



OFFICE of
INSPECTOR GENERAL
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UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

The Boston Housing Authority Did Not Always Comply With HUD's Requirements for Its Housing Choice Voucher Program Units

Audit Report Number: 2024-CH-1004

August 23, 2024

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//signed//
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Subject: The Boston Housing Authority, Boston, MA, Did Not Always Comply With HUD's Requirements for Its Housing Choice Voucher Program Units

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our audit of the Boston Housing Authority's Housing Choice Voucher Program.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, as amended, requires that OIG post its reports on the OIG website. Accordingly, this report will be posted at <https://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call Kelly Anderson, Audit Director, at (312) 913-8499.

Highlights

The Boston Housing Authority Did Not Always Comply With HUD's Requirements for Its Housing Choice Voucher Program Units | 2024-CH-1004

What We Audited and Why

We audited the Boston Housing Authority's Housing Choice Voucher (HCV) Program. We initiated this audit based upon our assessment of risks associated with public housing agencies' HCV Program units, as well as recent media attention and public concern about the conditions of subsidized housing properties. Our objective was to determine whether the physical conditions of the Authority's HCV units complied with both the U.S. Department of Housing and Urban Development's (HUD) and the Authority's requirements.

What We Found

The Authority did not always ensure that its HCV Program units met HUD's housing quality standards (HQS). Specifically, we reviewed a sample of 87 units that had passed a recent HQS inspection and determined that 50 units had 193 deficiencies. Of the 50 units, 15 units had 53 deficiencies that existed at the time of the Authority's last inspection. In addition, the Authority did not (1) consistently stop housing assistance payments (HAP) to owners for uncorrected unit deficiencies and (2) comply with HUD's monitoring and data collection requirements of the Lead Safe Housing Rule (LSHR) for cases of children with elevated blood lead levels (EBLL).

These conditions occurred because the Authority's inspectors did not thoroughly inspect housing units in a consistent manner and the Authority's quality control process for HQS inspections had weaknesses. Further, (1) the Authority's information system did not have controls in place to stop payments properly and (2) the Authority did not consistently follow its own established procedures to take appropriate actions to address unit deficiencies. Additionally, although the Authority was aware of HUD's EBLL requirements, it (1) was uncertain about its authority to require owners to comply with those requirements and (2) believed that coordinating with the vast number of local health departments would have been challenging. As a result, families participating in the Authority's HCV Program resided in housing units that were not always decent, safe, and sanitary. Based on our statistical sample, we estimate that over the next year, the Authority will pay owners more than \$34 million in housing assistance for units that do not meet HQS. Further, (1) the Authority paid \$180,309 in housing assistance to owners for units with uncorrected deficiencies and (2) HUD lacked assurance that the Authority and owners appropriately addressed their responsibilities under the LSHR for cases of children with EBLLs in a timely manner.

What We Recommend

We recommend that the Director of HUD's Boston Office of Public Housing require the Authority to (1) ensure that the owners correct the outstanding unit deficiencies; (2) recover or repay from non-Federal



funds \$106,477 for HAP that were not properly stopped; (3) review its records to confirm whether it had cases of children with EBLLs during our audit period and work with the owner(s) of the HCV Program units to provide required documentation to HUD; (4) update publications and educational materials to owners to ensure that they understand their reporting responsibilities to HUD regarding confirmed cases of children with EBLLs; (5) develop and implement procedures and controls for coordinating with public health departments and monitoring owners for compliance with the requirements of the LSHR; and (6) improve controls over its inspections, stop payments for uncorrected deficiencies, and monitor owners for compliance with the requirements of the LSHR. Additionally, we recommend that the Director of HUD's Boston Office of Public Housing work with the Office of Lead Hazard Control and Healthy Homes to provide training to the Authority's staff involved with managing lead-based paint and technical assistance in developing and implementing new procedures and controls.



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Background and Objective

The Housing Choice Voucher (HCV) Program, or Section 8,¹ is the Federal Government's largest tenant-based rental assistance program for low-income families, the elderly, and persons with disabilities. Local public housing agencies administer the housing choice vouchers by paying HCV Program landlords with Federal funds from HUD. The HCV landlords are essential partners in providing affordable, decent, safe, and sanitary housing to low-income households. HCV Program participants are free to choose any housing that meets the Program's requirements and are not limited to units located in subsidized housing projects. Program regulations set forth minimum housing quality standards (HQS), which all units must meet before assistance can be paid on behalf of a family and throughout the term of the assisted tenancy. Housing assistance payments (HAP) should be stopped for owners that fail to maintain dwelling units in accordance with HQS.² Public housing agencies (PHA) help ensure that units are decent, safe, and sanitary by conducting inspections and enforcing inspection standards.

Boston's mayor and City Council established the Boston Housing Authority in October 1935 to provide stable, quality affordable housing for low- and moderate-income persons. An administrator appointed by Boston's mayor manages and controls the Authority. Additionally, the Authority's Monitoring Committee is responsible for reviewing matters relating to the management and performance of the Authority and to report these matters to the mayor.

HUD's Boston Office of Public Housing monitors the Authority's compliance with HCV Program requirements. Under the HCV Program, the Authority administers more than 16,000 housing choice vouchers to assist low-income families, the elderly, and the disabled in affording decent, safe, and sanitary housing in the private market across more than 160 cities and towns in Massachusetts. HUD authorized the following financial assistance for the Authority's HCV Program for fiscal years 2020 through 2023, as shown in table 1 below.³

Table 1. Authority's HCV funding for fiscal years 2020 through 2023

Fiscal year	Budget authority	Administrative and other fees
2020	\$256,398,138	\$14,182,166
2021	268,183,575	26,052,800
2022	322,737,334	23,684,665
2023	353,445,896	24,376,888

Source: Our analysis of data provided by HUD

To ensure that units comply with HQS and the State's minimum housing standards, the Authority's Leased Housing Inspections Department conducts biennial inspections of the Authority's HCV Program units. The Department is responsible for (1) scheduling inspections, (2) performing inspections, (3) enforcing owner and tenant compliance with HQS, and (4) performing quality control inspections. See table 2 below.

¹ Section 8 of the Housing Act of 1937 (codifying 42 U.S.C. (United States Code) 1437f), often called Section 8, as repeatedly amended, authorizes the payment of rental housing assistance to private landlords on behalf of low-income households.

² 24 CFR (Code of Federal Regulations) 982.404(a)

³ The Authority's fiscal year is from April 1 through March 31.



