-AT-1006	The State of Florida, Tallahassee, FL, Did Not Properly Support the Eligibility of Some Funds Used for the CDBG Disaster Recovery Program	07/27/2015	11/24/2015	Note 2
2015-PH-0003	HUD Did Not Adequately Oversee Enhanced Vouchers Administered by New York Agencies	07/29/2015	10/29/2015	06/30/2017

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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 2
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-FW-1808	The Duson Housing Authority, Duson, LA, Failed To Administer Its Public Housing Program in Accordance With HUD Requirements	09/10/2015	11/05/2015	05/03/2017
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-LA-0003	HUD Did Not Have Effective Controls or Clear Guidance in Place for the FHA-HAMP [Home Affordable Modification Program] Partial Claim Loss Mitigation Option	09/18/2015	03/23/2016	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	08/31/2018

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
2015-PH-1005	The State of Maryland Could Not Show That Replacement Homes Complied With the Green Building Standard	09/25/2015	01/19/2016	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
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	04/28/2017
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	05/31/2017
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	05/31/2017
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

REPORT NUMBER	REPORT TITLE	ISSUE DATE	DECISION DATE	FINAL ACTION
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	04/11/2017
2016-DP-0002	Single Family Insurance System and Single Family Insurance Claims Subsystem	12/21/2015	03/31/2016	08/21/2017
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	06/16/2017
2016-KC-1001	The State of Missouri Did Not Correctly Allocate Salaries to Its Disaster Recovery Grants	02/22/2016	06/20/2016	05/30/2017
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	07/06/2017
2016-FW-1001	The City of Baton Rouge and Parish of East Baton Rouge, LA, Office of Community Development, Did Not Always Properly Administer Its Community Development Block Grant Program Activities	03/21/2016	05/03/2016	06/01/2017
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	07/25/2017
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	05/16/2017

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 (03/31/2017)

Report Number	Report Title	Issue Date	Decision Date	Final Action
2016-PH-1801	The District of Columbia Housing Authority, Washington, DC, Did Not Always Make Payments for Outside Legal Services in Compliance With Applicable Requirements	04/04/2016	07/13/2016	07/13/2017
2016-PH-1002	The Westmoreland County Housing Authority, Greensburg, PA, Did Not Always Ensure That Its Program Units Met Housing Quality Standards and That It Accurately Calculated Housing Assistance Payment Abatements	04/27/2016	07/13/2016	07/13/2017
2016-AT-1005	The Housing Authority of the City of Durham, NC, Did Not Adequately Enforce HUD's and Its Own Housing Quality Control Standards	05/10/2016	08/15/2016	05/09/2017
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	09/15/2017
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	07/25/2017
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	09/29/2017
2016-BO-1002	The Administration of Accounting, Inventory, and Procurement of the Bridgeport Housing Authority in Bridgeport, CT, Did Not Always Comply With HUD Regulations	06/27/2016	10/13/2016	08/30/2017

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	06/27/2017
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	09/30/2017
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	08/05/2017
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
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	07/31/2017

Report Number	Report Title	Issue Date	Decision Date	Final Action
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	09/30/2017
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	10/31/2017
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
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

Report Number	Report Title	Issue Date	Decision Date	Final Action
2016-DP-0004	HUD Rushed the Implementation of Phase 1 Release 3 of the New Core Project	09/20/2016	01/10/2017	09/20/2017
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-DE-1005	The Wyoming Community Development Authority of Casper, WY, Did Not Always Spend Its HOME and NSP Funds in Accordance With Program Requirements	09/28/2016	01/24/2017	08/12/2017
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	08/31/2017
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	11/23/2017
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	09/30/2017

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	Note 3

Audits excluded:

89 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 03/31/2017 (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	60	266,140	191,987
A2	For which litigation, legislation, or investigation was pending at the beginning of the reporting period	5	27,333	5,170
A3	For which additional costs were added to reports in beginning inventory	-	2,191	560
A4	For which costs were added to noncost reports	0	0	0
B1	Which were issued during the reporting period	28	197,098	90,616
B2	Which were reopened during the reporting period	0	0	0
Subtotals (A+B)		93	492,762	288,333
C	For which a management decision was made during the reporting period	68 ¹⁹	249,620	157,728
	(1) Dollar value of disallowed costs:			
	Due HUD	25 ²⁰	83,581	2,716
	Due program participants	48	122,818	112,145
	(2) Dollar value of costs not disallowed	11 ²¹	43,221	42,867
D	For which a management decision had been made not to determine costs until completion of litigation, legislation, or investigation	4	25,542	3,378
E	For which no management decision had made by the end of the reporting period	21 <64> ²²	217,600 <182,879>	127,227 <115,039>

¹⁹ Twenty-nine audit reports also contain recommendations with funds to be put to better use.

²⁰ Seven audit reports also contain recommendations with funds due program participants.

²¹ Nine audit reports also contain recommendations with funds agreed to by management.

²² The figures in brackets represent data at the recommendation level as compared to the report level. See Explanations of Tables C and D. below table D.

TABLE D

INSPECTOR GENERAL-ISSUED REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE AT 03/31/2017(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	36	7,179,659
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	-	17,769
A4	For which costs were added to noncost reports	0	0
B1	Which were issued during the reporting period	14	3,298,561
B2	Which were reopened during the reporting period	0	0
Subtotals (A+B)		51	10,497,683
C	For which a management decision was made during the reporting period	36 ²³	2,575,278
	(1) Dollar value of recommendations that were agreed to by management:		
	Due HUD	13	2,340,121
	Due program participants	19	127,513
	(2) Dollar value of recommendations that were not agreed to by management	5 ²⁴	107,644
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 made by the end of the reporting period	15 <20> ²⁵	7,920,711 <5,325,451>

²³ Twenty-nine audit reports also contain recommendations with questioned costs.

²⁴ One audit report also contains recommendations with funds agreed to by management.

²⁵ The figures in brackets represent data at the recommendation level as compared to the report level. See the Explanations of Tables C. and D

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) Section 5(a)(22)(A) and (B), requires reporting within the Semiannual Report to Congress 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

During the current reporting period OIG has three audit reports that were closed but not disclosed to the public.

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

REVIEW OF IMPLEMENTATION OF SECURITY CONTROLS OVER HUD'S BUSINESS PARTNERS, ISSUED JUNE 11, 2009, AND CLOSED MARCH 17, 2017

This was a **LIMITED DISTRIBUTION** audit report. The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), conducted an audit to determine whether technical, management, and operational controls were in place to ensure adequate protection of HUD's data and resources at its third-party business partners' sites that remotely access or physically process and maintain HUD data outside the agency's secured physical perimeter. Also, OIG wanted to determine whether HUD complied with applicable Federal requirements that apply to planning, establishing, and maintaining interconnections and data sharing among information technology (IT) systems that are owned and operated by the third-party business partners. The audit was conducted as a component of the general and technical controls for information systems in connection with the annual audit of HUD's consolidated financial statements audit and evaluation of HUD's information systems security program and practices required by the Federal Information Security Management Act of 2002.

OIG found that technical, management, and operational controls were not in place to ensure adequate protection of HUD data and resources at its third-party business partners' sites. Also, HUD did not comply with applicable Federal laws and guidelines that apply to planning, establishing, and maintaining interconnections and data sharing among IT systems that are owned and operated by the third-party business partners. Specifically, data and personally identifiable information may have been at risk because of (1) a lack of information security guidance at third-party business partners' sites, (2) security weaknesses at third-party business partners' sites, (3) HUD's lack of assurance that adequate security controls had been implemented, and (4) HUD's failure to monitor its third-party business partners' sites and lack of knowledge of the risks that existed at those sites. OIG recommended that the Chief Information Officer request that the Deputy Secretary direct system owners to (1) ensure that contracts with third-party business partners include written agreements to implement security controls, (2) direct the system owners to conduct risk assessments that apply to their third-party business partners and systems remotely accessed outside HUD's physical infrastructure, and (3) update their system security plans to include controls that apply to their third-party business partners.

OIG recommended that the Assistant Secretary of Housing - Federal Housing Commissioner and General Deputy Assistant Secretary for Public and Indian Housing require HUD's system owners to provide periodic specialized security awareness training for its third-party business partners' system administrators and users and develop and implement a continuous management review process regarding third-party business partners' internal controls that includes information security controls. (Audit Report: **2009-DP-0005**)

APPLICATION CONTROL WEAKNESSES IDENTIFIED IN THE ASSET DISPOSITION AND MANAGEMENT SYSTEM, ISSUED JANUARY 14, 2014, AND CLOSED MARCH 15, 2017

This was a **LIMITED DISTRIBUTION** audit report. HUD OIG audited selected application controls over HUD's Asset Disposition and Management System (ADAMS) to test for compliance with HUD policies and procedures, Federal requirements, and best practices as applicable.

OIG found that financial management system interface reconciliations were not sufficient. Without sufficient monitoring and reconciliation, there is no reasonable assurance that transactions are accurately processed through the interface and that no transactions are added, lost, or altered in processing. Also, passwords for some ADAMS user accounts were not changed every 90 days. If an attacker has compromised a password through guessing, cracking, or capture, the attacker can use that password until it is changed by the user. The web server software in use was outdated. Software that is not promptly updated may leave the system exposed to known vulnerabilities. Security vulnerabilities could result in unauthorized disclosure of information, unauthorized modification, or a disruption of service. Some user accounts were not disabled after 90 days of inactivity. Former system users could potentially access user accounts after the business need for access had expired. They could use the inactive accounts for unauthorized and malicious purposes. External attackers could also discover and exploit legitimate but inactive user accounts. Lastly, the authorization to operate had been expired for nearly a year and was not reauthorized until August 2013 during OIG's audit. Although the system security documents had been updated to correct inaccurate content during the audit, some discrepancies remained. Without periodically assessing the risk, the organization cannot ensure that all threats and vulnerabilities are identified and considered.

OIG recommended that the Office of Single Family Housing (1) improve the monitoring and reconciliation of the financial management system interface, (2) ensure that system user account passwords are changed every 90 days to comply with HUD policy, (3) update the web server software to the current release, (4) take appropriate actions in response to new information system security alerts, (5) ensure that inactive user accounts are disabled in a timely manner that meets HUD requirements, and (6) conduct a risk assessment every 3 years to comply with HUD policy and ensure that the system security documentation is kept current and accurate. (Audit Report: **2014-DP-0002**)

FISCAL YEAR 2013 REVIEW OF INFORMATION SYSTEMS CONTROLS IN SUPPORT OF THE FINANCIAL STATEMENTS AUDIT, ISSUED APRIL 3, 2014, AND CLOSED JANUARY 18, 2017

This was a **LIMITED DISTRIBUTION** audit report. HUD OIG reviewed information system controls over HUD's computing environment as part of OIG's audit of HUD's financial statements for fiscal year 2013 under the Chief Financial Officer's Act of 1990.

OIG found that HUD did not ensure that general and application controls over its financial systems and its computing environment fully complied with Federal requirements. The Office of the Chief Information Officer (OCIO) did not perform web application vulnerability scans on the Office of the Chief Financial Officer (OCFO) systems between March 2011 and March 2013 and did not monitor OCFO web applications for vulnerabilities on a recurring schedule. OIG previously reported this weakness in 2009. OCIO addressed the weakness in 2010 but later discontinued monitoring OCFO web applications for vulnerabilities on a recurring schedule. OCIO's continuous monitoring program needed improvements in its design to strengthen the collecting and reporting of information security data. For instance, information reported on HUD's security posture may not have been accurate, processes used to quarantine unauthorized software did not address certain unauthorized software, and HUD's IT security policy did not address key issues. Additionally, OCIO did not include telecommunication links to the U.S. Department of the Treasury in its disaster recovery plans, and there were no contingency plans in place

for resuming operation of the telecommunication links to Treasury during a disaster recovery event. Lastly, HUD's use of the HUD Integrated Acquisition Management System (HIAMS) as part of its integrated financial management system did not provide the agency with the data necessary to automate the performance of the payment management core financial functions.

OIG recommended that the OCIO update its policies and procedures to define minimum frequencies and requirements for scanning applications for vulnerabilities, reporting on the security state of HUD's information systems, and coordinating with Treasury to ensure that telecommunication links are restored during a disaster recovery event. OIG recommended that the Office of the Chief Procurement Officer ensure that all core financial requirements are fully assessed and included in the definition stage and all stages moving forward in the project to replace HIAMS and the HUD Central Accounting and Program System. (Audit Report: **2014-DP-0005**)

INVESTIGATION

During the current reporting period, OIG has four investigation reports that were closed but not disclosed to the public.

- It was alleged that a HUD supervisory contract oversight specialist improperly accessed HIAMS and manipulated contract parameters without informing the assigned contract specialists. Additionally, it was alleged that a HUD supervisory IT specialist was responsible for the oversight of a \$3.9 million contract awarded to a company, which the complainant alleged was the supervisory contract oversight specialist's former employer. The allegation was not substantiated.
- During the selection process for a noncompetitive position, a HUD OIG director became aware that the resume of a potential applicant contained false information. Despite knowing this information, the director selected the candidate for the position. Further, it was determined that a senior HUD OIG executive was advised of the fraudulent resume and failed to take appropriate action against the director and applicant upon receipt of this information. The director was demoted to a GS-14 and received a 14-day suspension. The senior executive received a 15-day suspension. HUD OIG referred the case to the United States Attorney's Office (USAO) on January 20, 2016. On January 20, 2016, the USAO declined criminal prosecution due to available administrative remedies.
- A HUD administrative officer-director admitted that she made an independent decision to hire a new intern based on his gender, a violation of Title 5 U.S.C. (United States Code) 2302 - Prohibited personnel practices. Additionally, the director attempted to influence the statement of events being provided to investigators by witnesses in violation of Title 18 U.S.C. 73 - Obstruction of justice. HUD OIG referred the case to the USAO on August 31, 2016. On August 31, 2016, the USAO declined criminal prosecution due to available

administrative remedies. The director received a verbal reprimand for her actions and retired from Federal service.

- A HUD attorney admitted that she approved reimbursement for an ineligible legal services invoice. She admitted to this approval despite her direct knowledge of a subordinate employee's existing conflict of interest in working matters related to a particular housing authority at the time, a violation of 5 CFR (Code of Federal Regulations) Part 2635 - Standards of Ethical Conduct for Employees of the Executive Branch. HUD OIG referred the case to the USAO on May 8, 2014. On May 8, 2014, the USAO declined criminal prosecution. The case was declined based on the facts gathered and the USAO's lack of interest in pursuing charges in this matter. OIG later referred this matter to HUD. HUD advised that additional corrective action was unnecessary as HUD had taken corrective action before receiving OIG's final report of investigation.

