



## FOR IMMEDIATE RELEASE

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### HUD OIG Audit Finds HUD Did Not Comply with Improper Payment Law

WASHINGTON, D.C.— Today, the U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) issued its audit report assessing whether HUD met the requirements of the Payment Integrity Information Act of 2019 for fiscal year 2023 (FY23) to prevent and reduce improper and unknown payments.

The audit follows HUD OIG's [Management Alert: Action is Needed from HUD Leadership to Resolve Systemic Challenges with Improper Payments](#) issued January 23, 2024, urging HUD leadership to take immediate action to resolve systemic challenges with improper payments. The management alert addressed an early finding from the then ongoing audit that identified a lack of planning and coordination from HUD's program leaders and support offices as a barrier to HUD addressing the root causes behind its failure to comply with improper payment laws.

The audit found that for the seventh consecutive year, HUD is unable to estimate improper payments for FY23 for two of its largest rental assistance programs, the Office of Public and Indian Housing's Tenant Based Rental Assistance (PIH-TBRA) program and the Office of Multifamily Housing's Project-Based Rental Assistance (PBRA) program.

Together, the PIH-TBRA and PBRA program payments total \$45.3 billion, which is 67.5% of HUD's total FY23 expenditures. The last time HUD was able to make a compliant estimate was in 2016 when it estimated \$1.7 billion in improper payments. Since then, payments for the PIH-TBRA and PBRA programs have grown from \$30.7 billion per year in 2016 to \$45.3 billion in FY23.

"HUD leadership must take coordinated efforts now to break down the systemic challenges that prevent it from addressing why improper payments occur in its rental assistance programs," said Inspector General Rae Oliver Davis. "These laws exist to promote integrity in federal programs and protect taxpayer funds from fraud, waste, and abuse. HUD beneficiaries, program partners, and the U.S. taxpayer will all benefit from the Department being able to address its payment integrity challenges."

HUD's leadership responded to the management alert with a joint commitment to work towards a plan to overcome these challenges. However, HUD did not provide details about the steps it would take to meet its goal of producing an estimate for the PBRA program in 2024, or when it will be able to produce an estimate for the PIH-TBRA program. If left until 2027, as noted in the audit, hundreds of

billions of dollars in HUD rental assistance payments will continue to be at heightened risk of waste, mismanagement, and fraud.

Anyone with knowledge of potential fraud, waste, abuse, misconduct or mismanagement related to HUD programs should contact the HUD OIG Hotline at 1-800-347-3735 or visit, <https://www.hudoig.gov/hotline>. For media inquiries, contact us at [OIGMediaRelations@hudoig.gov](mailto:OIGMediaRelations@hudoig.gov).

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