Table 2. General process the Authority follows when reinspecting a unit that failed an inspection

Notice of violation(s) ⁴ based on an initial inspection ⁵	
For each failed inspection , the Authority notifies the family and owner of the inspection’s results in writing, listing the deficiencies that need to be corrected to comply with HQS as applicable. ⁶ The Authority’s cure periods are 24 hours for life-threatening deficiencies and 30 days for non-life-threatening deficiencies unless extensions are granted. ⁷	
Reinspections ⁸	
1 st reinspection	
Inspector inspects unit to determine whether the owner corrected deficiencies.	
Scenario 1	Scenario 2
The owner could not correct all deficiencies. Additional time is granted to correct outstanding deficiencies.	The owner made no effort to correct deficiencies. The inspector recommends that subsidy payments to the owner stop for the unit.
2 nd reinspection	
The owner did not correct the outstanding deficiencies that it was given additional time to correct. The inspector recommends that subsidy payments to the owner stop for the unit.	The owner corrected the deficiencies identified during the initial inspection, but new deficiencies are identified during the 2 nd reinspection. The inspector recommends that subsidy payments resume and that additional time be given to the owner to correct the new deficiencies.
3 rd reinspection	
The owner corrected the deficiencies identified during the initial inspection, but new deficiencies are identified during the 3 rd reinspection. The inspector recommends that subsidy payments resume and that additional time be given to the owner to correct the new deficiencies.	The owner did not correct the deficiencies identified during the 2 nd reinspection. The inspector recommends that subsidy payments to the owner stop for the unit. The unit is placed on a 2 nd stop payment.
4 th reinspection	
The owner did not correct the new deficiencies. The inspector recommends that subsidy payments to the owner stop for the unit. The unit is placed on a 2 nd stop payment.	The owner corrected the deficiencies. The inspector recommends that subsidy payments resume.

In May 2023, HUD published the National Standards for the Physical Inspection of Real Estate (NSPIRE) Rule⁹ as the single inspection standard across multiple HUD programs including the HCV Program. NSPIRE aims to improve confidence in HUD’s ability to keep properties in compliance by accurately

⁴ We used the term deficiency and violation interchangeably in the report.

⁵ An initial inspection is the first inspection in an inspection cycle.

⁶ The Authority identifies unit deficiencies on the notification letters provided to the owners and tenants. Therefore, we considered the notification letters as the inspection reports.

⁷ Section 9.5.1 of the Authority’s administrative plan

⁸ The Authority’s inspection manager reviews and approves all requests to stop and resume subsidy payments.

⁹ On May 2023, HUD published the “Economic Growth Regulatory Relief and Consumer Protection Act (NSPIRE)” final rule in the Federal Register (FR) (“NSPIRE final rule”), 88 FR 30442.



assessing the condition of a unit, implementing streamlined inspection processes, and prioritizing the health and safety of residents. PHAs’ HCV Programs must comply with NSPIRE standards no later than October 1, 2024.¹⁰ This change did not impact our audit since the Authority will not implement the NSPIRE requirements until October 1, 2024.¹¹

In 1999, HUD published the Lead Safe Housing Rule (LSHR)¹² to implement the requirements of the Lead-Based Paint Poisoning Prevention Act, as amended, and the Residential Lead-Based Paint Hazard Reduction Act of 1992 to eliminate lead-based paint hazards, as far as practicable, in certain HUD-assisted properties. Based on the requirements in the LSHR, in 2017, HUD issued a notice, to include specific actions or steps that property owners and PHAs are required to take when a child under 6 is identified with an elevated blood lead level (EBLL).¹³ Table 3 summarizes the responsibilities of PHAs and HCV rental property owners for compliance when a child in the HCV Program is identified with an EBLL as identified in HUD Notice PIH 2017-13.

Table 3. PHAs’ and owners’ EBLL compliance responsibilities under the HCV Program

Activity	Responsible entity	
	PHA	HCV owner
Initial notification of confirmed case to HUD within 5 business days of being notified	*	✓
Verification when necessary	✓	*
Initial notification of confirmed case to public health department	*	✓
Environmental Investigation ¹⁴	✓	
Lead hazard control		✓
Clearance after work completed	*	✓
Notification to other residents ¹⁵ if applicable		✓
Ongoing lead-based paint maintenance		✓
Provide the local HUD field office documentation that it has conducted the required activities within required timeframes ¹⁶		✓
Monitoring of owner’s compliance with LSHR and HQS	✓	

* The PHA may wish to collaborate with the owner on implementing this process, as described in HUD’s Notice PIH 2017-13.

The objective of our audit was to determine whether the physical conditions of the Authority’s HCV Program units complied with both HUD’s and the Authority’s requirements.¹⁷ Specifically, we wanted to

¹⁰ HUD’s Office of Public and Indian Housing (PIH) Notice PIH 2023-28

¹¹ The HQS discussed in this audit report and citations to legal authority reflect the standards and authority that were in effect during our audit period.

¹² Lead Safe Housing Rule at 24 CFR part 35

¹³ Notice PIH 2017-13

¹⁴ The process of determining the source of lead exposure for a child under age 6 with an EBLL

¹⁵ The owner must notify building residents of any lead-based paint hazard evaluation or reduction activities.

¹⁶ 24 CFR 35.1225

¹⁷ We audited the Authority based on HUD’s requirements and the Authority’s administrative plan. HUD’s regulations at 24 CFR 982.54(a) state that PHAs must adopt a written administrative plan that establishes local policies for administration of the program in accordance with HUD requirements. The administrative plan states PHA policy on matters for which the PHA has discretion to establish local policies.



determine whether the Authority had adequate oversight of its HCV-subsidized units to ensure that (1) units met HUD's and its own housing standards; (2) appropriate actions were taken to address physical deficiencies and owner noncompliance in a timely manner to ensure that the housing units were decent, safe, and sanitary; and (3) it complied with HUD's requirements for cases of children under 6 years of age with reported EBLLs¹⁸ residing in subsidized units.

To assess the physical conditions of the Authority's HCV Program units, we focused on the following three review areas:

1. Assisted units meeting minimum physical standards.
2. Corrective actions taken after failed unit inspections.
3. The Authority's and owners' compliance with HUD's EBLL requirements.

¹⁸ Notification from the Authority's tenants, public health department, or medical provider



Results of Audit

Overall Assessment of the Physical Conditions of the Authority's HCV Program Units

We assessed the physical conditions of the Authority's HCV Program units in the following three review areas and identified exceptions in all areas as noted in the table below.

Three review areas	Exception identified?
Assisted units meeting minimum physical standards	Yes
Corrective actions taken after failed unit inspections	Yes
The Authority's and owners' compliance with HUD's EBLL requirements	Yes

Additional details of the exceptions identified in each of the areas are discussed in the following sections.