EVALUATION

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

FEDERAL INFORMATION SECURITY MODERNIZATION ACT REPORT FOR FISCAL YEAR 2016

HUD OIG completed its annual evaluation of HUD's cybersecurity program, making 14 recommendations for improvement to the Department. HUD had taken actions to strengthen its cybersecurity program by developing more robust and enterprisewide policies and procedures, establishing information security roadmaps, and initiating procurement and implementation of additional tools and processing capabilities. Due to these actions, HUD has satisfied and closed more than 60 OIG IT recommendations from fiscal years 2013 to 2015 Federal Information Security Modernization Act (FISMA) evaluations, enhancing its IT security posture. However, an additional 55 OIG recommendations remain open, to include the 14 fiscal year 2016 recommendations, leaving multiple fundamental components of an effective cybersecurity program deficient. As reported in prior-year FISMA evaluations, HUD has failed to establish adequate governance, risk management, and contractor oversight programs or gain appropriate technical expertise. Significant risk will continue to exist until these key deficiencies are addressed at the executive leadership level and plans, processes, and capabilities are fully funded and implemented. (Evaluation Report: **2016-OE-0006**)

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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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.	\$574,416

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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
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
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	003-C	Repay \$29,095 in unauthorized vehicle allowances.	\$5,501

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2008-KC-1002	2/20/2008	001-B	Require the Authority to obtain repayment from Whispering Pines for the expenses paid on Whispering Pines' behalf, including the \$35,521 for direct costs of the assisted living program and approximately \$18,711 for its share of utility expenses that had not been repaid to the Authority as of July 2007. Repayments should be deposited into the Authority's public housing program account.	\$51,282
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-KC-1002	2/20/2008	002-C	Require the Authority to collect the correct amount of public housing rents owed by Whispering Pines (including approximately \$25,000 owed as of October 2007). Repayments should be deposited into the Authority's public housing program account.	\$22,050
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-KC-1002	2/20/2008	001-C	Require the Authority to obtain repayment from Whispering Pines or other nonfederal sources for penalties and finance charges, including \$4,901 identified as of July 2007. Repayments should be deposited into the Authority's public housing program account.	\$1,951
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-KC-1002	2/20/2008	001-E	Ensure that the Authority collects rent retroactively from Whispering Pines for the period from November 2005 to the present and in doing so, consider the amount collected for utilities during this same period as recommended in recommendation 1B.	\$0
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-KC-1006	9/8/2008	001-A	Take appropriate sanctions against Heartland Funding for violating RESPA.	\$0
2008-KC-1006	9/8/2008	001-B	Refer Heartland Funding to HUD's Mortgagee Review Board for review and appropriate actions.	\$0
2008-KC-1006	9/8/2008	001-D	Require Heartland Funding to adequately train its managers and staff on RESPA requirements.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2008-CH-0002	9/29/2008	001-A	Seek appropriate administrative action for 202 active loans with original mortgage amounts of \$27,773,733 if the lenders cannot provide documentation, such as a letter of map amendment/revision, to show that the properties are not located in FEMA's designated special flood hazard areas or the required elevation certification showing that the properties meet FEMA's elevation requirements and are covered by flood insurance. The unpaid principal balances for the 202 loans as of July 2, 2008, totaled \$26,954,812. The estimated risk to HUD is \$315,371 based on FHA's average loss rate of 39 percent based on the 2007 actuarial review of the FHA insurance fund for fiscal year 2007 and the average percentage of loans that resulted in HUD-paid claims for calendar years 2000 through 2007 of 3 percent.	\$0
2008-CH-0002	9/29/2008	001-B	Seek reimbursement from the applicable lenders for any future losses from a \$109,482 claim paid on loan 292-4652151 as of August 31, 2008, if the lenders fail to provide the elevation certifications or letters of map revision/amendment. The projected loss to HUD is \$42,698 based on the claims paid and FHA's average loss rate of 39 percent based on the 2007 actuarial review of the FHA insurance fund for fiscal year 2007.	\$0
2008-CH-0002	9/29/2008	001-C	Seek reimbursement of \$73,989 (\$47,751 plus \$26,238) from the lender for the actual loss incurred on one loan 495-7332855 and the claim paid due to a preforeclosure sale for loan 221-3794753, respectively, if the lender fails to provide the elevation certification or letter of map revision/amendment.	\$0
2008-CH-0002	9/29/2008	001-D	Require the applicable lenders for the 317 loans lacking evidence of flood insurance to provide documentation showing that the properties have flood insurance or are no longer located in FEMA's designated special flood hazard areas or seek appropriate administrative action.	\$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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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.	\$458,224
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.	\$248,160
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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	Repays 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
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.	\$29,440
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
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.	\$25,014
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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-NY-0002	9/1/2009	001-A	We recommend that the Deputy Assistant Secretary for Single Family Housing instruct the Office of Single Family Asset Management to develop and implement controls to ensure that the final Asset Control Area regulations are issued in a timely manner.	\$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
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
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
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-AT-1011	8/25/2010	001-A	Require the Government of Puerto Rico or its designee to reimburse the HOME program from non-Federal funds \$4,428,179 for ineligible expenses and activities that defaulted or were terminated without generating the intended benefits.	\$4,428,179

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-1009	8/13/2010	001-B	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.	\$1,788,260
2011-CH-1003	12/27/2010	001-D	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to review the remaining 131 (202 minus 71) activities to determine whether the households were income eligible and/or homes met HUD's property standards requirements at the time of occupancy. For the activities that received improper assistance, the City should reimburse its Program the applicable amount from non-Federal funds.	\$1,580,000
2010-LA-1013	7/8/2010	001-A	Repay \$1,300,000 in HOME project funds, plus any interest due, to the HOME U.S. Treasury account.	\$1,300,000
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
2011-CH-1003	12/27/2010	001-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to provide supporting documentation or reimburse its Program from non-Federal funds, as appropriate, for the \$760,000 in Program and/or Initiative funds used for the 60 households and/or activities for which the City did not have sufficient income documentation to demonstrate that households were income eligible and/or final inspection reports or certifications supporting that activities met HUD's property standards requirements at the time of occupancy.	\$720,000

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-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-CH-1003	12/27/2010	002-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to implement adequate procedures and controls to ensure that if the ownership of additional homes acquired under its Afford-A-Home program is transferred through foreclosures, the City recaptures the entire amount of the Program and/or Initiative funds through the receipt of net proceeds from the sales of the homes and/or reimburses its Program from non-Federal funds for the Program and/or Initiative funds provided to the home buyers, as appropriate. This will ensure that over the next 12 months the City appropriately recaptures Program and/or Initiative funds and/or reimburses its Program from non-Federal funds totaling at least \$90,000.	\$300,000
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
2011-CH-1003	12/27/2010	001-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse its Program from non-Federal funds for the \$20,000 in Program funds inappropriately used to assist activity numbers 10372 and 10793.	\$40,000
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-CH-1007	5/14/2010	003-A	We recommend that the Acting Director of HUD's Detroit Office of Public Housing require the Authority to take appropriate action to determine whether the income discrepancies are valid and if so, pursue collection from the applicable households or reimburse its program \$43,599 (\$32,047 in housing assistance payments plus \$11,552 in administrative fees) from non-Federal funds for the overpayment of housing assistance cited in this finding.	\$32,649
2011-CH-1003	12/27/2010	002-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse its 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.	\$30,000
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-1006	6/11/2010	005-F	Require the Department to develop and implement a financial management system that permits the tracing of HOME funds to a level which ensures that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes and funds in the local account have been used before requesting additional grant funds.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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 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 \$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.	\$2,449,751
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-CH-1014	9/29/2011	001-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to provide supporting documentation or reimburse its Program from non-Federal funds, as appropriate, for the \$775,000 in Program funds used for the 41 households and homes for which the City did not have (1) sufficient income documentation to demonstrate that households were income eligible and or (2) final inspection reports or certifications supporting that homes met HUD's property standards requirements at the time of occupancy. We did not include \$20,000 in Program funds used for activity number 9706 (02) for which the City did not have sufficient income documentation to demonstrate that the household was income eligible since we included it in recommendation 2A of this report.	\$655,000
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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	1A. 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
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-1013	9/1/2011	001-A	We recommend that the Acting Director of the HUD New Jersey Office of Public Housing instruct Authority officials to repay the \$1,052,935 add-on subsidy incentive the Authority received, to which it was not entitled, from 2006 through 2010.	\$122,785

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-1014	9/29/2011	001-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse its Program from non-Federal funds for the \$20,000 in Program funds inappropriately used to assist activity number (including the OIG-designated household number) 8917 (11).	\$20,000
2011-CH-1014	9/29/2011	002-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse its 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.	\$20,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-LA-1016	8/18/2011	001-C	Require the subrecipient to support the \$2,269,867 drawn from the U.S. Treasury or reimburse its HOME program from non-Federal funds.	\$10,778
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
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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-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-CH-1014	9/29/2011	002-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to implement adequate procedures and controls to ensure that if the ownership of additional homes acquired under its Housing Trust Fund program is transferred through foreclosures, the City recaptures the entire amount of the Program funds through the receipt of net proceeds from the sales of the homes or reimburses its Program from non-Federal funds for the Program funds provided to the home buyers as appropriate.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
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
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-AT-1009	5/23/2012	001-B	Require the Municipality to submit supporting documentation evidencing the income eligibility of the participants assisted with \$173,978 in HOME funds or reimburse the program from non-Federal funds.	\$173,978
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-AO-1002	7/30/2012	004-A	Repay from non-Federal funds the \$91,218 paid to Diversified Ventures, which created a conflict of interest.	\$46,417
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
2013-NY-1001	12/6/2012	001-A	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 \$5,291. The ineligible costs include a double payment of \$3,554 for electrical work related to the 34 Morton Avenue rehabilitation activity, a payment of \$1,033 for a former City employee's unused vacation time that was accrued before the award of the CDBG-R grant and charged to the Albany Community Development Agency's rehabilitation administration activity, and \$704 charged to the Agency's rehabilitation administration activity.	\$3,554
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-FW-1008	6/1/2012	001-H	Take appropriate administrative action, including possible debarment, against the executive director and commissioners	\$0
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).	\$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
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
2012-PH-1011	8/3/2012	001-J	Identify at least annually its universe of program subrecipients, development organizations, and applicable projects to be reviewed and perform monitoring according to Program requirements.	\$0
2013-AT-1001	11/30/2012	001-A	Develop and implement a financial management system in accordance with HUD requirements.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-NY-1001	12/6/2012	001-C	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to establish and implement controls to ensure that CDBG-R activities are administered efficiently and effectively, funds have been used only for eligible activities, costs incurred are necessary and reasonable, national objectives have been attained, and performance goals are being achieved.	\$0
2013-NY-1001	12/6/2012	001-D	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to establish and implement controls to ensure that grant- and subgrant-supported activities are adequately monitored and administered to ensure compliance with program regulations.	\$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
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-D	Deobligate \$12,755,325 tied to 165 administrative obligations and \$2,734,967 tied to 25 program obligations marked for deobligation during the department-wide unliquidated obligations review. Additionally, the Office of Housing should review the 429 obligations with remaining balances totaling \$5,764,905 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.	\$21,255,197
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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.	\$2,282,508
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-Footer 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-1004	4/23/2013	001-B	Provide support for \$6,637,341 in unsupported costs or repay the CDBG program from non-Federal funds.	\$1,895,482
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2013-AT-1008	9/30/2013	001-C	Reprogram \$988,272 committed for canceled activities and make funds available for other eligible HOME activities.	\$988,272
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-C	Support or repay the \$1,270,423 in questionable contract and procurement payments to its appropriate program or HUD.	\$604,193

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-AT-1003	3/22/2013	003-B	Require the Municipality to submit supporting documentation evidencing how Block Grant funds in the amount of \$410,221 disbursed for street improvements benefited low- and moderate-income persons in accordance with HUD requirements or reimburse the Block Grant program from non-Federal funds.	\$410,221
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-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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-1003	3/22/2013	003-A	Require the Municipality to submit all supporting documentation showing the current status of the repair work and the eligibility and propriety of \$817,310. (Questioned amount consists of \$882,909 in housing rehabilitation awards made by the Municipality minus \$65,599 in disbursements associated with 28 housing units that were found to have been completed during field inspections for housing rehabilitation activities or reimburse the Block Grant program from non-federal funds).	\$240,046
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
2013-CH-1011	9/30/2013	003-B	We recommend that the Director of HUD's Detroit Office of Multifamily Housing Programs require the Authority to reimburse appropriate escrow accounts \$175,434 from non-Federal funds for the lost interest cited in this finding.	\$175,434
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1001	2/12/2013	002-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to provide sufficient supporting documentation or reimburse its Program from non-Federal funds, as appropriate, for the \$193,000 in Program funds used for the four projects for which the City did not have sufficient documentation to demonstrate that households were income eligible.	\$155,668
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-CH-1001	2/12/2013	003-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse its Program \$140,000 from non-Federal funds for the homes that were sold through a sheriff's sale and ownership of the homes had been transferred within 5 years of the execution of the mortgages and promissory notes	\$140,000
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-CH-1012	9/30/2013	001-A	We recommend that the Director of HUD's Detroit Office of Public Housing require the Commission to reimburse from non-Federal funds, for repayment to the U.S. Treasury, \$121,830 for ineligible expenses, including duplicate profit and overhead paid on labor and trucking rates and duplicate payments made for kitchen cabinet installations and canopy and lobby renovations.	\$121,830
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-1001	2/12/2013	001-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse its Program \$78,528 from non-Federal funds for the (1) more than \$21,000 in Program funds used for 4 projects not covered by written agreements and (2) more than \$57,000 in Program funds for housing rehabilitation services for 13 projects that was not reasonable.	\$78,528
2013-CH-1001	2/12/2013	001-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to provide sufficient supporting documentation or reimburse its Program from non-Federal funds, as appropriate, for the \$86,797 in Program funds used for 15 projects for which the City did not have sufficient documentation to demonstrate that the cost of additional housing rehabilitation services was reasonable.	\$70,364
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1010	9/30/2013	001-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to support or reimburse HUD \$46,504 from non-Federal funds for transmission to the U.S. Treasury for the Recovery Act Block Grant funds used for project numbers 3439 (\$6,963), 3449 (\$7,500), 3502 (\$7,300), 3819 (\$4,995), 3873 (\$7,500), 3884 (\$7,300), and 3922 (\$4,946) for which the City did not maintain sufficient documentation to determine whether the assisted households were income eligible.	\$46,504
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
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
2013-CH-1001	2/12/2013	003-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to provide documentation supporting that the use of the \$22,730 in Urban Development Action Grant miscellaneous revenues for activity numbers 11379 and 12177 was an eligible initial use of miscellaneous revenues or a reuse of the revenues or reimburse its miscellaneous revenues from non-Federal funds for the \$22,730 in miscellaneous revenues used.	\$22,730

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2014-CH-1001	11/15/2013	001-B	We recommend that the Director of HUD's Detroit Office of Community Planning and Development require the City to support or reimburse its Program from non-Federal funds \$90,205, as appropriate, for the City's use of Program funds, which it lacked sufficient documentation to support.	\$17,770
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
2013-CH-1010	9/30/2013	001-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse HUD \$14,145 from non-Federal funds for transmission to the U.S. Treasury for the Recovery Act Block Grant funds inappropriately used to assist project numbers 3427 and 3624.	\$14,145
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-CH-1010	9/30/2013	002-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to support or reimburse HUD from non-Federal funds \$8,635 for transmission to the U.S. Treasury for the Recovery Act Block Grant funds used for the 24 projects for which the City could not provide adequate support to show whether the services were provided at a reasonable cost. We did not include \$1,602 in Recovery Act Block Grant funds used for four projects for which the City could not provide adequate support to show whether the services were provided at a reasonable cost since we included it in recommendation 1B (\$625 for project 3884 and \$326 for project 3922) and recommendation 2D (\$572 for project 3478 and \$79 for project 3647) of this report. However, the number of projects included in this recommendation was reduced from 26 to 24 since a portion of the costs for projects 3478 and 3647 is included in the recommendation.	\$8,635
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
2013-CH-1001	2/12/2013	004-A	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse HUD, for transmission to the U.S. Treasury, \$4,166 from non-Federal funds for the unnecessary interest the U.S. Department of the Treasury paid on the Program funds that the City drew down from its treasury account when Program income was available.	\$4,166
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-CH-1010	9/30/2013	002-C	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to support or reimburse HUD \$2,060 from non-Federal funds for transmission to the U.S. Treasury for the Recovery Act Block Grant funds used for project numbers 3503 (\$490), 3515 (\$320), 3687 (\$900), and 3792 (\$350) that lacked support that an independent cost estimate was performed for change order items.	\$2,060
2013-CH-1010	9/30/2013	002-B	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to support or reimburse HUD \$1,759 from non-Federal funds for transmission to the U.S. Treasury for the Recovery Act Block Grant funds used for project number 3477 for which the City lacked documentation to support that it performed an independent estimate for the costs of the services.	\$1,759
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-1010	9/30/2013	002-D	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to reimburse HUD \$915 from non-Federal funds for transmission to the U.S. Treasury for the Recovery Act Block Grant funds used for project numbers 3478 (\$572) and 3647 (\$79) that exceeded the City's estimate by more than 15 percent and project number 3876 (\$264) that were excessive.	\$915
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-AT-1003	3/22/2013	003-C	Require the Municipality to determine the amount expended for the resurfacing of all private properties and reimburse the Block Grant program from non-federal funds.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-CH-1001	2/12/2013	003-C	We recommend that the Director of HUD's Columbus Office of Community Planning and Development require the City to implement adequate procedures and controls to ensure that if the ownership of additional homes acquired through its Housing Trust Fund and Afford-A-Home programs is transferred through foreclosures, the City recaptures the entire amount of the Program funds through the receipt of net proceeds from the sales of the homes or reimburses its Program from non-Federal funds for the Program funds provided to the home buyers as appropriate.	\$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
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-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
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-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
2013-KC-0003	9/10/2013	001-C	Develop and implement additional system error checks to identify potential reporting issues.	\$0
2013-KC-0004	9/18/2013	001-B	Enhance data collection to begin collecting information on whether each co-borrower will occupy the subject property as well as the addresses and phone numbers of each co-borrower.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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.	\$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.	\$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
2013-LA-1009	9/13/2013	001-B	Develop and implement written policies and procedures for its HOME program.	\$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-0003	7/19/2013	001-A	We recommend that the Deputy Assistant Secretary for Grant Programs strengthen controls over the existing procedures relating to the HUD Entitlement Communities Division monthly timeliness report. Procedures should require the timeliness report to be sent to the local HUD field offices by a specific date each month. If our recommendations to improve procedures are implemented and grantees' subsequent years' funding is reduced, following a decision made by HUD officials after an informal consultation with the grantees, \$5,658,648 in questioned CDBG entitlement funds from the four untimely grantees can be put to better use.	\$0
2013-NY-0003	7/19/2013	001-B	We recommend that the Deputy Assistant Secretary for Grant Programs strengthen the existing CDBG timeliness spending grantee notification procedures to ensure that the notification of new untimely grantees becomes a higher priority and explain to staff the importance of the notification process in the sanctioning policy.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2013-NY-0003	7/19/2013	001-C	We recommend that the Deputy Assistant Secretary for Grant Programs document its rationale for not subjecting the six untimely grantees to its sanctioning policy, which could have required that \$2,720,364 in CDBG entitlement funds from these six untimely grantees subsequent years grant funding be reduced. If OIG recommendations to improve procedures are implemented, these funds can be put to better use.	\$0
2013-NY-0003	7/19/2013	001-D	We recommend that the Deputy Assistant Secretary for Grant Programs establish procedures requiring documentation of its rationale for not sanctioning grantees not complying with the CDBG timeliness spending requirement.	\$0
2013-NY-0003	7/19/2013	001-E	We recommend that the Deputy Assistant Secretary for Grant Programs establish procedures on how to handle grantees that are minimally noncompliant with the timeliness spending requirement.	\$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-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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-AT-1003	12/30/2013	001-C	Adjust program participants' lien amounts for items not completed or corrected in recommendations 001-A and 001-B.	\$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 001-A or 001-B 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	Re-inspect the homes to ensure that identified deficiencies have been properly corrected.	\$0
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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 within OCFO with the appropriate level of accounting, experience, and training to support the size and complexity of HUD's and its component entities' financial reporting requirements.	\$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 department-wide 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	011-E	Develop and implement procedures to routinely evaluate the assistance and administrative obligation balances for the HUD-administered and SSS subcategories of EHLF to determine whether a valid need still exists and if not, deobligate those balances.	\$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
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
2015-FO-0002	12/8/2014	006-E	Deobligate all obligations marked for deobligation during the departmentwide open obligations review, including as much as \$4,988,326 in 613 administrative obligations and \$6,395,922 in 79 program obligations marked for deobligation as of September 29, 2014. Additionally, review the 269 obligations with remaining balances totaling \$19,624,446 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	\$31,008,694
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.	\$12,490,032
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
2015-FO-0002	12/8/2014	006-O	Deobligate \$89,237 in 46 administrative obligations marked for deobligation during the departmentwide open obligations review. Additionally, review the 199 obligations with remaining balances totaling \$4,146,234 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	\$4,235,471
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-PH-0001	9/30/2014	001-A	Direct the applicable servicing lenders to verify and provide documentation of the borrowers' compliance with the residency requirement for each of the 121 cases or for each noncompliant borrower, declare the loan in default and due and payable, thereby putting approximately \$3,362,055 to better use.	\$3,362,055
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
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.	\$2,234,925

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
2014-LA-1004	7/8/2014	001-A	Reimburse its IHBG from non-Federal funds or reduce undisbursed grant funds by \$1,508,602 for ineligible duplicate charges.	\$1,385,687
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-LA-0005	8/8/2014	002-B	Extend the indemnification agreement for the 15 active loans and 1 claim loan that were streamline refinanced. The 15 active loans had an unpaid balance of nearly \$1.9 million with a potential loss to HUD of \$965,306 if the loans go into claim status. The one claim loan had an estimated loss of \$74,839.	\$1,040,145
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2014-FW-0005	9/24/2014	001-B	The Dearborn Housing Commission and the City of Dearborn 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 \$501,015 to HUD for its transmission to the U.S. Treasury. Repayment must be from non-Federal funds.	\$501,015
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
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.	\$373,228

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2014-FW-0005	9/24/2014	001-C	The Dearborn Housing Commission and the City of Dearborn 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 \$366,971 to HUD from non-Federal funds.	\$366,971
2014-FW-0005	9/24/2014	001-D	The Dearborn Housing Commission and the City of Dearborn to provide support that they complied with 24 CFR Part 58 requirements for the Commission's 2012 Capital Fund grant or require the housing commission to reimburse \$337,776 to its 2012 Capital Fund grant from non-Federal funds.	\$337,776
2015-FO-0002	12/8/2014	006-S	Deobligate \$785 in one administrative obligation marked for deobligation during the department-wide open obligations review. Additionally, review the six obligations with remaining balances totaling \$332,888 and close out and deobligate amounts tied to obligations that are no longer valid or needed.	\$333,673
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2014-CF-1809	9/25/2014	001-A	Allow HUD OIG to record the \$250,000 judgement in HUD's Audit Resolution and Corrective Actions Tracking System as an ineligible cost.	\$250,000
2014-CH-1011	9/30/2014	001-B	We recommend that the Director of HUD's Chicago Office of Community Planning and Development require the City to ensure that for the two Program-assisted units in project number 8806 in which the owner is involved in ongoing eviction proceedings with the households, (1) the leases between the owner and the households are amended to remove the prohibited language if the households are not evicted, (2) the owner executes leases that do not include prohibited language with new households if the households are evicted, or (3) reimburse its Program from non-Federal funds for the \$245,698 (\$4,913,961 / 40 units * two units) in Program funds drawn down for the two units as appropriate.	\$245,698
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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. above.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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.	\$109,861
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-LA-1004	7/8/2014	002-B	Support the income eligibility for the two families identified in the report in accordance with program and HUD regulations or reimburse its IHBG \$11,578 from non-Federal funds for the subsidies used to house the tenants. HUD should determine the actual IHBG subsidy received for the affected properties and adjust the unsupported or ineligible amount accordingly.	\$11,578
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-1005	5/29/2014	002-E	Establish and implement procedures to review and oversee the agreements of its Community Development Department and recover CDBG and HOME funds when required.	\$0
2014-AT-1005	5/29/2014	003-A	Ensure that its annual inspections are properly performed and thoroughly documented so the inspection reports provide a clear trail of necessary repairs to ensure that the deficiencies are corrected and those corrections can be verified against the identified deficiencies.	\$0
2014-AT-1005	5/29/2014	003-B	Inspect the project, identify the deficiencies, and require the owner to correct all deficiencies identified.	\$0
2014-AT-1005	5/29/2014	004-A	Review all of the Department's participation agreements to ensure compliance with HUD and HOME requirements.	\$0
2014-AT-1005	5/29/2014	005-A	Ensure that the Department obtains all of the project costs from the developer to determine the applicable costs and properly prepare a cost allocation plan.	\$0
2014-AT-1005	5/29/2014	005-B	Provide the cost allocation plan for review.	\$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-AT-1801	3/20/2014	001-E	Correct any inaccurate information in HUD's information system related to the sports complex, including but not limited to the drawdowns of \$216,630 associated with the loan repayment.	\$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-E	We recommend that the Director of HUD's Detroit Office of Community Planning and Development require the City to determine whether the \$872,140 in fire insurance funds that it inappropriately transferred into its Program account are associated with demolition costs paid with other Federal program funds. If the fire insurance funds are associated with demolition costs paid with other program funds, the City should transfer the fire insurance funds into the applicable program account and use the funds for eligible program costs before drawing down additional program funds.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-1802	3/31/2014	001-A	Require the Authority to repay its various program accounts \$6,480 from nonfederal funds for ineligible vacation payments made to its executive director.	\$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
2014-KC-0006	9/30/2014	001-A	Implement HUD CFO Handbook 1830.6, REV-1, in HUD's next budget process.	\$0
2014-KC-0006	9/30/2014	001-B	Identify all user fees and publish a user fee schedule for use by OCFO, other Government users, customers, and the public.	\$0
2014-KC-0006	9/30/2014	001-C	Address HUD's user fees in HUD's Agency Financial Report.	\$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-0005	8/8/2014	002-A	Extend the indemnification agreement for the five loans (see appendix G) with a loss to HUD that were streamline refinanced.	\$0
2014-LA-1004	7/8/2014	001-B	Develop and maintain a process for grant reimbursement that readily identifies the specific charges represented by the total requested and ensures that charges are reimbursed only once.	\$0
2014-LA-1004	7/8/2014	001-L	Implement policies and procedures that would allow the grantee to identify IHBG subsidies for each of its projects by unit at any time.	\$0
2014-LA-1004	7/8/2014	001-R	Continue submitting the LOCCS Payment Voucher, form HUD-50080-IHBG, with supporting documentation, and obtain the Southwest Office of Native American Programs' approval before requesting funds from LOCCS until the Authority implements the recommendations in this audit report and the Authority has demonstrated that it has sufficient capacity and financial controls in place.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-0001	10/21/2014	002-A	Not released to public.	\$0
2015-DP-0001	10/21/2014	002-B	Not released to public.	\$0
2015-DP-0004	12/9/2014	001-B	Not released to public.	\$0
2015-DP-0004	12/9/2014	001-C	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-C	Work with the Office of Multifamily Housing Programs to evaluate its obligation process for the Section 8 project-based program to ensure that it complies with HUD, OMB, and GAO legal requirements to have a legal point of obligation.	\$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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-NY-1011	9/17/2015	002-F	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to require recipients to provide receipts that support completed reconstruction and repair work to provide greater assurance that assistance is for eligible, reasonable, and necessary costs, thus ensuring that \$241,292,921, which has not been disbursed, will be put to its intended use.	\$241,292,921
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
2015-CH-1010	9/30/2015	001-H	Implement adequate procedures and controls to address the weaknesses cited in this audit report to prevent the Cooperative from the possible repayment of the remaining \$22,666,717 in Program funds, which HUD disbursed for the project (\$23,104,550 in Program funds disbursed for the project – \$437,833 in proceeds from initial membership sales the Cooperative returned to HUD).	\$22,666,717