The Authority Did Not Ensure That Its Program Units Met Minimum Housing Standards

The Authority did not consistently ensure that its HCV Program units met HUD's HQS. Specifically, of the 87 units reviewed that had passed a recent HQS inspection, 50 units (57 percent) had 193 deficiencies. Of the 50 units, 15 units had 53 deficiencies that existed at the time of the Authority's last inspection.¹⁹ These conditions occurred because the Authority's inspectors did not thoroughly inspect units in a consistent manner, although they had received training. Additionally, the Authority's quality control process for HQS inspections had weaknesses. As a result, families participating in the Authority's HCV Program resided in units that were not always decent, safe, and sanitary. Based on the results of our statistical sample, we estimate that over the next year, the Authority will pay owners more than \$34 million in housing assistance for units that do not meet HQS.²⁰

Program Units Did Not Always Meet Minimum Housing Standards

HUD requires that all Program housing meet HQS at the beginning of assistance and throughout the period in which the tenancy is assisted.²¹ In June and August 2023, we inspected 87 units, from a universe of 1,140 HCV Program units that passed the Authority's HQS inspection between February 6 and May 5, 2023, to determine whether the units met HUD's requirements. Of the 87 units inspected, 50

¹⁹ We identified a preexisting condition as a deficiency that predated the Authority's previous inspection based on observations made by our appraiser and auditor during the unit inspections and tenants' comments during the inspection interviews. We took a conservative approach to determine the facts and circumstances to conclude whether the deficiencies existed during the Authority's last inspection. If we could not reasonably determine when a deficiency occurred, we did not categorize it as preexisting.

²⁰ See the Scope and Methodology section of this report for details on our sampling and projection.

²¹ 24 CFR 982.401(a)(3)



units (57 percent) had 193 deficiencies.²² Further, of the 50 units, 15 units (30 percent) had 53 deficiencies that existed at the time of the Authority’s last inspection and had 43 life-threatening deficiencies that needed to be corrected within 24 hours. The 24-hour deficiencies included electrical hazards, missing or inoperable smoke or carbon monoxide detectors, security hazards, and blocked fire exits. See table 4 below.

Table 4. The 193 deficiencies for the 50 units that failed our inspections²³

Category	Number of deficiencies ²⁴	Number of units	Percentage of units ²⁵
Electrical hazards	25	16	32%
Doors	16	13	26%
Windows	16	13	26%
Tub-sink-toilet-ventilation	15	11	22%
Debris-clutter	13	11	22%
Smoke detectors	11	8	16%
Stairs-railings	10	9	18%
Floors	10	7	14%
Exterior surfaces and grounds	9	7	14%
Walls-ceilings	9	6	12%
Carbon monoxide detectors	8	8	16%
Plumbing-sewer-water supply	8	6	12%
Infestation	7	7	14%
Security hazard	7	7	14%
Egress	7	6	12%
Air quality	7	5	10%
Kitchen appliances	6	5	10%
Heating and cooling equipment	4	4	8%
Peeling paint	3	1	2%
Other	2	2	4%
Total	193		

²² The 50 units had 1 or more deficiencies, for a total of 193 deficiencies. See appendix C for the results of our unit inspections.

²³ We identified the 193 deficiencies using (1) 24 CFR part 982; (2) HUD’s Guidebook 7420.10G; and (3) HUD’s Housing Inspection Manual, Section 8 Existing Housing Program.

²⁴ The categories are listed in descending order according to the number of deficiencies.

²⁵ This is the percentage of the 50 sample units with identified deficiencies.



The following photographs illustrate some of the deficiencies noted during our inspections in the 50 units that failed to meet HUD's requirements.

Figure 1. Electrical hazards

Inspection 4: Several light fixtures are missing bulbs in the basement. This condition is an electrical hazard that could result in shock or fire. The unit passed the Authority's inspection on April 3, 2023. We did not identify this deficiency as a preexisting condition.



Figure 2. Walls-ceilings

Inspection 11: A hole in a bathroom wall appears to be from repairs made to the tiles in the shower. The tenant expressed that the condition existed during the Authority's last inspection in March 2023. The Authority's inspector identified the deficiency but marked it as having been corrected on March 6, 2023. However, our inspection showed that the issue still existed.



Figure 3. Stairs-railings-porches

Inspection 34: Spindles and wood boards are missing in the rear porch. Children reside in the unit. The tenant expressed that the condition existed during the Authority's last inspection in February 2023. The Authority did not identify this deficiency during its February 15, 2023, inspection.

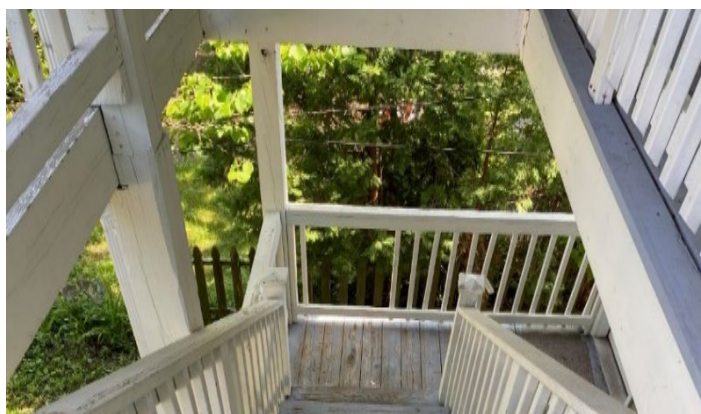




Figure 4. Electrical hazards

Inspection 43: There are loose electrical outlets throughout the bedrooms in the unit. The tenant uses items to hold the electrical cords in place. Small children reside in the unit. Further, the tenant expressed that the condition existed when she moved into the unit in April 2023. This condition posed a potential electrical shock hazard. The Authority did not identify this deficiency during its March 20, 2023, move-in inspection.



Figure 5. Air quality

Inspection 79: Mold or mildew substance around bathroom tub posed an interior air quality health and safety threat. On December 17, 2022, the Authority identified that the tub needed recaulking. On January 25, 2023, the Authority's inspectors identified the deficiency as having been corrected. On March 2, 2023, the outstanding deficiencies were corrected, and the Authority passed the unit. However, our inspection showed that the issue still existed.