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-NY-1010	9/17/2015	003-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to provide documentation to support that the \$5,926,104 paid for management and consulting services was similar in scope to the services procured by the other state agency, thus ensuring that the amount paid was procured in a manner consistent with regulations at 24 CFR 85.36 and used for its intended purpose. If the amount is deemed unsupported after allowing maximum feasible deference to State contracting procedures, it should be repaid from non-Federal funds.	\$5,926,104
2015-NY-1010	9/17/2015	003-D	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to provide support that the procurement for management and consultant services, for which \$2,736,658 was disbursed, is equivalent to contract methods allowable under regulations at 24 CFR 85.36 and was executed in accordance with State procedures, thus ensuring that the \$2,263,342 to be disbursed will be put to better use. If the procurement is deemed not equivalent after allowing maximum feasible deference to State contracting procedures or not compliant with State procedures, the \$2,736,658 should be repaid from non-Federal funds, and the remaining \$2,263,342 should be deobligated, thus putting the funds to better use.	\$5,000,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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.	\$4,235,773
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-1010	9/17/2015	003-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to submit to HUD for its review for compliance with Federal regulations the subrecipient agreement, executed at our request, that obligates \$2,422,835 for appraisal services provided in Long Island, NY, thus ensuring that these funds will be put to better use.	\$2,422,835
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
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-PH-1005	9/25/2015	001-A	Provide documentation to show that the 13 homes, with related program costs totaling \$1,928,646, meet the Green Building Standard or repay HUD from non-Federal funds for any amount that it cannot support.	\$1,928,646
2015-LA-1803	9/30/2015	001-A	Repay from non-Federal funds \$1,290,264 for funds spent on Filbert Phase 1 due to the modification of the resale restrictions for HOME assisted units, which resulted in a failure to comply with HUD's minimum required period of affordability.	\$1,807,490
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-BO-1003	3/4/2015	001-A	Repay \$1,306,205 in NSP funds spent for ineligible activity costs from non-Federal funds.	\$1,306,205
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
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-AT-1006	7/27/2015	001-A	Provide documents supporting that the 93 units assisted under activities Escambia Co 14B and St. Lucie Co 14A/ARH were impacted by the declared storm or reimburse HUD \$2,026,266 from non-Federal funds.	\$1,075,000
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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.	\$814,382
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
2015-NY-1010	9/17/2015	002-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to repay to the State's line of credit from non-Federal funds the \$598,300 paid in excess of the FHA loan limits approved by the board resolution.	\$598,300
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-1001	5/26/2015	004-A	Provide support for the \$500,000 spent on this project, demonstrating that the homes in the subdivision were marketed to low- and moderate-income households, or reimburse any amount that is not eligible from non-Federal funds.	\$500,000
2015-BO-1003	3/4/2015	001-C	Provide support for the necessity and reasonableness of \$489,518 in unexpended NSP funds or reallocate the funds for other eligible NSP activities.	\$489,518
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-PH-1005	9/25/2015	001-B	Continue to develop and implement procedures to ensure that future replacement homes are constructed in compliance with the Green Building Standard, thereby ensuring that program funds not yet paid to the subgrantee for the 13 homes, with related program costs totaling \$292,910, are put to better use.	\$292,910

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-DE-1001	5/26/2015	001-B	Provide support for the \$266,072 spent on projects for which the State did not maintain sufficient documentation to determine whether the costs were eligible and reimburse any amount that is not eligible from non-Federal funds.	\$266,072
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
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-LA-0003	9/18/2015	001-B	Require servicers to repay HUD \$414,673 for the 30 identified partial claims with excessive amounts (This includes \$21,685 from our review of the contractor and \$392,988 from our statistical sample summarized in appendix D).	\$131,256
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-AT-1006	7/27/2015	002-A	Provide supporting documentation to show that nine tenants were income eligible for assistance under activity Leon Co 14A or reimburse its program \$220,589 from non-Federal funds.	\$116,148
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-CH-1002	8/26/2015	001-C	We also recommend that the Director of HUD's Detroit Office of Public and Indian Housing require the Commission to Reimburse HUD \$111,761 from non-Federal funds (\$100,507 for housing assistance payments + \$11,254 in associated administrative fees) for the overpayment of housing assistance cited in the finding.	\$111,761
2015-DE-1001	5/26/2015	001-A	Reimburse from non-Federal funds the \$105,514 spent on ineligible costs.	\$105,514
2015-PH-0003	7/29/2015	001-B	Require the agencies to review the cases identified as potentially overhoused and justify at least \$103,732 in related unnecessary housing assistance payments made or correct vouchers as appropriate. Any overpayments of assistance should be repaid to HUD from non-Federal funds.	\$103,732
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2016-CH-1002	12/16/2015	001-D	Support or reimburse \$92,166 from non-Federal funds (\$77,133 + \$9,462 + \$1,728 in housing assistance payments + \$3,843 in associated administrative fees) for the missing eligibility documentation, unsupported housing assistance payment calculations, payments to an incorrect landlord, and discrepancies in the housing assistance payments register.	\$92,166
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2016-CH-1002	12/16/2015	001-A	Reimburse its program \$33,291 from non-Federal funds (\$19,629 for housing assistance payments + \$307 in overpaid utility allowances and \$12,826 + \$529 in associated administrative fees) for the overpayment of housing assistance and utility allowances cited in the finding.	\$33,291
2015-AT-1002	4/24/2015	001-B	Support or reimburse its Public Housing Operating Fund and Capital Fund programs \$33,144 from non-Federal funds for disbursements that lacked supporting documentation.	\$33,144
2015-CH-1006	9/11/2015	001-A	Reimburse HUD \$32,885 for loss incurred on one loan that did not receive active and proper loss mitigation or were improperly denied loss mitigation.	\$32,885
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-AT-1002	4/24/2015	001-A	Reimburse its Public Housing Operating Fund and Capital Fund programs \$22,178 from non-Federal funds for disbursements that violated conflict-of-interest regulations.	\$22,178
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-AT-1002	12/17/2015	002-B	Submit supporting documentation showing the eligibility and propriety of \$12,000 disbursed for construction permit fees or reimburse its loan guarantee account from non-Federal funds.	\$12,000
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.	\$11,875
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
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-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.	\$6,330
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-FW-1805	4/10/2015	001-F	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to support or repay its low-rent public housing program \$5,303 for unsupported credit card charges.	\$5,303
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2016-CH-1002	12/16/2015	001-B	Reimburse the appropriate households \$2,476 (\$2,183 in housing assistance underpayments + \$293 in utility allowance underpayments) from program funds for the underpayment of housing assistance due to calculation errors and discrepancies in the housing assistance payments register.	\$3,773
2015-LA-1002	4/16/2015	001-C	Repay \$3,245 in ineligible costs to the program from non-Federal funds.	\$3,245
2015-KC-1010	9/30/2015	002-A	Require the Authority to repay \$3,178 for ineligible expenses from non-Federal funds to its program or to HUD as the field office deems appropriate based on the funding source.	\$3,178
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
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-CH-1008	9/25/2015	001-D	Reimburse the appropriate household \$2,286 from non-Federal funds for the rent amounts paid in excess of 40 percent of its adjusted monthly income for the unit that was not affordable.	\$2,286
2015-FW-1806	6/11/2015	001-L	We recommend that the Director of the San Antonio Office of Public Housing require the Authority to support or repay its Housing Choice Voucher program fund \$2,197 from non-Federal funds for other unsupported amounts charged to the Authority's credit card.	\$2,197
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-KC-1007	8/20/2015	002-B	Collect from the contractor that replaced the Authority's air conditioning units and repay its Capital Fund program the \$1,171 that it improperly paid the contractor from its capital funds.	\$1,171
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
2016-CH-1002	12/16/2015	001-E	Pursue collection from the applicable households or reimburse its program \$2,293 from non-Federal funds for the overpayment of housing assistance due to unreported income.	\$461
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
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-0001	3/31/2015	001-C	Work with 134 grantees (29 NSP1 and 105 NSP3) that reported missing expenditure deadlines in DRGR to ensure that expenditure information submitted is accurate and up to date.	\$0
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-BO-1003	3/4/2015	001-F	Ensure that all of the NSP activities have the proper deed restrictions in place to ensure that the NSP properties remain affordable for the required affordability period and the NSP funds are protected.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-BO-1003	3/4/2015	001-G	Establish an agreement between the State and Rhode Island Housing to define responsibilities for the Federal programs they administer.	\$0
2015-BO-1003	3/4/2015	001-H	Establish an agreement between the Providence Redevelopment Agency and the City of Providence, Office of Community Development, to define responsibilities for the NSP activities.	\$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 1 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	002-A	Ensure that future grant agreements meet all requirements of 24 CFR 570.503.	\$0
2015-DE-1001	5/26/2015	002-D	Obtain training for its staff on the program income requirements.	\$0
2015-DE-1001	5/26/2015	003-A	Implement a procedure for conducting onsite monitoring over the course of each project, such as using regional directors to conduct monitoring.	\$0
2015-DE-1001	5/26/2015	003-B	Ensure that each subrecipient understands procurement requirements by continuing to require training for all new subrecipients and for those that do not understand the requirements.	\$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
2015-DE-1001	5/26/2015	004-B	Implement adequate policies and procedures to ensure that future projects will meet all CDBG requirements before approval and maintain supporting documentation showing this compliance.	\$0
2015-DP-0005	2/24/2015	002-A	Not released to public.	\$0
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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	003-B	Reevaluate the reasonableness of foreclosure cost and redefault rate management assumptions used in fiscal year 2014, considering the audit points cited in this report; document the results of the reevaluation for OIG's review; and determine the accounting adjustments needed, if any, to the fiscal year 2014 mortgage-backed securities loss liability account as a result of the changes in the management assumptions.	\$0
2015-FO-0003	2/27/2015	003-C	Determine Ginnie Mae's foreclosure cost reimbursement rate and take this information into account when developing its foreclosure cost management assumption.	\$0
2015-FO-0003	2/27/2015	003-D	Perform a validation of the FHA foreclosure cost assumption amount used in fiscal year 2014, document the results of the validation, and determine whether an adjustment to the fiscal year 2014 financial statements is warranted based on the updated foreclosure cost management assumption.	\$0
2015-FO-0003	2/27/2015	003-E	Perform a separate reserve for loss estimate analysis on reperforming non-pooled loans and, based on the results of this analysis, establish separate loss reserve estimates on reperforming non-pooled loans.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-FO-0003	2/27/2015	004-D	Overseeing a comprehensive risk assessment of Ginnie Mae's financial management governance.	\$0
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-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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-0002	7/6/2015	001-D	Develop and implement policies and procedures to ensure that OLG uses enforcement actions available under 12 U.S.C. 1715z-3a(g) for lenders that do not underwrite loans according to the Section 184 processing guidelines.	\$0
2015-LA-0002	7/6/2015	001-H	Ensure that only underwriters that are approved by OLG are underwriting Section 184 loans.	\$0
2015-LA-0002	7/6/2015	001-I	Develop and implement written policies and procedures for situations in which the borrower for a Section 184 loan is an Indian housing authority, a tribally designated housing entity, or an Indian tribe.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-LA-1005	7/9/2015	001-A	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies (31 U.S.C. (United States Code) 3801-3812, 3729, or both), civil money penalties (24 CFR (Code of Federal Regulations) 30.35), or both against NOVA, 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 709 loans with potential losses of \$48.5 million.	\$0
2015-LA-1005	7/9/2015	001-H	Update all internal control checklists to include specific HUD FHA rules and regulations governing down payment assistance, premium interest rates, and allowable fees.	\$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-B	Impose and record deed restrictions for activities 1760 and 1816.	\$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-0801	8/25/2015	001-A	Issue a notice to inform all North Carolina grantees that they must use the lowest bidder in a sealed bid process unless they are able to provide sufficient support in compliance with 24 CFR 85.36 to remove the bidder from the procurement process.	\$0
2015-AT-1007	8/14/2015	001-B	Determine legal sufficiency and if legally sufficient, pursue remedies under the Program Fraud Civil Remedies Act against the borrower, its principals, or both for incorrectly certifying that the property's critical repairs were completed before loan closing.	\$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.	\$0
2015-CH-0001	7/31/2015	001-F	Revise HUD's policies and procedures, including the supplemental 203(k) review checklist and review rating guidelines, to ensure that HUD reviewers properly and consistently identify and resolve deficiencies.	\$0
2015-CH-0001	7/31/2015	001-G	Ensure that post endorsement technical reviewers receive sufficient training to understand the scope of the repairs and improvements by contractors.	\$0
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	001-L	Review the remaining program household files, determine whether the appropriate voucher sizes were provided, conduct special recertifications for the households with vouchers that do not comply with the Authority's administrative plan, and issue the appropriate voucher sizes.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2015-CH-1010	9/30/2015	001-A	Develop and maintain a waiting list for rental units that meets the requirements of the resident home-ownership plan.	\$0
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-CH-1010	9/30/2015	001-D	Verify the current household income for all members to determine whether the members are paying more than 35 percent of their households' adjusted gross monthly income for membership fees. For any members that are paying more than 35 percent of their households' adjusted gross monthly income for membership fees, it should determine the amount the household overpaid and reimburse the household that amount.	\$0
2015-CH-1010	9/30/2015	001-I	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, provide the Cooperative notice of the determination and propose corrective or remedial actions to address the default.	\$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-0002	8/11/2015	002-A	Create and implement policies and procedures specifying the process for assigning match reductions.	\$0
2015-KC-0002	8/11/2015	002-B	Begin using the poverty rate instead of the family poverty rate for determining eligible fiscal match reductions.	\$0
2015-KC-0002	8/11/2015	002-C	Use the national average for per capita income reported by the U.S. Census Bureau for determining eligible fiscal match reductions.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-KC-0002	8/11/2015	002-D	Review the reductions assigned in IDIS by pulling a report of all match liabilities from IDIS and comparing that report to the calculated reductions.	\$0
2015-KC-1006	8/20/2015	001-D	Request a conflict of interest waiver for its fee accounting services contract for its Housing Choice Voucher program if a conflict exists following the reprourement.	\$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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-0003	9/18/2015	002-H	Update Mortgagee Letter 2013-32 to require that borrowers have surplus income after the FHA-HAMP modification.	\$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-1009	9/30/2015	001-A	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies (31 U.S.C. (United States Code) 3801-3812, 3729, or both), civil money penalties (24 CFR (Code of Federal Regulations) 30.35), or both against loanDepot, 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 384 loans with potential losses of \$33 million.	\$0
2015-LA-1009	9/30/2015	001-H	Update all internal control (e.g. policies and procedures, checklists, etc.) to include specific guidance on HUD FHA rules and regulations governing downpayment assistance, premium interest rates, and allowable fees.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-LA-1010	9/30/2015	001-A	Determine legal sufficiency and if legally sufficient, pursue civil and administrative remedies (31 U.S.C. (United States Code) 3801-3812, 3729, or both), civil money penalties (24 CFR (Code of Federal Regulations) 30.35), or both against loanDepot, its principals, or both for incorrectly certifying to the integrity of the data, to the eligibility for FHA mortgage insurance, or that due diligence was exercised during the origination of 234 loans with potential losses of \$21.3 million.	\$0
2015-LA-1010	9/30/2015	001-H	Update all internal controls (e.g. policies and procedures, checklists, etc.) to include specific guidance on HUD FHA rules and regulations governing downpayment assistance, premium interest rates, and allowable fees.	\$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	001-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to Strengthen controls to ensure that the enhanced buyout program partial action plan description, Program Policy Manual and publicly disseminated program information align with resolutions affecting the program and how the program is implemented, and that the public is adequately informed of how the program is implemented.	\$0
2015-NY-1010	9/17/2015	002-D	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to establish controls to provide greater assurance that funds are not disbursed for the purchase of second homes, including obtaining leases to document the rental status of properties.	\$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-1010	9/17/2015	002-G	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to strengthen controls to ensure that enhanced buyout incentives are paid in accordance with the State's partial action plan and Federal regulations.	\$0
2015-NY-1010	9/17/2015	003-C	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to strengthen controls over procurement actions to ensure that services funded with CDBG-DR funds are procured via a direct contract, a subrecipient agreement, a memorandum of understanding, or some similar document to provide greater assurance that State officials receive the services intended and have the ability to establish and monitor performance goals.	\$0
2015-NY-1010	9/17/2015	003-F	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to strengthen controls over maintenance of procurement files to provide greater assurance that the files contain all information required by regulations at 24 CFR 85.36b(9) and that a cost analysis and independent cost estimate are completed in accordance with regulations at 24 CFR 85.36.	\$0