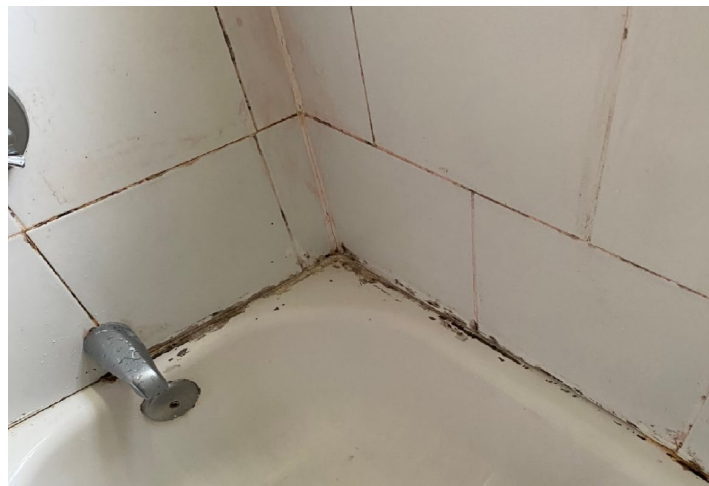


Figure 6. Infestation

Inspection 79: There are mice droppings in the basement, indicating rodent infestation and creating an unsanitary condition. The Authority did not identify this deficiency during its March 2, 2023, inspection even though we determined that deficiency was preexisting. On October 18, 2023, the unit was serviced for pest control.





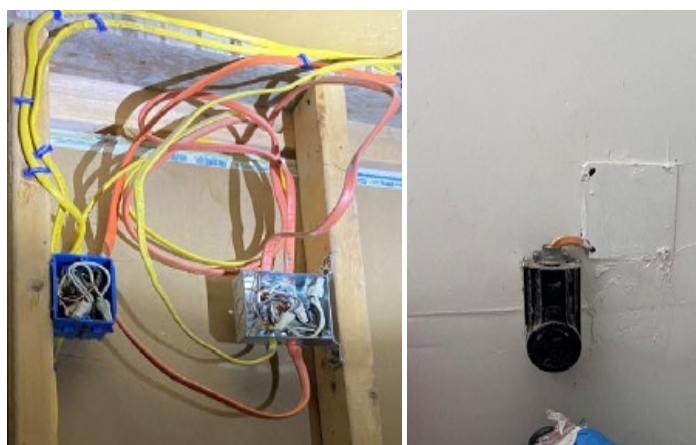
Figure 7. Plumbing-sewer-water supply and electrical hazards

Inspection 81: There are water line and sewage leaks in the basement where there was loose wiring and uncovered electrical boxes. The Authority did not identify the wiring and uncovered electrical boxes during its March 23, 2023, inspection even though we determined that deficiency was preexisting.



Figure 8. Electrical hazards

Inspection 85: Electrical boxes near the water heater are missing covers. The outlet above the washing machine and dryer is not covered and is exposed to dust, dirt, and moisture. This condition posed a potential electrical shock or fire hazard. The Authority did not identify the exposed outlet and uncovered electrical boxes during its March 23, 2023, inspection even though we determined that deficiency was preexisting.



These deficiencies occurred because the Authority's inspectors did not always thoroughly inspect units in a consistent manner. When we accompanied the Authority's inspectors while they inspected 11 HCV Program units, we determined that the inspectors identified most of the HQS deficiencies in the units.²⁶ However, there were some deficiencies, such as a missing smoke detector and electrical hazards, that were not identified during the inspections. We also found that inspectors did not always check smoke detectors, use an outlet tester, or check kitchen appliances. When we discussed the results of our observations with the Authority's director of leased housing inspections, he stated that he believed that, overall, the inspectors did a good job; therefore, more than likely, the misidentified deficiencies were either new or due to human error.

When we performed our own inspections of the Authority's units, we found that the Authority's inspectors either (1) did not identify the issues we identified, despite our determination that the deficiencies were preexisting, such as inoperable windows, vermin infestation, and electrical hazards, or (2) reported deficiencies as having been corrected, when our inspections showed that the deficiencies still existed. The Authority's director of leased housing inspections, who accompanied us, believed that some of the deficiencies that we identified were due to mistakes by the Authority's inspectors.

²⁶ See the Scope and Methodology section of this report for more information.



The Authority's inspection manager stated that the Authority provided its inspectors with initial onboard and annual in-house training on inspection standards. We reviewed the Authority's training materials and determined that they addressed some of HUD's HQS requirements. Further, 11 of the Authority's 13 inspectors²⁷ had been certified in HQS. However, based on the results of our observations and the preexisting deficiencies identified during our inspections, the Authority's inspectors were still missing deficiencies.

Further, the Authority's quality control process had weaknesses. Our review of the quality control process from April 2022 through March 2023 showed that the Authority performed 125 supervisory quality control inspections.²⁸ Of the 125 inspections, 87 (69 percent) passed, and 38 (more than 30 percent) failed the supervisory quality control inspection. We reviewed 12 of the 38 quality control inspections²⁹ that failed and determined that the quality control inspections identified deficiencies similar to those we identified during our inspections of the Authority's Program units, such as inoperable doors, electrical hazards, and missing and inoperable smoke detectors. However, the Authority's quality control inspections did not specify whether identified deficiencies were new items or items that were missed by the Authority's inspectors when they conducted their inspections.

HUD's HCV Guidebook 7420.10G, section 10.9,³⁰ states that when rating an individual inspector's performance, the quality control inspector should consider whether the failed item has occurred since the previous inspector was on site. PHAs' quality control inspections should be used to obtain feedback on inspectors' work and to determine whether individual performance or general HQS training issues need to be addressed.³¹ Further, the Authority's quality control framework needs to have a process for evaluating and measuring performance against established quality standards to be an effective tool.

The Authority's inspection manager of leased housing inspections stated that the Authority provided monthly guidance to discuss concerns identified by the quality control inspections; however, the Authority did not maintain documentation or records of the guidance it provided. The Authority could improve its quality control process by showing how it evaluates and uses the results of its monitoring efforts to ensure that inspection standards are achieved.

As a result of the issues noted above, families participating in the Authority's HCV Program were subjected to housing units that were not always decent, safe, and sanitary. In addition, the Authority paid housing assistance to owners of units that did not consistently meet minimum property standards. Based

²⁷ The remaining two inspectors had not been certified in HQS but had taken the Authority's onboard training that covered HQS. Due to HUD's changing its inspection standards from HQS to NSPIRE, the Authority expected to train the new inspectors on NSPIRE. On January 11, 2024, one of the new inspectors was trained on NSPIRE, along with two additional inspectors and the inspection manager of leased housing inspections. See the Background and Objective section of this report for additional details regarding NSPIRE.