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2015-NY-1010	9/17/2015	003-G	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to strengthen controls over procurement actions to ensure that contracts paid with CDBG-DR funds contain provisions required by regulations at 24 CFR 85.36(i).	\$0
2015-NY-1010	9/17/2015	003-H	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to request a HUD review of the State's procurement regulations to ensure that they are equivalent to regulations at 24 CFR 85.36(b).	\$0
2015-NY-1010	9/17/2015	003-I	We recommend that HUD's Deputy Assistant Secretary for Grant Programs instruct State officials to seek additional guidance from HUD as to what contractor-related information should be reported on its Web site to comply with the requirement of Public law 113-2 that grantees maintain on a public Web site information accounting for how all grant funds are used if contractor expenditure data is not reported on usaspending.gov as understood by HUD when it issued a reporting waiver.	\$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
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-A	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to strengthen controls to ensure that grant agreements are signed before checks are disbursed to homeowner recipients, thus providing greater assurance that State officials can enforce grant provisions.	\$0
2015-NY-1011	9/17/2015	002-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to establish and implement procedures to recapture ineligible disbursements to provide greater assurance that funds disbursed for ineligible activities and costs are promptly recovered.	\$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-D	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to strengthen controls over classifying assisted homeowners as low and moderate income to ensure that CDBG-DR national objectives are accurately reported.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2015-NY-1011	9/17/2015	002-E	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct the State to strengthen controls over the verification of recipient eligibility to ensure that CDBG-DR funds are not used to assist second homes.	\$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-1011	9/17/2015	003-B	We recommend that HUD's Deputy Assistant Secretary for Grant Programs direct State officials to strengthen controls over work authorization documentation to ensure that information on deliverables and unit cost is provided.	\$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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-A	Not released to public.	\$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-0002	12/21/2015	002-B	Not released to public.	\$0
2016-DP-0002	12/21/2015	004-A	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
2016-FO-0001	11/13/2015	002-E	Provide additional justification to support the reasonableness of the delinquency and foreclosure rates assumptions or create projections for this assumption that are better supported by best practices.	\$0
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0001	11/13/2015	004-B	<p>Establish and implement entity wide policies and procedures for an effective model risk management. At a minimum, it should include the following elements:</p> <ul style="list-style-type: none"> • Controls over model development, implementation and use; • Controls over model validation; • Controls over model documentation; • Controls over 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-B	Conduct ongoing monitoring of change reports to ensure that unauthorized changes are not made to Ginnie Mae's data, and establish a policy regarding ongoing monitoring of change activity that requires performing periodic reviews of change reports.	\$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-A	Evaluate the IHBG investment process and implement a proper accounting treatment in accordance with Federal GAAP.	\$0
2016-FO-0003	11/18/2015	002-B	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.	\$0
2016-FO-0003	11/18/2015	002-C	Develop standard operating procedures for routinely obtaining information on grantee investment activity and accurately reporting amounts in HUD's general ledger and financial statements.	\$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	002-E	Develop a tracking function for the payments advanced to IHBG recipients to facilitate financial reporting and monitoring compliance with grant time restrictions.	\$0
2016-FO-0003	11/18/2015	004-A	Assign adequate resources to identify and resolve incorrect transactions in GFAS so that the system can be used for reliable financial reporting of Ginnie Mae's budgetary resources.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

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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
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-FO-0003	11/18/2015	012-A	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.	\$0
2016-FO-0003	11/18/2015	012-B	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	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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 department-wide 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 department-wide 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-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 Mortgage Review Board.	\$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
2016-PH-1009	9/30/2016	001-A	Provide documentation to show that the \$40,046,144 disbursed under the contract was for costs that met a national objective or direct the State to repay HUD from non-Federal funds any amount that it cannot support (excluding any amount repaid as a result of recommendations 1B, 1C, 1D, 1E, and 1F).	\$40,046,144
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 department-wide 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
2016-KC-0001	8/17/2016	001-B	Add a performance requirement measuring partial claims collection to the contractor's performance work statement to effectively hold the contractor to an acceptable level of performance to put more than \$21,526,130 to better use.	\$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
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.	\$9,351,175
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-AT-1005	5/10/2016	001-C	Implement adequate procedures and controls to ensure that all program units meet HUD's and Authority's own housing quality standards to prevent \$7,560,158 in program funds from being spent on units that do not comply with requirements over the next year. The procedures should include but not be limited to ensuring that inspectors are properly trained and familiar with HUD's and the Authority's requirements to ensure that they conduct complete and accurate inspections.	\$7,560,158
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
2017-NY-1001	11/2/2016	001-A	We recommend that HUD's Acting Deputy Assistant Secretary for Grant Programs instruct City officials to submit an amended action plan for approval to ensure that it agrees with the City's policies regarding the use of \$4,467,299 and planned use of \$1,314,068 in additional CDBG-DR assistance covering up to 100 percent of eligible reimbursable expenses incurred by homeowners with SBA loans. If an amended action plan is not submitted and approved, repay the Program from non-Federal funds for additional reimbursements provided solely to homeowners with SBA loans.	\$5,781,367
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
2016-PH-1002	4/27/2016	001-F	Develop and implement controls to ensure that program units meet housing quality standards, thereby ensuring that an estimated \$4,014,032 in program funds is spent for units that are decent, safe, and sanitary.	\$4,014,032
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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).	\$2,377,970
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-BO-1002	6/27/2016	001-G	Provide documentation to support that \$750,000 in Housing Choice Voucher and \$1,000,000 in low-rent program reserve funds were used for eligible Housing Choice Voucher and low-rent program costs. Any amount determined to be unsupported should be repaid from non-Federal funds.	\$1,750,000
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-LA-1009	8/26/2016	001-D	Support that the noncompetitively procured fire apparatus costs were reasonable and that potential bidders were not harmed by the City's arbitrary action or repay its CDBG program line of credit \$1,615,516 from non-Federal funds for the noncompetitively procured fire apparatus contracts.	\$1,615,516
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-LA-1009	8/26/2016	001-C	Support that the costs for a contract awarded to one of the property owner's affiliates was reasonable and the integrity of the subrecipient's procurement was not compromised by the relationship or repay its CDBG program line of credit \$1,450,000 from non-Federal funds for the subrecipient's procurement violation.	\$1,450,000
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
2016-PH-1801	4/4/2016	001-A	Provide documentation to support the \$999,977 in unsupported payments identified by the review or reimburse its program from non-Federal funds for costs that it cannot support.	\$999,977
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-NY-1007	3/30/2016	001-B	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to record \$930,241 in Section 108 income generated from the refinancing of the Section 108 loan in IDIS, thus ensuring that \$930,241 in Section 108 income is properly accounted for and put to better use.	\$930,241

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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.	\$677,948
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
2017-FO-0003	11/15/2016	008-K	Deobligate all obligations marked for deobligation during the department-wide 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-KC-1005	9/28/2016	001-A	Provide adequate support for \$575,855 in CDBG unsupported salary costs or reimburse the affected programs from non-Federal funds any portion it cannot support.	\$575,855

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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.	\$516,560
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-BO-1002	6/27/2016	001-A	Repay the program from non-Federal funds the \$444,876 disbursed for Capital Fund program operating costs that exceeded the allowable amount.	\$444,876
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 to HUD.	\$416,145
2016-CH-1013	9/30/2016	001-B	Deobligate the remaining \$404,126 from its task letter for the housing unit renovations project.	\$404,126
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
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-CH-1003	6/30/2016	001-A	Reimburse HUD, for transmission to the U.S. Treasury, \$372,783 from non-Federal funds for the unnecessary interest the U.S. Treasury paid on the program funds that the Office of the Lieutenant Governor drew down from the U.S. Treasury to reimburse the Authority for program income that it used or when the Authority had available program income.	\$372,783
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
2017-CH-0001	10/25/2016	001-B	Coordinate with the appropriate HUD offices to provide sufficient documentation to support what HUD did with \$341,230 in proceeds from initial sales. If any proceeds were not remitted to the U.S. Treasury, coordinate with the appropriate offices to ensure that the proceeds are remitted to the U.S. Treasury.	\$341,230

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-PH-1003	5/24/2016	001-A	Require the City to repay its program \$317,803 for the disbursements it made for activity 3061 after the subrecipient agreement expired.	\$317,803
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
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-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-DE-1802	9/12/2016	001-A	Acknowledge that the attached settlement agreement for \$1,032,715 represents an amount due HUD.	\$300,000

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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-FW-1001	3/21/2016	001-B	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to support that project 2, to rehabilitate a building, met a national objective or repay \$285,953 to its CDBG program from non-Federal funds.	\$285,953
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-KC-1003	5/16/2016	001-B	Indemnify HUD for up to six loans that were not properly evaluated for loss mitigation, reducing the amount by the loss determined for recommendation 1F. The potential loss on those loans is estimated to be \$289,960 (appendix A).	\$252,407
2016-KC-1003	5/16/2016	001-A	Reimburse HUD \$287,922 for the loss incurred on five loans that did not receive active and proper loss mitigation or were improperly denied loss mitigation.	\$252,141
2016-FO-0006	9/29/2016	001-A	Review the identified 3,671 transactions totaling \$528,147 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 ensure that appropriate administrative sanctions are taken.	\$251,297

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
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-PH-1004	6/18/2016	001-A	Provide documentation to show that the \$227,413 disbursed for three contracts was for costs that were fair and reasonable or repay HUD from non-Federal funds for any amount that it cannot support.	\$227,413
2017-BO-1001	10/12/2016	002-A	Repay or support that \$227,138 in funds awarded met the low- and moderate-income national objective.	\$227,138
2016-FW-0001	3/30/2016	001-I	We recommend that the Deputy Secretary require the Chief Financial Officer to follow established procedures to address the \$224,906 in ineligible costs for invoices and travel associated with two invalid IPA agreements.	\$224,906
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-LA-1013	9/30/2016	001-B	Support the eligibility of \$190,572 used for personnel costs or reimburses its administrative fee reserve account using non-Federal funds.	\$190,572
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
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-FW-1009	9/29/2016	001-B	We recommend that the Director, Office of Residential Care Facilities, require the owner to repay Park View from non-project funds \$178,900 for ineligible distributions.	\$178,900
2016-CH-1013	9/30/2016	001-E	Reimburse its Public Housing Capital Fund program \$155,934 from non-Federal funds for the air conditioning unit installation project that was not competitively procured.	\$155,934
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-1003	2/5/2016	001-A	We recommend that the Director of HUD's Buffalo Office of Community Planning and Development instruct City officials to reimburse from non-Federal funds \$153,279 spent on ineligible costs for duplicate and pre-award costs of an economic development loan (\$99,616), non-Federal City salary costs (\$46,324), and duplicate subrecipient costs (\$7,339).	\$153,279
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0003	11/15/2016	008-J	Deobligate the \$152,211 in 108 administrative obligations marked for deobligation during the department-wide 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-LA-1010	8/29/2016	001-A	Reimburse the FHA insurance fund for \$144,891 in claims paid for one loan (045-8098001) that did not meet HUD underwriting requirements.	\$144,891
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
2016-PH-1009	9/30/2016	001-B	Repay HUD from non-Federal funds for the \$128,990 in charges incurred before the contract effective date.	\$128,990
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-1007	3/30/2016	002-E	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to change the IDIS matrix code for the use of \$127,166 for code enforcement and tenant assistance activities to show that the City did not use more than 20 percent of its CDBG funds for planning and administrative costs, thus ensuring that these funds were put to their intended use.	\$127,166
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-AT-1011	8/5/2016	001-D	Support or reimburse HUD \$941,770 for claims and incentive fees paid on 124 loans that may not have been eligible for the FHA-HAMP stand-alone partial claim due to noncompliance with the market rate requirement.	\$124,000
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-1004	6/18/2016	001-D	Provide documentation to support \$109,423 disbursed for the building rehabilitation project or repay HUD from non-Federal funds for any amount that it cannot support.	\$109,423
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-DE-1002	9/13/2016	001-E	Provide support for the \$94,685 in unsupported purchases, showing that the funds were used for eligible HUD purposes. Repay HUD using non-Federal funds for any portion not supported.	\$94,685
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
2016-CH-1011	9/30/2016	001-A	Pay down the unpaid principal balance for FHA case number 071-1514652 by \$5,343, the amount the borrower was short the minimum required investment.	\$87,779
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
2016-CH-1013	9/30/2016	001-A	Reimburse its Public Housing Capital Fund program \$84,479 from non-Federal funds for expenditures for its task letter that was issued for the housing unit renovations project.	\$84,479
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-NY-1007	3/30/2016	002-D	We recommend that the Director of HUD's Newark, NJ, Office of Community Planning and Development instruct City officials to reclassify \$81,475 used for the creation of affordable housing in IDIS to the correct activity, thus ensuring that these funds were put to their intended use.	\$81,475
2016-LA-1006	6/3/2016	001-G	Determine what percentage of the executive director's \$80,890 salary from August 15, 2015, to January 31, 2016, plus the applicable portion of any additional charges from February 1, 2016, forward should have been charged to the City for time spent as the acting executive director of the City's Housing and Community Development Department and obtain reimbursement for that amount.	\$80,890
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-PH-1002	4/27/2016	001-B	Reimburse its program \$62,454 from non-Federal funds (\$59,524 for housing assistance payments and \$2,930 in associated administrative fees) for the 38 units that materially failed to meet HUD's housing quality standards.	\$62,454
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-FW-1009	9/29/2016	001-C	We recommend that the Director, Office of Residential Care Facilities, require the owner to repay Park View from non-project funds \$41,382 for ineligible fees.	\$41,382
2016-KC-1005	9/28/2016	003-A	Reimburse its NSP \$39,500 from non-Federal funds for the promissory note that it satisfied when the homeowner sold her home before completing the correct affordability period.	\$39,500
2016-KC-1005	9/28/2016	001-B	Provide adequate support for \$38,711 in unsupported NSP management fees or reimburse the City's NSP program from non-Federal funds any portion it cannot support.	\$38,711
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-1003	7/8/2016	001-J	We recommend that the Administrator of the Southern Plains Office of Native American Programs require the Nation to support or repay \$38,155, from non-Federal funds, to its Indian Housing Block Grant program for a contract file that did not have price quotations to support full and open competition.	\$38,155
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
2016-CH-1013	9/30/2016	001-C	Reimburse its Public Housing Capital Fund program \$36,264 from non-Federal funds for disbursements made for the kitchen renovations projects that exceeded the not to exceed amount of its indefinite-quantity contract	\$36,264
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2016-KC-1004	5/19/2016	001-A	Monitor the Authority to ensure that it understands the flat rent requirements and has properly implemented them, thereby putting \$28,332 to better use over the next year.	\$28,332
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-KC-1002	3/9/2016	001-A	Monitor the Authority to ensure that it properly implements flat rent requirements, thereby putting \$19,679 to better use over the next year.	\$19,679
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-DE-1002	9/13/2016	001-D	Repay HUD for the \$16,078 in ineligible purchases using non-Federal funds.	\$16,078
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-KC-1004	5/19/2016	001-B	Include the \$13,746 in undercharged flat tenant rent to the appropriate operating subsidy calculations to ensure that it does not overpay operating subsidies.	\$13,746
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
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.	\$11,268
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-KC-1004	5/19/2016	001-C	Require the Authority to immediately perform interim reexaminations to correct the 19 overcharged tenants' rent so they will not overpay \$10,200 over the next year.	\$10,200
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-CH-1010	9/30/2016	001-A	Reimburse the project from nonproject funds \$8,210 for the lost rental revenue.	\$8,210
2016-AT-1011	8/5/2016	001-A	Reimburse HUD \$116,777 for claims and incentive fees paid on eight loans that were not eligible for the FHA-HAMP stand-alone partial claim due to noncompliance with the market rate requirement.	\$8,000
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-CH-1010	9/30/2016	001-C	Provide documentation supporting the distribution or allocation of the purchased appliances to the appropriate project units or reimburse the project \$6,608 from nonproject funds.	\$6,608
2016-KC-1004	5/19/2016	001-D	Require the Authority to credit the \$6,250 in overcharged flat rent to the tenants' accounts.	\$6,250
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2016-CH-1013	9/30/2016	001-D	Deobligate the remaining \$5,537 from its task letter for the kitchen renovations projects that exceeded the not to exceed amount of its indefinite-quantity contract.	\$5,537
2016-CH-1004	7/28/2016	002-D	Reimburse the 11 households \$9,970 (of which \$5,506 remains outstanding for seven households) from program funds for the underpayment of utility reimbursements.	\$5,506
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-AT-1011	8/5/2016	001-B	Reimburse HUD \$43,236 for claims and incentive fees paid on two loans that were not eligible for FHA-HAMP due to a failure to successfully complete the trial payment plans.	\$2,500
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-AT-1011	8/5/2016	001-E	Support or reimburse HUD \$74,767 for claims and incentive fees paid for three loans for which the Authority did not have adequate support for the borrower's verifiable loss of income or increase in living expenses.	\$2,250
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-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
2016-CH-1010	9/30/2016	001-B	Support that additional revenue was not lost or reimburse the project from nonproject funds \$1,442 for the units that were provided to two households as rent-free housing as appropriate.	\$1,442
2017-FW-1001	12/12/2016	001-D	We recommend that the Director, Office of Public Housing, Fort Worth, TX, require the Authority to pay the contractors \$1,115 in Davis-Bacon Act underpayments and ensure that they pay their affected workers.	\$1,115
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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
2017-FO-0003	11/15/2016	008-I	Deobligate the \$360,907 in 125 administrative obligations marked for deobligation during the departmentwide open obligations review.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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-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-AT-1008	7/19/2016	001-E	Take appropriate enforcement action against the former executive director responsible for the noncompliance with Federal regulations.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-AT-1011	8/5/2016	001-G	Improve written policies and procedures to include (1) requiring loss mitigation staff to obtain adequate documentation to ensure that the borrower's financial information is properly verified and evaluated and (2) ensuring that all qualifying program criteria are met before approving the borrower for FHA-HAMP loss mitigation options.	\$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-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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-AT-1015	9/30/2016	001-A	Provide adequate training to staff responsible for making entries to ensure accurate reporting in HUD's system. The training should include but not be limited to ensuring that its staff understands all of HUD's reporting requirements.	\$0
2016-BO-1002	6/27/2016	001-B	Strengthen controls over Capital Fund program funds to ensure that operating costs do not exceed allowable limits.	\$0
2016-BO-1002	6/27/2016	001-D	Strengthen controls over disbursements to ensure that costs are charged in accordance with HUD's asset management model.	\$0
2016-BO-1002	6/27/2016	001-H	Establish controls to ensure that Federal funds are not used to make loans to pay COCC costs.	\$0
2016-BO-1002	6/27/2016	001-I	Establish and implement procedures to properly account for interfund transactions, including regularly reconciling and repaying any amounts that are improperly accounted for.	\$0
2016-BO-1002	6/27/2016	001-L	Ensure that controls over inventory and procurement are strengthened according to the corrective action plan, particularly to ensure that items are added to inventory when purchased and removed from inventory when obsolete or no longer in use, cost estimates and analyses are performed for procurements, evaluation reports are completed to support the rationale for contract awards, and the history of procurements is maintained.	\$0
2016-BO-1003	6/28/2016	001-F	Strengthen controls to ensure that environmental review assessments are completed in accordance with regulations at 24 CFR 570.200(a)(4) and Part 58.	\$0
2016-BO-1003	6/28/2016	001-H	Amend the affordability restrictions in place for the five properties for which the affordability restrictions were not adequate, thus ensuring that HUD's interest in the properties is protected and the funds allocated to these properties will be put to their intended use.	\$0
2016-BO-1003	6/28/2016	001-K	Strengthen controls over property purchases to ensure that properties are acquired at the applicable discount.	\$0
2016-BO-1003	6/28/2016	001-N	Strengthen controls over monitoring and oversight of its subrecipients to ensure that they comply with their agreements and program requirements.	\$0
2016-BO-1004	8/12/2016	001-C	Review their allocation procedures and make the necessary adjustments to ensure that front-line or fee-for-service costs are appropriately allocated to the asset management projects based on the actual time or service provided.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-CH-1003	6/30/2016	001-B	Reduce program income in HUD's system by more than \$293,000.	\$0
2016-CH-1003	6/30/2016	001-C	Implement adequate procedures and controls to ensure that the Authority (1) uses available program income for eligible activities before the Office of the Lieutenant Governor draws down program funds from the U.S. Treasury and (2) accurately reports program income in HUD's system.	\$0
2016-CH-1003	6/30/2016	002-A	Implement adequate procedures and controls to ensure that the Office accurately posts the State's quarterly performance reports for the program to its official Web site no later than 33 days following the end of each quarter.	\$0
2016-CH-1004	7/28/2016	001-B	Ensure that the contract to perform housing quality standards inspections for the program units owned by entities substantially controlled by the Authority is with an independent entity approved by HUD.	\$0
2016-CH-1004	7/28/2016	001-C	Procure an independent third party to perform rent reasonableness determinations for the program households that reside in units owned by entities substantially controlled by the Authority.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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-CH-1005	8/3/2016	001-D	Implement adequate procedures and controls to ensure that (1) procurements are appropriately managed, (2) adequate documentation is maintained to support the significant history of its procurements, and (3) adequate competition is sought for all procurements.	\$0
2016-CH-1005	8/3/2016	001-E	Implement adequate procedures and controls to ensure that the Authority follows HUD's and its own conflict-of-interest requirements related to procurements. Such procedures should include but not be limited to selecting contractors based on open and free competition and ensuring that real or apparent conflicts of interest do not exist or are appropriately mitigated.	\$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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-B	Ensure that its staff is appropriately trained and familiar with HUD's requirements and its administrative plan regarding unreported or underreported income.	\$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
2016-CH-1006	8/23/2016	003-I	Ensure that its staff responsible for administering and monitoring its program is knowledgeable and complies with HUD's and its own program requirements.	\$0
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-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-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
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-D	Implement adequate procedures and controls to ensure that units are sold at or below fair market value, HUD's secured interest in the units is appropriately valued, and the City receives its full share of the proceeds from subsequent unit sales as applicable.	\$0
2016-CH-1009	9/30/2016	001-E	Develop and maintain a waiting list for rental units that meets the requirements of the resident home-ownership plan.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1009	9/30/2016	001-F	Implement adequate procedures and controls to ensure that any rental units vacated by current households 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 home-ownership plan.	\$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-H	Implement adequate procedures and controls to ensure that HUD receives its full share of the proceeds from future 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-J	Implement adequate procedures and controls to ensure that its share of the proceeds from initial unit sales is used in accordance with the grant agreement.	\$0
2016-CH-1009	9/30/2016	001-K	Verify the current household income for all owners to determine whether the owners are paying more than 35 percent of their households' monthly adjusted gross income for mortgage payments and assessment fees. For any owners that are paying more than 35 percent of their households' monthly adjusted gross income for mortgage payments and assessment fees, it should determine the amount the household overpaid and reimburse the household that amount.	\$0
2016-CH-1009	9/30/2016	001-L	Implement adequate procedures and controls to ensure that owners do not pay more than 35 percent of their households' monthly adjusted gross income for mortgage payments and assessment fees.	\$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-N	Implement adequate procedures and controls to ensure that the appropriate actions are taken when all of the owners of a unit have passed away.	\$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-P	Implement adequate procedures and controls to ensure that owners maintain their units at the project as their principal residence or sell their units.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-CH-1009	9/30/2016	001-R	Implement adequate procedures and controls to ensure that the project's units are used for rental or condominium housing unless otherwise approved by HUD.	\$0
2016-CH-1009	9/30/2016	001-S	Implement adequate procedures and controls to ensure that it submits the required reports to HUD to demonstrate continued compliance with the program.	\$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 down payments 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
2016-CH-1009	9/30/2016	001-U	Ensure that the Condominium Association's board members and responsible staff of the Condominium Association's management agent are provided training on HUD's requirements and the grant agreement.	\$0
2016-CH-1010	9/30/2016	001-D	Implement adequate procedures and controls to ensure that (1) rental revenue was not lost and that lease agreements are executed before households are permitted to live in the units, (2) the project's records are properly maintained, (3) the project's security deposit account equals or exceeds the total outstanding obligations associated with the account at all times, and (4) annual audited financial statements are submitted to HUD in a timely manner.	\$0
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-CH-1013	9/30/2016	001-F	Implement adequate quality control policies and procedures, including but not limited to providing training to its staff to ensure that its contracts are procured and executed in accordance with HUD's requirements and its own procurement policy.	\$0
2016-DE-1002	9/13/2016	001-B	Develop and implement detailed policies and procedures for its financial management, to include record retention, handling of petty cash, and issuance of checks.	\$0
2016-DE-1002	9/13/2016	001-C	Develop and implement detailed policies and procedures for the use of its purchase and gas cards.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-DE-1002	9/13/2016	002-A	Identify all sources of program income and develop and implement detailed policies and procedures to address collections, tracking, and use of its program income.	\$0
2016-DE-1002	9/13/2016	002-B	Determine or estimate how much program income was not deposited into its accounts and reimburse its Federal accounts using non-Federal funds.	\$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-DP-0003	8/31/2016	001-C	Not released to public.	\$0
2016-DP-0003	8/31/2016	001-D	Not released to public.	\$0
2016-DP-0003	8/31/2016	001-E	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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2016-DP-0003	8/31/2016	004-B	Not released to public.	\$0
2016-DP-0003	8/31/2016	004-C	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-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-C	Not released to public.	\$0
2016-DP-0004	9/20/2016	001-D	Not released to public.	\$0
2016-DP-0004	9/20/2016	001-E	Not released to public.	\$0
2016-DP-0004	9/20/2016	001-F	Not released to public.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-0006	9/29/2016	001-B	Review all transactions made by the 28 cardholders identified during our review to identify additional transactions made outside official travel. If the cardholders were not on official travel, OCFO 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
2016-FO-0006	9/29/2016	001-C	Strengthen controls to identify cardholders who use their travel card outside official travel in a timely manner, including deactivating travel cards when unauthorized transactions are identified.	\$0
2016-FO-0006	9/29/2016	001-D	Ensure that travel cards are collected and deactivated immediately when an employee separates from the agency.	\$0
2016-FO-0006	9/29/2016	001-E	Provide refresher training to cardholders on appropriate travel card use.	\$0
2016-FO-0006	9/29/2016	002-A	Clarify roles and responsibilities regarding the duties that must be separated and the overlap that might be allowable in smaller field offices.	\$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
2016-FO-0006	9/29/2016	002-C	Enforce retention of purchase card transaction supporting documentation, including but not limited to clearances and approvals for purchases requiring special attention and the authorizing official's signature on the form HUD-10.4, and make it available to auditors.	\$0
2016-FO-0006	9/29/2016	002-D	Review supporting documents to identify overlapping functions and responsibilities.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FO-0802	8/26/2016	001-D	Complete the project plan documentation for the FHA and Ginnie Mae components.	\$0
2016-FW-0001	3/30/2016	001-A	We recommend that the Deputy Secretary require the Chief Human Capital Officer to revise the draft IPA policy to incorporate a requirement for an independent, central point of review for IPA agreements. This central point of review would be responsible for reviewing and approving IPA assignment agreements before the assignment begins to ensure that they are reasonable, meet the purpose of the Act, do not circumvent established hiring procedures, and that there are no indications of a conflict of interest. This should include reviewing the full cost of the agreement, including salary, benefits, bonuses, and relocation expenses.	\$0
2016-FW-0001	3/30/2016	001-B	We recommend that the Deputy Secretary require the Chief Human Capital Officer to use only OPM's form OF 69, Assignment Agreement, to document and execute IPA assignment agreements and ensure that the certifying officials and assignees make the required certifications.	\$0
2016-FW-0001	3/30/2016	001-C	We recommend that the Deputy Secretary require the Chief Human Capital Officer to establish and implement procedures to guide staff in reviewing IPA documents for completeness and accuracy, including ensuring that the agreements clearly describe the costs that HUD will reimburse, provisions that HUD must review and approve any bonuses and salary increases, verifying employment status, and ensuring that that all parties sign the agreement before the effective date.	\$0
2016-FW-0001	3/30/2016	001-D	We recommend that the Deputy Secretary require the Chief Human Capital Officer to develop and implement procedures to ensure that OCHCO retains, in accordance with HUD's record retention policy, all relevant information to document the transaction and any extensions or modifications. This documentation should include but not be limited to relevant correspondence, certification of the organization to participate in the IPA mobility program (if required), justification memorandums, OGC review and financial disclosure determination, central point of review and approval documentation, and fully executed documents.	\$0
2016-FW-0001	3/30/2016	001-E	We recommend that the Deputy Secretary require the Chief Human Capital Officer to develop and implement procedures and protocols to ensure that program staff provide OGC with all relevant information to make informed ethics decisions before executing the agreement and incorporate this requirement into the IPA policy.	\$0
2016-FW-0001	3/30/2016	001-F	We recommend that the Deputy Secretary require the Chief Human Capital Officer to resubmit the draft handbook containing the IPA policy for departmental clearance after making the recommended revisions and adopt it as official policy.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FW-0001	3/30/2016	001-G	We recommend that the Deputy Secretary require the Associate General Counsel for Ethics, Appeals and Personnel Law to establish written review procedures for IPA assignment agreements, which should include a review of the sources of funds when HUD does not pay the entire cost of the agreement, and a determination and evaluation of the impact if the employer participated in HUD programs, received HUD funding, or lobbied HUD topics relevant to the IPA assignment.	\$0
2016-FW-0001	3/30/2016	001-H	Continue to provide training to HUD managers about the IPA policy and procedures, including reinforcing that they must use other means to hire employees when proposed IPA agreements do not meet the purpose of the Act.	\$0
2016-FW-0001	3/30/2016	002-A	We recommend that the Deputy Secretary establish points of responsibility to ensure proper oversight and monitoring of the personnel and activities involved in IPA agreements.	\$0
2016-FW-0001	3/30/2016	002-B	We recommend that the Deputy Secretary require the Chief Human Capital Officer to develop and implement a system to track IPA assignments to ensure that HUD does not spend funds without a valid agreement and that HUD either extends expiring agreements, if appropriate, or promptly out-processes the assignees.	\$0
2016-FW-0001	3/30/2016	002-C	We recommend that the Deputy Secretary require the Chief Human Capital Officer to revise the draft IPA policy to include the requirement that HUD supervisors of IPA assignees conduct and document performance appraisals.	\$0
2016-FW-0001	3/30/2016	002-D	We recommend that the Deputy Secretary require the Chief Human Capital Officer to revise the draft IPA policy to include the requirement that IPA assignees complete the same clearing process as separating employees and develop and implement procedures to carry out the policy.	\$0
2016-FW-0001	3/30/2016	002-E	We recommend that the Deputy Secretary require the Chief Information Officer to establish effective procedures to ensure that IPA assignees receive the required information technology security awareness training in accordance with the Federal Information Security Management Act.	\$0
2016-FW-1001	3/21/2016	001-F	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to develop and implement written CDBG policies and procedures with requirements, including but not limited to (1) maintaining documentation to support that its CDBG-funded projects met one or more national objectives, (2) executing written agreements for all projects, and (3) ensuring that subrecipients meet the agreement terms.	\$0
2016-FW-1001	3/21/2016	001-G	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City 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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-FW-1001	3/21/2016	001-H	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to maintain complete CDBG subrecipient files with all documentation needed to support its activities and compliance with Federal requirements.	\$0
2016-FW-1001	3/21/2016	002-B	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to develop and implement written procurement procedures specific to 24 CFR 85.36, which include but are not limited to procedures for (1) the different procurement methods; (2) retaining initial inspection estimate records or other documentation supporting the development of independent cost estimates; (3) ensuring that it obtains an adequate number of quotes to enable full and open competition; (4) maintaining all quotations obtained, solicitation documents, or bid responses; and (5) documenting contractor debarment reviews to supplement the purchasing manual.	\$0
2016-FW-1001	3/21/2016	002-D	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to maintain complete CDBG procurement files with all documentation needed to support its activities and compliance with Federal requirements.	\$0
2016-FW-1001	3/21/2016	003-A	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to immediately stop using CDBG program funds to cover other program costs.	\$0
2016-FW-1001	3/21/2016	003-B	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to provide a full reconciliation, to include supporting documentation, of its CDBG administrative expenditure and transfer transactions covering October 2012 through April 2015 to ensure that it properly accounted for its funds and repay its CDBG program from non-Federal funds for any unsupported or ineligible costs.	\$0
2016-FW-1001	3/21/2016	003-C	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to develop and implement written CDBG procedures to ensure that program funds are properly accounted for and are used only to administer the CDBG or other allowed programs.	\$0
2016-FW-1001	3/21/2016	003-D	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to maintain complete CDBG expenditure files with all documentation needed to support its transactions and compliance with Federal requirements.	\$0
2016-FW-1001	3/21/2016	003-E	We recommend that the Director of HUD's New Orleans Office of Community Planning and Development require the City to update its payroll system to ensure that it has the capacity to charge time to the appropriate program(s).	\$0
2016-FW-1004	7/27/2016	001-C	We recommend that the Acting Director of the HUD Southwest Region Office of Multifamily Housing Programs require the Corporation to request a HUD evaluation of the current required monthly reserve fund for replacements contribution amounts to ensure that the required contribution amount is feasible.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-FW-1004	7/27/2016	001-G	We recommend that HUD evaluate the project's viability to determine whether further action is needed to secure HUD's and the tenants' interests. Should HUD determine that the project is viable, we recommend that HUD review the budget and subsidy numbers, and monitor the project's contract administrator performance to ensure that the project complies with all requirements.	\$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-FW-1009	9/29/2016	001-A	We recommend that the Director, Office of Residential Care Facilities, require the owner to develop policies and procedures to ensure compliance with the regulatory agreement and HUD 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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-KC-0001	8/17/2016	001-C	Strengthen procedures to better identify and resolve all due and payable partial claims.	\$0
2016-KC-0002	9/21/2016	001-A	Establish a maximum time that loans may remain pooled without insurance.	\$0
2016-KC-1001	2/22/2016	001-E	Monitor the State to ensure that it establishes and implements a new time-keeping system.	\$0
2016-KC-1003	5/16/2016	001-C	Update its policies and procedures for loss mitigation to include requirements found in ML 2000-05 (including general requirements for all loss mitigation options, such as the 90-day review requirement, monthly evaluation, evaluation of the borrower's financial condition, and requirements for the borrower's ability to support mortgage payments for loan modification and partial claim), ML 2008-43 (including requirements to consider loss mitigation home retention alternatives before evaluating the borrower for disposition options and requirements for loss mitigation review after a failed preforeclosure sale), and ML 2014-15 (including requirements for the standard preforeclosure sale). Effective March 2016, these MLs have been superseded by HUD Handbook 4000.1, and the servicer should update its policies in accordance with the new Handbook requirements.	\$0
2016-KC-1003	5/16/2016	001-D	Update its procedures to include checklists to ensure that it considers all loss mitigation options before starting foreclosure and follows all HUD requirements for those options.	\$0
2016-KC-1003	5/16/2016	001-E	Provide training to loss mitigation staff on the new policies and procedures updated as a result of 1C and 1D.	\$0
2016-KC-1003	5/16/2016	001-F	Determine the loss for FHA loans 093-7288660, 292-6467627, 292-6513318, and 093-7785357 that went to claim after our review and seek reimbursement for the loss from J.B. Nutter.	\$0
2016-KC-1004	5/19/2016	001-E	Require the Authority to update its policies and procedures to describe its methodology for calculating flat rents.	\$0
2016-KC-1005	9/28/2016	001-C	Implement a detailed tracking system to ensure that it properly tracks activities.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-KC-1005	9/28/2016	001-D	Receive training on salary distribution methods and documentation requirements for Federal grants.	\$0
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-A	Develop and implement 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	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-C	Develop a system to ensure that it is informed about NSP policy alerts and other related guidance.	\$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-A	Develop and implement detailed waiting list procedures to prevent future waiting list difficulties.	\$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-LA-1004	4/28/2016	001-C	Establish policies and procedures to ensure that all future Authority contracts include mandatory Federal clauses.	\$0
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-LA-1004	4/28/2016	002-A	Develop and implement written policies and procedures for administering its tenant rents, including but not limited to a rental collection policy that includes procedures to address delinquent accounts, eviction procedures for nonpayment of rents, procedures for writing off uncollectible tenant accounts, and procedures for reporting debts owed by past tenants in EIV.	\$0
2016-LA-1005	5/13/2016	001-D	Develop and implement a quality control process to ensure that contracted inspections of mobility out housing units are monitored for compliance with HUD standards.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-B	Pursue appropriate administrative actions against Authority officials for the Authority's submission of 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
2016-LA-1006	6/3/2016	001-H	Establish and implement policies and procedures for Authority employees to charge time to the City when working on City assignments.	\$0
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-M	Develop and implement financial policies and procedures for the current operating environment that address the roles of Authority and City employees. The Authority should also ensure that there are additional steps for expenses charged by the City to ensure proper review and approval.	\$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-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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-LA-1010	8/29/2016	001-C	Improve controls to prevent it from disregarding HUD underwriting requirements, particularly those related to manually underwritten loans.	\$0
2016-LA-1010	8/29/2016	002-A	Improve quality controls to ensure that loans selected for review, to include early payment defaults, comply with HUD quality control document reverification requirements.	\$0
2016-LA-1010	8/29/2016	002-C	Provide additional training to ensure that responsible staff is aware of HUD's quality control program requirements.	\$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 down payment 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-LA-1013	9/30/2016	001-C	Develop and implement adequate internal controls over its financial management of program funds. At a minimum, the internal controls should address the weaknesses cited in this report and include policies and procedures to ensure that costs are reviewed, documented, and supported as required by HUD; fraud recovery proceeds are classified correctly; repayment agreements are monitored and enforced; and disbursements are reconciled in its program management software system.	\$0
2016-LA-1013	9/30/2016	001-D	Ensure that staffing is available to monitor and enforce repayment agreements executed with noncompliant program participants.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-LA-1013	9/30/2016	001-E	Obtain HUD training and technical assistance for its management, program staff, and applicable City finance staff to ensure that the financial management of its program complies with HUD rules and requirements.	\$0
2016-LA-1013	9/30/2016	001-F	Review the Authority's current and future cost allocation plans to ensure compliance with HUD rules and requirements. Specifically, these cost allocation plans should include the following required elements: the departments providing and receiving the services, the details of the expenses incurred from providing services, and the methodology for sharing costs among the benefitting departments.	\$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-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