²⁸ Regulations at 24 CFR 982.405(b) state that the PHA must conduct supervisory quality control HQS inspections. In addition, 24 CFR 985.3(e)(1) requires a PHA's supervisor or other qualified person to reinspect a sample of units under contract during the PHA's fiscal year, which meets the minimum sample size requirements under the PHA's quality control sample, for quality control of HQS inspections.

²⁹ See the Scope and Methodology section of this report for more information.

³⁰ The Authority uses HUD's HCV Guidebook for internal training, and it is one of the sources used for the Authority's enforcement and inspection program.

³¹ HUD's HCV Guidebook 7420.10G, section 10.9



on our statistical sample, we estimate that over the next year, the Authority will pay more than \$34 million in housing assistance for units that do not meet HQS.

In August 2023, we provided our inspection results to the Authority and the Director of HUD's Boston Office of Public Housing. The Authority notified the owners and tenants of the deficiencies as appropriate and started reinspecting the units to ensure that the deficiencies cited would be corrected. As of April 2024, the Authority had provided documentation, including photographs and inspection reports, to support that it had mitigated 104 (nearly 54 percent) of the 193 deficiencies. Deficiencies for 43 of the 193 were not mitigated in 5 units because the households no longer resided in the units or the units were placed on stop payment. Of the 193 deficiencies, 46 deficiencies in 20 units remained outstanding.

Conclusion

The Authority's HCV Program units did not consistently meet minimum housing standards because (1) the Authority's inspectors did not always thoroughly inspect units and (2) the Authority's quality control process for HQS inspections had weaknesses. As a result, families participating in the Authority's HCV Program were subjected to housing that was not always decent, safe, and sanitary. Further, without improvements to the quality of the Authority's inspections, families residing in subsidized units will continue to be subjected to housing that is not decent, safe, and sanitary. Based on our statistical sample, we estimate that over the next year, the Authority will pay owners more than \$34 million in housing assistance for units that do not comply with HQS.

Recommendations

We recommend that the Director of HUD's Boston Office of Public Housing require the Authority to

- 1A. Provide evidence to support that the owners corrected the 46 deficiencies for the 20 units with outstanding deficiencies. If the owners fail to provide evidence that they made the required corrections, HUD should require the Authority to implement its HAP enforcement procedures and provide supporting documentation to HUD evidencing that it did so.
- 1B. Improve its quality control process for monitoring its inspectors to enhance the effectiveness of its unit inspections and ensure that all units meet HUD's and its own requirements to prevent more than \$34 million in Program funds from being spent on units that do not meet HQS over the next year. This process should include but not be limited to procedures (1) requiring its staff to use the quality control inspection results to evaluate and monitor the performance of the Authority's inspectors, along with maintaining adequate supporting documentation on feedback provided to the inspectors for recurring inspection deficiencies and (2) for evaluating the training provided to its inspectors to determine what improvements are needed to ensure that unit deficiencies are detected.



The Authority Did Not Consistently Take Appropriate and Timely Actions Following Failed Unit Inspections

Although the Authority notified the owners of the deficiencies its inspectors found during the HQS inspections properly and in a timely manner, it did not always stop HAP³² to owners for uncorrected unit deficiencies. The issue with stopping payments occurred because the Authority did not (1) have the proper controls in its information system to ensure that HAP were appropriately stopped as required and (2) consistently follow its own established procedures to take appropriate actions to address unit deficiencies. As a result, the Authority paid \$180,309 in housing assistance to owners for units with uncorrected deficiencies. Further, families participating in the Authority's HCV Program were subjected to housing units that were not always decent, safe, and sanitary.

The Authority Did Not Consistently Stop Subsidy Payments to Owners for Uncorrected Unit Deficiencies

The Authority did not stop HAP to owners for 11 of the 32 units (34 percent) reviewed for failing to correct HQS deficiencies identified during the Authority's inspection. HUD requires PHAs to not provide housing assistance for units that fail to meet HQS, unless the owners correct the defects within the period specified by the PHA and the PHA verifies the correction. However, the owners of the 11 units did not correct the deficiencies within the Authority's cure periods.

These inappropriate payments occurred because the Authority had weaknesses in its controls and procedures for administering housing assistance. We identified two reasons for the inappropriate payments to owners for the 11 units, as shown in table 5 below.³³

Table 5. Reasons for inappropriate payments to owners

Reasons for inappropriate payments	Description	Ineligible amount
Missing system controls	After an inspection has found uncorrected deficiencies and a stop payment order has been initiated but a reinspection determines that the owner corrected the deficiencies, HAP will resume. However, if during that same reinspection, new deficiencies are identified, and those deficiencies are not corrected within the cure period, the system cannot process a second stop payment during the same inspection cycle. As a result, HAP to owners would continue.	\$118,898
Noncompliance with established procedures	The Authority did not comply with its policy in its HCV Program administrative plan and HUD's requirements for stopping payments to owners for failed reinspections due to outstanding deficiencies, resuming payments, and extensions	61,411

³² An Authority's inspector recommends a stop payment for housing assistance to an owner for a unit with uncorrected unit deficiencies. The Authority's management then reviews and approves the stop payment. The stop payment becomes effective on the first of the month following the issuance of the stop payment order.

³³ The reasons for the improper payments occurred at various points during our audit period. Therefore, some units will be identified more than once.



granted outside the specified cure periods.	
Total ineligible housing assistance	180,309

The Authority’s Information System Did Not Have Controls To Stop Payments

The Authority’s information system did not have controls to stop payments. The director of leased housing inspections stated that the Authority became aware of this system glitch in 2016 and communicated the concern to the Authority’s Information Services but the issue was not resolved. As a result of our audit, the Authority reduced future HAP to owners, had already recovered \$73,832 in HAP for three units, and planned to recover an additional \$12,115 in HAP for those three units.³⁴ For one unit, the Authority had planned to recover \$31,785. However, as of June 2024, the Authority had provided documentation showing that it no longer planned to recover these funds because the unit’s owner stated that the tenant would not allow the owner to access the unit to make repairs. The owner provided the Authority with documentation, dated December 2023 and January 2024, stating that the tenant would not grant unit access. However, the owner did not provide documentation for the period in which the deficiencies remained uncorrected, which was from November 2022 to October 2023. Therefore, the \$31,785 in HAP is still ineligible. For the remaining \$1,166 in ineligible payments made for one unit,³⁵ the Authority had not yet recovered the funds or notified us that it planned to recover the funds. HUD agreed that the Authority should recover overpaid HAP from owners.³⁶

Further, the Authority established a new process in which its information system creates a different inspection cycle when a unit is scheduled for a reinspection after the first stop payment. Deficiencies identified during the reinspection will transfer to a new inspection cycle and prevent the need for two stop payment orders during the same inspection cycle. As of November 15, 2023, the Authority had implemented the new process to ensure that HAP for units placed on a second stop payment would not be paid to owners.³⁷

Based on our audit, the Authority reviewed 66 units that had more than one stop payment order from June 2019 through September 2023. The Authority determined that it had appropriately paid HAP for 61 units and inappropriately paid \$79,648 in HAP for 6 units.³⁸ As of June 2024, the Authority (1) had recovered \$36,541 in HAP for three units and (2) planned to recover the remaining \$43,107 in HAP for three units.