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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
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-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

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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
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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
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

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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-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
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-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-PH-0002	7/23/2016	001-A	Assess Ginnie Mae's processes and capabilities, and provide technical assistance to ensure that its staff is adequately trained on procurement and contract administration matters.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2016-PH-0002	7/23/2016	001-C	Increase monitoring of Ginnie Mae to ensure that costs related to its contract with Burson-Marsteller and any future contracts are supported, reasonable, and necessary.	\$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-PH-0004	9/29/2016	001-A	Require Moving to Work housing agencies to include a breakdown of their anticipated and actual costs for legal services in their annual plans and reports.	\$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-1002	4/27/2016	001-C	Use the results of this audit to continue training its inspectors to identify housing quality standards violations.	\$0
2016-PH-1002	4/27/2016	001-E	Develop and implement procedures to ensure that quality control inspections are conducted properly and that the results of those inspections are used to improve the effectiveness of its housing quality standards inspections.	\$0
2016-PH-1002	4/27/2016	001-I	Develop controls to ensure that staff members accurately calculate housing assistance payment abatements.	\$0
2016-PH-1003	5/24/2016	001-B	Require the City to provide documentation for the six activities that did not comply with procurement requirements to show that costs paid for products and services were fair and reasonable or repay its program from non-Federal funds any amount that it cannot support (excluding any amount repaid as a result of recommendations 1C and 1D).	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-G	Require the City to provide training to its staff on HUD procurement and environmental review requirements.	\$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-PH-1004	6/18/2016	001-B	Provide documentation to show that the contract prices for the engineering services and administrative consulting services related to the West Pittston Borough street improvements project were fair and reasonable and if not, implement controls to ensure that it does not use Block Grant Disaster Recovery funds to pay for any amounts that are not fair and reasonable.	\$0
2016-PH-1004	6/18/2016	001-C	Implement controls to ensure that it does not use Block Grant Disaster Recovery funds to pay for engineering costs related to the West Pittston Borough street improvements project billed as reimbursement of cost plus a percentage of cost.	\$0
2016-PH-1004	6/18/2016	001-E	Provide training to its subrecipients on Federal procurement and cost principle requirements.	\$0
2016-PH-1004	6/18/2016	001-F	Improve its controls to ensure that it obtains adequate documentation to demonstrate compliance with Federal procurement and cost principle requirements before disbursing Block Grant Disaster Recovery funds to subrecipients.	\$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
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-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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
2016-SE-1001	3/9/2016	001-A	Hire, train and maintain sufficient staff to adequately perform its housing assistance payment functions.	\$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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
2017-BO-1001	10/12/2016	001-C	Strengthen controls over procurement to ensure that procurement activities meet Federal requirements.	\$0
2017-BO-1001	10/12/2016	001-D	Strengthen controls to ensure that services are provided in accordance with contract scopes of work.	\$0
2017-BO-1001	10/12/2016	002-B	Strengthen controls over properly documenting income information to ensure that the low- and moderate-income national objective is properly supported.	\$0
2017-BO-1001	10/12/2016	002-D	Strengthen controls over environmental review determinations for its reimbursement program to ensure that they are completed in accordance with Federal requirements.	\$0
2017-BO-1001	10/12/2016	002-G	Strengthen controls over duplication of benefits determinations to ensure that unmet need is properly calculated.	\$0
2017-BO-1001	10/12/2016	002-H	Ensure that low- and moderate-income information reported in DRGR for its rehabilitation and reimbursement programs is accurate.	\$0
2017-BO-1801	10/13/2016	001-A	Flag Sons of Divine Providence in the HUD previous participation system.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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 <ul style="list-style-type: none"> •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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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	001-A	Develop and implement a process to (1) research inconsistent data in a timely manner to prevent errors when calculating the loan guaranty liability and (2) ensure that only cash transactions are included and accrued expenses are not included as part of the maintenance and operating expense rate.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0002	11/14/2016	002-A	Establish and implement effective controls to detect variances between proprietary and budgetary accounts at the fund level across all accounting areas.	\$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	002-E	Request that the Principal Deputy Assistant Secretary for Housing establish and implement more robust internal control policies and procedures for the annual review process to include (1) a complete narrative of the deobligation process for all obligation types, which specifies the offices responsible for deobligating funds, the required documentation, and the timeframes for providing this documentation, and (b) a process for addressing untimely or unclear responses and presenting the issues to management for resolution.	\$0
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.	\$0
2017-FO-0002	11/14/2016	004-A	Make it a priority to fully implement a model risk governance structure, which includes finalizing and implementing policies and procedures.	\$0
2017-FO-0003	11/15/2016	001-B	Communicate the reissuance of the fiscal year 2015 financial statements to those charged with governance, oversight bodies, funding agencies, and others who rely on or are likely to rely on the financial statement(s), as required by OMB Circular A-136.	\$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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
2017-FO-0003	11/15/2016	001-I	Work with ARC to develop an automatic process for closing accounts that maintains the vendor level detail needed to populate HUD's custom trial balances.	\$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-B	Ensure that approved funds control plans and procedures to properly record loan guarantees are in place at the program offices.	\$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
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	005-A	Establish standard operating procedures to capture the process involved with the transfer of accounting data to Oracle from HUDCAPS through NCIS. Procedures should include measures to ensure that information is processed completely, accurately, and in a consistent and re-performable manner to allow for timely review.	\$0
2017-FO-0003	11/15/2016	005-B	Adequately document key internal control processes and control activities in place for the HUDCAPS, NCIS, and Oracle interface, including but not limited to Oracle posting models, and ensure that they are readily available for review.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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	007-A	Finalize and implement the funds control policies and procedures for the business processes completed by ARC, including salary and expense transactions, and ensure traceability to the program funds, adopting the policies for budget execution, obligation, and expenditure of funds.	\$0
2017-FO-0003	11/15/2016	007-B	Monitor each program office's compliance with the established funds control policies by reviewing and approving funds control documentation revisions and annual certifications in a timely manner.	\$0
2017-FO-0003	11/15/2016	007-C	Ensure that each program office maintains current reporting elements in its funds control documentation, including the fund, program code, and program class, to provide traceability to the Oracle financial system and the transaction source.	\$0
2017-FO-0003	11/15/2016	007-D	Ensure that the roles and responsibilities are defined and documented by position for those individuals authorized in the funds control process.	\$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-D	Prescribe a deadline date for closeout of NSP for rounds 1 and 3.	\$0
2017-FO-0003	11/15/2016	008-M	Research the \$13.6 million deobligation recorded in HIAMS for the Bank of New York Mellon and if it was executed, provide the signed contract to Ginnie Mae for recording in its general ledger.	\$0
2017-FO-0003	11/15/2016	008-N	Implement a formal process to provide Ginnie Mae with all of the documentation it needs to record deobligations as soon as they are recorded in PRISM TM.	\$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-FO-0003	11/15/2016	009-E	Review and update the NCIS documentation to reflect the current state of the system and ensure that the most recent documents are made available to the users.	\$0
2017-FO-0003	11/15/2016	009-F	Establish and implement procedures to ensure that the updated documentation remains current.	\$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-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-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-LA-0001	10/27/2016	001-A	Develop and implement written procedures to ensure that its staff obtains and tracks the required annual owner certifications using iREMS.	\$0
2017-LA-0001	10/27/2016	001-B	Develop and implement written procedures to ensure that reviews are conducted to verify whether the properties complied with the use restrictions in the PPC use agreements.	\$0
2017-LA-0001	10/27/2016	001-C	Obtain the missing annual owner certifications for the two properties (FHA numbers 085-11099 and 113-35284) and record them in iREMS.	\$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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-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
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.	\$35,000,000
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
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
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-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's 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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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
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-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
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-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.5 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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-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-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-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
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-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-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-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-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

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-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-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-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-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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-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
2017-PH-1002	3/24/2017	001-E	Remove the \$25,000 lien on the project property.	\$25,000
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-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
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-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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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
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-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-KC-1801	2/23/2017	001-A	Acknowledge that the settlement agreement for \$5,000 represents an amount due HUD.	\$5,000
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-PH-1801	1/6/2017	001-A	Acknowledge that the attached settlement agreement for \$1,500 represents an amount due HUD.	\$1,200
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-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
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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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-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-F	Not released to public.	\$0
2017-DP-0001	2/1/2017	001-G	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
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-0001	2/1/2017	001-M	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	002-D	Not released to public.	\$0
2017-DP-0002	2/9/2017	003-A	Not released to public.	\$0
2017-DP-0002	2/9/2017	003-B	Not released to public.	\$0

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-C	Not released to public.	\$0
2017-DP-0002	2/9/2017	004-D	Not released to public.	\$0
2017-DP-0002	2/9/2017	004-E	Not released to public.	\$0
2017-DP-0002	2/9/2017	005-A	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-A	Not released to public.	\$0
2017-DP-0002	2/9/2017	007-B	Not released to public.	\$0
2017-DP-0002	2/9/2017	007-C	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-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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-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-KC-1002	3/3/2017	001-D	Require New Horizons to obtain independent management.	\$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-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-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-B	Obtain missing HUD-22 concurrence forms for the 13 identified directives and update the Clearance Calendar tracking system to properly document clearance of the 42 directives with incomplete Clearance Calendar documentation. 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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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-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-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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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-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
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-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

REPORT NUMBER	REPORT DATE	REC #	RECOMMENDATION TEXT	ESTIMATED COST SAVINGS
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
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

OFFICE OF EVALUATION

Report Number	Report date	Rec #	Recommendation Text	Estimated Cost Savings
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	41	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	43	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	Estimated Cost Savings
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
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

Report Number	Report date	Rec #	Recommendation Text	Estimated Cost Savings
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-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	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-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	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
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

Report Number	Report date	Rec #	Recommendation Text	Estimated Cost Savings
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
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

Report Number	Report date	Rec #	Recommendation Text	Estimated Cost Savings
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
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 & 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
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
2016-OE-0006	11/25/2016	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

Report Number	Report date	Rec #	Recommendation Text	Estimated Cost Savings
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
2016-OE-0006	11/25/2016	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
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	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-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	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
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-0006	11/25/2016	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-0002	2/12/2016	IA	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	Estimated Cost Savings
2014-OE-0002	2/12/2016	1B	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	1C	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	1D	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	2E	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	2F	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	3G	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
2014-OE-0002	2/12/2016	3H	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
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.	\$0
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.	\$0
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.	\$0

Report Number	Report date	Rec #	Recommendation Text	Estimated Cost Savings
2015-OE-0008	3/30/2016	1A	The Chief Human Capital Officer should ensure that the Personnel Security Division has adequate resources to develop and implement a comprehensive departmental personnel security policy that fully addresses contractor employees.	\$0
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: - Devoting adequate and appropriately trained staff to perform suitability adjudications and - Prioritizing, obtaining, and implementing an automated case management system.	\$0
2016-OE-0003	9/14/2016	5	Specify requirements to achieve Phase II objectives, including modifying the interagency agreement as needed, and collaborate with CNCS and EJW to specify and align plans, activities, and reporting requirements to achieve Phase II objectives.	\$0
2016-OE-0003	9/14/2016	6	Implement a site-specific model to manage and evaluate Phase II site operations and use as a basis for quarterly reporting. The proposed site-specific model provides a systematic process to develop goals, activities, measures, and reports and monitor performance for Phase II.	\$0

OIG TELEPHONE DIRECTORY

OFFICE OF AUDIT

HEADQUARTERS OFFICE

Washington, DC	202-402-0364
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OFFICE OF AUDIT

REGION 1

Boston, MA	617-994-8380
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Hartford, CT	860-240-4837
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REGION 2

New York, NY	212-264-4174
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Buffalo, NY	716-551-5755
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Newark, NJ	973-776-7339
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REGION 3

Philadelphia, PA	215-656-0500
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Baltimore, MD	410-962-2520
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Pittsburgh, PA	412-644-6372
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Richmond, VA	804-771-2100
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REGION 4

Atlanta, GA	404-331-3369
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Greensboro, NC	336-547-4001
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Miami, FL	305-536-5387
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San Juan, PR	787-766-5540
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REGION 5

Chicago, IL	312-353-7832
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Columbus, OH	614-280-6138
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Detroit, MI	313-226-6280
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REGION 6

Fort Worth, TX	817-978-9309
Baton Rouge, LA	225-448-3976
Houston, TX	713-718-3199
New Orleans, LA	504-671-3715
Albuquerque, NM	505-346-7270
Oklahoma City, OK	405-609-8606
San Antonio, TX	210-475-6800

REGION 7-8-10

Kansas City, KS	913-551-5870
St. Louis, MO	314-539-6339
Denver, CO	303-672-5452
Seattle, WA	206-220-5360

REGION 9

Los Angeles, CA	213-894-8016
Las Vegas, NV	702-366-2100
Phoenix, AZ	602-379-7250
San Francisco, CA	415-489-6400

OFFICE OF INVESTIGATION

HEADQUARTERS

Washington, DC	202-708-5998
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OFFICE OF INVESTIGATION

REGION 1-2

New York, NY	212-264-8062
Boston, MA	617-994-8450
Hartford, CT	860-240-4800
Manchester, NH	603-666-7988
Newark, NJ	973-776-7355

REGION 3

Philadelphia, PA	215-430-6758
Baltimore, MD	410-209-6533
Pittsburgh, PA	412-644-6598
Richmond, VA	804-822-4890

REGION 4

Atlanta, GA	404-331-5001
Birmingham, AL	205-745-4314
Columbia, SC	803-451-4318
Greensboro, NC	336-547-4000
Memphis, TN	901-554-3148
Miami, FL	305-536-3087
San Juan, PR	787-766-5868
Tampa, FL	813-228-2026
Jackson, MS	601-329-6924

REGION 5

Chicago, IL	312-353-4196
Cleveland, OH	216-357-7800
Columbus, OH	614-469-6677
Detroit, MI	313-226-6280
Grand Rapids, MI	313-226-6280
Indianapolis, IN	317-957-7377
Minneapolis-St. Paul, MN	612-370-3130

REGION 6

Fort Worth, TX	817-978-5440
Baton Rouge, LA	225-448-3941
Houston, TX	713-718-3227
Little Rock, AR	501-324-5931
New Orleans, LA	504-671-3700
Oklahoma City, OK	405-609-8601
San Antonio, TX	210-475-6822

REGION 7-8-10

Denver, CO	303-672-5350
Billings, MT	406-247-4080
Kansas City, KS	913-551-5566
Salt Lake City, UT	801-524-6090
St. Louis, MO	314-539-6559
Seattle, WA	206-220-5380

REGION 9

Los Angeles, CA	213-894-0219
Las Vegas, NV	702-366-2144
Phoenix, AZ	602-379-7252
Sacramento, CA	916-930-5691
San Francisco, CA	415-489-6683

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
ADAMS	Asset Disposition and Management System
AFR	agency financial report
ARC	Administrative Resource Center
CAIVRS	Credit Alert Verification Reporting System
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant Disaster Recovery
CFR	Code of Federal Regulations
CHDO	community housing development organization
CPD	Office of Community Planning and Development
CWCOT	Claims Without Conveyance of Title program
DATA Act	Digital Accountability and Transparency Act of 2014
ECI	Ethics and Compliance Initiative
ERC	Ethics Research Center
FAEC	Federal Audit Executive Counsel
FBI	Federal Bureau of Investigation
FFMIA	Federal Financial Management Improvement Act of 1996
FHA	Federal Housing Administration
FIFO	first-in, first-out
FISMA	Federal Information Security Modernization Act
FMR	fair market rent
FSSP	Federal shared service provider
GAAP	generally accepted accounting principles
GAO	U.S. Government Accountability Office
GFAS	Ginnie Mae Financial and Accounting System
Ginnie Mae	Government National Mortgage Association
HAMP	Home Affordable Modification Program

ACRONYMS AND ABBREVIATIONS LIST (CONTINUED)

HECM	home equity conversion mortgage
HIAMS	HUD Integrated Acquisition Management System
HPS	HUD Procurement System
HUD	U.S. Department of Housing and Urban Development
HUDCAPS	HUD's Central Accounting and Program System
ICP	Integrity and Compliance Program
IDIS	Integrated Disbursement and Information System
IG	Inspector General
IGEA	Inspector General Empowerment Act
IHBG	Indian Housing Block Grant
IPA	Intergovernmental Personnel Act
IPERA	Improper Payments Elimination and Recovery Act of 2010
iREMS	Integrated Real Estate Management System
IT	information technology
LIHPRHA	Low-Income Housing Preservation and Resident Homeownership Act
LMDC	Lower Manhattan Development Corporation
MSS	master subservicer
MTW	Moving to Work demonstration program
NCIS	New Core Interface Solution
NDAA	National Defense Authority Act
NSP	Neighborhood Stabilization Program
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCPO	Office of the Chief Procurement Officer
OGC	Office of General Counsel
OI	Office of Investigation
OIG	Office of Inspector General

ACRONYMS AND ABBREVIATIONS LIST (CONTINUED)

OMB	Office of Management and Budget
OPHI	Office of Public Housing Investments
OSC	Office of Special Counsel
PHA	public housing agency
PIH	Office of Public and Indian Housing
RAD	Rental Assistance Demonstration program
SAMS	Single Family Acquired Asset Management System
SFPCS-P	Single Family Premiums Collection Subsystem-Periodic
SPS	Small Purchase System
USAO	U.S. Attorney's Office
USPS	United States Postal Service
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	30
Section 5(a)(1)-description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department.	1-32, 56 - 57
Section 5(a)(2)-description of recommendations for corrective action with respect to significant problems, abuses, and deficiencies.	37 - 55
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, Page 68
Section 5(a)(4)-summary of matters referred to prosecutive authorities and the prosecutions and convictions that have resulted.	1 - 32
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, 60
Section 5(a)(7)-summary of each particularly significant report.	1 - 32
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, 87
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, 88
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, 66
Section 5(a)(11)-a description and explanation of the reasons for any significant revised management decisions made during the reporting period.	48
Section 5(a)(12)-information concerning any significant management decision with which the Inspector General is in disagreement.	48
Section 5(a)(13)-the information described under section 05(b) of the Federal Financial Management Improvement Act of 1996.	53

²⁵ 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 website may appear to be a real government agency, but the website 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.

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.**

Diversity and Equal Opportunity

The promotion of high standards and equal employment opportunity for employees and job applicants at all levels. HUD OIG reaffirms its commitment to nondiscrimination in the workplace and the recruitment of qualified employees without prejudice regarding their gender, race, religion, color, national origin, sexual orientation, disability, or other classification protected by law. HUD OIG is committed and proactive in the prevention of discrimination and ensuring freedom from retaliation for participating in the equal employment opportunity process in accordance with departmental policies and procedures.



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