The Authority’s Inspectors Did Not Follow Established Procedures

According to the Authority’s director of leased housing inspections, the Authority’s inspectors had the discretion to (1) recommend resumption of payments after a stop payment order if they believed that an

³⁴ The Authority recovered some of the subsidy payments and planned to recover the remaining payments for three units. Therefore, these units are represented twice.

³⁵ \$118,898 - \$73,832 (recovered funds) - \$31,785 (funds no longer planned for recovery) - \$12,115 (planned recovered funds) = \$1,166 in ineligible payments for one unit

³⁶ Section 4 of HUD’s Notice PIH 2023-06

³⁷ We did not test the new process to ensure that it addressed the issue.

³⁸ One unit was identified as having more than one stop payment for two separate inspection cycles. For this unit, the Authority determined that it had appropriately paid HAP for one inspection cycle and inappropriately paid HAP for the other.



owner was acting in good faith to correct the outstanding deficiencies and (2) grant owners extensions to correct deficiencies without the owners' formally requesting the extensions. Further, according to the Authority's director, the Authority's actual practices were intentionally less stringent than its administrative plan because the Authority wanted to provide owners and tenants with flexibility in addressing unit deficiencies. According to the Authority's director of leased housing inspections, the Authority believed that if it strictly enforced its administrative plan regarding stopping payments due to outstanding deficiencies that did not pose a threat to tenants' safety, owners would be reluctant to participate in the Authority's HCV Program, which would reduce the supply of affordable housing available to program participants. Therefore, the Authority generally believed that payments resumed for the units and the extensions granted were appropriate because the outstanding deficiencies did not pose a threat to tenants' safety.

However, the Authority's practices of granting extensions contributed to significant delays in the owners' correcting all the deficiencies noted in the initial inspection and the Authority processing a stop payment order. For example, of the 11 units in which the owners did not correct the identified deficiencies within the cure periods,

- For 3 units, it took the owners between 195 to 496 days to correct all deficiencies noted in the initial inspection.
- For 3 units, it took the Authority between 70 and 171 days to process a stop payment order after the unit deficiencies were initially noted.
- For 2 units, it took the Authority 66 and 118 days, respectively, to process a stop payment after payments were resumed even though deficiencies remained outstanding.³⁹

The owners of those eight units did not provide the Authority with documentation justifying the extensions granted and resumption of HAP. Therefore, the Authority inappropriately paid \$42,938 in HAP to owners.

Further, the Authority did not issue a stop payment order for one unit when the owner failed to correct all identified deficiencies within the cure period, resulting in the Authority inappropriately paying \$18,473 in housing assistance to the owner. The Authority had planned to recover the inappropriately paid HAP by reducing future HAP to the owner. As a result of the Authority's noncompliance with established procedures, the Authority inappropriately paid \$61,411 in HAP to owners.

According to the Authority, based on the results of our audit, the Authority updated its policy to require its inspection department managers to approve any extensions proposed by the inspector after the first reinspection. If extensions were not approved by a manager, a stop payment order would be entered into the Authority's information system. However, as of March 2024, the Authority had not provided its updated policy for our review.

Conclusion

³⁹ Granting extensions and resuming payments were not the only causes of these delays. Other causes for delays included tenants' missing inspection appointments and stopping inspections from January 3 to February 13, 2022, because of increasing COVID-19 cases.



The Authority (1) did not ensure that its information system had the necessary controls to stop payments to owners for uncorrected unit deficiencies and (2) failed to consistently follow its own established procedures to take appropriate actions to address unit deficiencies. As a result, the Authority provided housing assistance totaling \$180,309 to owners for units with uncorrected deficiencies. Further, families participating in the Authority's HCV Program were subjected to housing that was not always decent, safe, and sanitary.

Recommendations

We recommend that the Director of HUD's Boston Office of Public Housing require the Authority to

- 2A. Pursue collection from the applicable owners or reimburse its HCV Program from non-Federal funds \$106,477 (\$180,309 - \$73,832) in inappropriate HAP.
- 2B. Provide evidence to HUD that it has improved its controls and procedures for its stop payment process to ensure that (1) payments to owners comply with its HCV Program administrative plan and HUD requirements and (2) it maintains documentation to support stop payments and resumption of those payments for each unit as applicable.
- 2C. Provide documentation to support that HAP was appropriately paid to the owners for the 66 units that had more than one stop payment.⁴⁰ If additional HAP was inappropriately paid, the Authority should pursue collection from the applicable owners or reimburse its HCV Program from non-Federal funds.

⁴⁰ As of June 2024, the Authority planned to recover \$43,107 in HAP for 3 of the 66 units. However, we did not review the Authority's analysis for those 3 units. If documentation supports that HAP was inappropriately paid for the three units, the Authority should pursue collection from the applicable owners or reimburse its HCV Program from non-Federal funds for the appropriate amounts.



The Authority Did Not Comply With HUD’s Monitoring and Data Collection Requirements for Children With EBLLs in Its HCV Program

The Authority did not have procedures for monitoring owners for compliance with HUD’s EBLL requirements, which included tracking reported cases of children with EBLLs. It also did not coordinate with local public health departments to identify cases of EBLL in children under 6 years of age under the HCV Program. These issues occurred because although the Authority was aware of HUD’s requirements, it (1) was uncertain about its authority to require owners to comply with the EBLL requirements of the LSHR and (2) believed that coordinating with the vast number of local health departments would have been challenging. As a result, HUD (1) lacked assurance that the Authority and owners appropriately addressed their responsibilities under the LSHR in a timely manner for cases of children with EBLLs and (2) may not have had an accurate report of the Authority’s EBLL cases. Further, HUD lacked assurance that the Authority identified all cases of children with EBLLs to ensure that owners properly mitigated identified lead hazards.

The Authority Did Not Have Procedures for Monitoring Owners for Compliance With HUD’s EBLL Requirements

The Authority did not have procedures for monitoring owners for compliance with HUD’s EBLL requirements, which included tracking reported cases of children with EBLLs to ensure that the responsible party⁴¹ performed the actions outlined in HUD’s Notice PIH 2017-13.⁴² The Authority acknowledged that it had cases of children with EBLLs during our audit period; however, it could not readily provide documentation of those cases, including the required environmental investigations, because it did not maintain a unit listing of children with EBLLs. According to the director of leased housing inspections, after the COVID-19 pandemic, the Authority sent its paper records to a contractor for archiving and did not maintain a system of record to identify the units associated with children with EBLLs.

The Authority’s information system tracked violations related to peeling paint, but it did not identify whether the violations were triggered by a reported case of a child with an EBLL. Therefore, according to the Authority, to review records for units associated with children with EBLLs, the Authority would need the families’ unit numbers. The Authority stated that since it did not track or maintain that information, it would have had to (1) identify the units that had a peeling paint deficiency during the scope of the audit, (2) retrieve the records from the archive, and (3) manually review about 700 legal-size boxes containing many paper documents, including records associated with those units, to determine whether the unit had lead-based paint and if so, whether there was a child under 6 years of age residing in the unit at the time of a confirmed EBLL. HUD’s requirements at 24 CFR (Code of Federal Regulations) 982.158(a) state that the PHA must maintain complete and accurate accounts and other records for the Program in accordance with HUD requirements in a manner that permits a speedy and effective audit.

Further, according to HUD’s Notice PIH 2017-13, the Authority is responsible for monitoring owners’ compliance with the LSHR in accordance with the HAP contract between the PHA and the owner, which

⁴¹ Owner or the Authority

⁴² See table 3 under the Background and Objective section in this report.



includes ensuring that owners notify HUD of confirmed EBLL cases. The Authority's director of leased housing inspections stated that although the Authority regularly reviewed HUD's requirements, it did not comply with the notice because it did not have a firm understanding of how to implement the updated requirements with respect to monitoring owner compliance with HUD's EBLL requirements. Additionally, according to the Authority, it lacked the ability to require owners to report cases of children with EBLLs to HUD, because the HAP contract⁴³ did not contain that requirement. However, the current⁴⁴ and historic language in HAP contracts going back to at least 2009⁴⁵ includes the requirement that the owner provide any information pertinent to the HAP contract that the PHA or HUD may reasonably require. In addition, the HAP contract states that it must be interpreted and implemented in accordance with all statutory requirements and with all HUD requirements.

As a result, HUD and the Authority lacked assurance that owners and the Authority appropriately addressed their responsibilities under the LSHR in a timely manner for cases of children with EBLLs. Further, because the Authority was unable to confirm and provide documentation regarding its EBLL cases, HUD may not have had an accurate report of the Authority's EBLL cases.

We discussed the results of this finding with the Authority, and as a result of those discussions, the Authority had begun developing a tracking system, using Microsoft Excel, and a checklist to (1) record and monitor cases of EBLL in children under 6 years of age and (2) assist owners in complying with HUD's requirements, including reporting EBLL cases to HUD and abating lead-based paint hazards identified in the environmental investigations. The Authority had also communicated with HUD on how to comply with the monitoring requirement and since August 28, 2023, had reported three cases of children with EBLLs to HUD. However, the Authority still needs to continue developing procedures for monitoring owners' compliance with HUD's requirements, which would include reporting to HUD.

The Authority Did Not Comply With HUD's Quarterly Data Collection Requirement To Identify Children With EBLLs in Its HCV Program

The Authority did not coordinate with local public health departments at least quarterly to identify cases of EBLL⁴⁶ in children under 6 years of age under the HCV Program. HUD's regulations at 24 CFR 35.1225(g) require PHAs to identify EBLL cases in the HCV Program through data sharing and data matching with the public health department(s) with a similar area of jurisdiction at least quarterly, unless the relevant public health department(s) is unwilling to share with or receive information from the PHA.⁴⁷ The Authority's director of leased housing inspections acknowledged that the Authority did not follow HUD's requirement for coordinating with the local health departments. According to the director, the Authority had HCV Program units across more than 160 cities and towns in Massachusetts, and it would be challenging to contact local health departments across the State quarterly. Therefore, although the Authority was aware of HUD's requirements, it chose to not conduct quarterly matching because it

⁴³ The HAP contract is the contractual agreement between the PHA and the owner of a unit occupied by an HCV Program participant. The PHA pays HAP to owners in accordance with the HAP contract.

⁴⁴ The current HAP contract was effective April 2023.

⁴⁵ The HAP contract was effective August 2009.

⁴⁶ HUD defines a confirmed EBLL case as a child under 6 years of age with blood lead levels equal to or greater than 5 micrograms per deciliter of blood.

⁴⁷ Section 13 of HUD's Notice PIH 2017-13



believed that coordinating with the vast number of local health departments would have been challenging. As a result, HUD lacked assurance that the Authority identified all cases of children with EBLLs to ensure that owners properly mitigated identified lead hazards.

According to the Authority, based on the results of our audit, it had met with the local HUD office and was updating its protocol to meet the minimum requirements in Notice PIH 2017-13. Before our audit, the Authority had not reached out to HUD to seek guidance on how to comply with the quarterly matching requirements. In February 2024, we met with HUD's management and staff from the Boston Office of Public Housing and the Office of Lead Hazard Control and Healthy Homes (OLHCHH) to discuss our audit results. After the meeting, the Director of the Boston Office of Public Housing provided a memorandum from the Massachusetts Department of Public Health (MDPH) stating that MDPH may not release personal data, including a tenant's address, unless authorized under the law. Based on our review of the memorandum, it does not prevent the Authority from attempting to share EBLL data with State or local health departments as required by the LSHR. The memorandum also does not prevent the Authority from requesting EBLL data from local health departments instead of MDPH.

Conclusion

The Authority did not have procedures for monitoring owners for compliance with HUD's EBLL requirements, which included tracking reported cases of children with EBLLs. Further, although the Authority was aware of HUD's EBLL requirements, it (1) was uncertain about its authority to require owners to comply with those requirements and (2) believed that coordinating with the vast number of local health departments would have been challenging. As a result, HUD (1) lacked assurance that the Authority and owners appropriately addressed their responsibilities under the LSHR in a timely manner for cases of children with EBLLs and (2) may not have had an accurate report of the Authority's EBLL cases. Further, HUD lacked assurance that the Authority identified all cases of children with EBLLs to ensure that owners properly mitigated identified lead hazards.

Recommendations

We recommend that the Director of HUD's Boston Office of Public Housing require the Authority to

- 3A. Review its records to confirm whether it had cases of children with EBLLs during our audit period and work with the owner(s) of the HCV Program units to provide required documentation to HUD.
- 3B. Update publications and educational materials to owners to ensure that they understand their reporting responsibilities to HUD regarding confirmed cases of children with EBLLs.
- 3C. Develop and implement procedures and controls for coordinating with public health departments and managing cases of children with EBLLs, including monitoring owners for compliance with the requirements of the LSHR.

We also recommend that the Director of HUD's Boston Office of Public Housing

- 3D. Work with HUD's OLHCHH to provide technical assistance to the Authority's staff to develop and implement procedures and controls for monitoring owners for compliance with HUD's EBLL requirements and attempting to collaborate with local health departments to identify cases of EBLL in children under 6 years of age under its HCV Program.



Scope and Methodology

We conducted the audit from March 2023 through June 2024. Most of the audit work was performed remotely. We performed inspections throughout the Authority’s jurisdiction in Massachusetts. The audit covered the period April 1, 2019, through March 31, 2023, and was expanded as necessary.⁴⁸

To accomplish our audit objective, we interviewed HUD Program staff, the Authority’s employees, and participants in the Authority’s HCV Program units. In addition, we obtained and reviewed the following:

- Applicable laws; HUD’s regulations at 24 CFR parts 35, 982, 983, and 985; PIH notices; HUD’s Guidebook 7420.10G; and HUD’s Housing Inspection Manual.⁴⁹
- The Authority’s Program administrative plan, household reports, unit inspection reports, inspection registers, HAP registers, inspector certifications, and training materials.

First Finding

Passed Unit Inspections

We identified a stratified systematic sample of 80 units from a universe of 1,140 HCV Program units that passed⁵⁰ the Authority’s HQS inspection between February 6 and May 5, 2023, to determine whether the units met HUD’s HQS. We used a systematic approach to help control potential differences across inspectors. Taken in rank order by the size of the monthly housing assistance paid on behalf of the tenant living in the HQS-inspected unit, we designed the strata to encompass the following ranges by percentile: 0-10, 10-30, 30-50, 50-70, 70-90, 90-98, and 98-100. Table 6 below lists the stratum boundaries and other key data related to this sample design.

Table 6. Stratum boundaries for our sample design of units selected for inspection

Stratum label	Monthly HAP amount	Universe records	Sample records	Probability of selection	Sampling weight
0-10	>0	114	8	0.070	14.25
10-30	\$1,048	224	16	0.071	14.00
30-50	1,546	227	16	0.070	14.19
50-70	1,934	218	15	0.069	14.53
70-90	2,300	227	16	0.070	14.19
90-98	2,842	103	7	0.068	14.71
98-100	3,206	27	2	0.074	13.50
Totals		1,140			

⁴⁸ We expanded the audit period to select the units and buildings we observed and inspected in April, June, and August 2023. Further, we expanded the audit period to June 2024 to include (1) repayments made by owners for ineligible subsidy payments for HCV units and (2) updates related to correction of deficiencies identified in our inspections of HCV Program units.

⁴⁹ See appendix D for the list of HUD’s and the Authority’s requirements.

⁵⁰ The Authority refers to passed inspections as approved inspections. For purposes of this report, we referred to the approved inspections as passed inspections.



We inspected 75 of 80 units from our original sample selection and an additional 12 spare units for a total of 87 units. We inspected the 87 units in June and August 2023. The inspections were performed by our appraiser. Staff from the Authority accompanied us during the inspections. For projection estimates, we used the designed sample count of 80 records and used spares when we could not gain access to the units. All spares used came from the appropriate strata; therefore, we did not have to recalculate the sampling weights.

We computed the percentage and number of counts of records for each result based on the sampling results and extended this result to the population using the surveyfreq⁵¹ procedure provided by SAS[®].⁵² We estimated the lower confidence interval using a Gaussian⁵³ sampling distribution, which is appropriate for error rates in this range. We extended these percentages to 13,505 records in the universe to get the total universe count of these records.

We used the surveymeans⁵⁴ procedure in SAS[®] to estimate the total dollars spent on substandard housing (units that failed the inspection standards) by calculating the mean and standard error for the average monthly amount of subsidy dollars attributable to substandard housing across both acceptable and substandard units. We reduced the average monthly amount by the margin of error (that is, the standard error with a student's t factor) associated with this sample design and then extended that to the 13,505 active units. Finally, we annualized this result to obtain a 12-month timeframe. The basic estimation calculations are as follows:

$$Amount_{LCL} = N * (\mu - t_{\alpha/2} SE_{\$})$$

$$Count_{LCL} = N * (pct - t_{\alpha/2} SE_{\%})$$

- Amount_{LCL}* = total audit finding amount after deducting a margin of error
- Count_{LCL}* = total number of sampling units with the error after deducting a margin of error
- N* = number of sampling units in the universe
- μ* = weighted average value of the error per unit
- pct* = weighted percentage of sampling units with the error in the sampling frame
- SE_{\$}* = standard error per unit, as applies to projecting dollars
- SE_%* = standard error per unit, as applies to projecting proportions
- t_{α/2}* = student's - t for projecting a one-sided confidence interval for a sample of this size

Based on the statistical sample of 80, we found 13 units that had a preexisting deficiency that should have failed the unit during Authority's last HQS inspection. This equates to the Authority's paying a weighted average of \$379.77 in HCV subsidy per unit per month on substandard housing. After deducting for a

⁵¹ The surveyfreq procedure produces one-way to n-way frequency and crosstabulation tables from sample survey data. These tables include estimates of population totals, population proportions, and their standard errors. Confidence limits, coefficients of variation, and design effects are also available. The procedure provides a variety of options to customize the table display.

⁵² SAS (previously "Statistical Analysis System") is a statistical software suite developed by the SAS Institute for data management, advanced analytics, multivariate analysis, business intelligence, criminal investigation, and predictive analytics.

⁵³ In statistics, a normal distribution, or "Gaussian" distribution, is a type of continuous probability distribution for a real-valued random variable.

⁵⁴ The surveymeans procedure estimates characteristics of a survey population by using statistics computed from a survey sample. It enables one to estimate statistics, such as means, totals, proportions, quantiles, geometric means, and ratio.



statistical margin of error, we can say, with a one-sided confidence interval of 95 percent, that the weighted average amount per unit per month the Authority paid in HCV Program subsidies on substandard housing is \$212.81. Extending this amount to the 13,505 occupied units over 12 months yields at least \$34.4 million in HCV Program subsidies paid for housing that the Authority should have failed on its last HQS inspection and did not, and it could be more. The mathematical calculation is as follows:

Per unit monthly calculation: $\$379.77 - (1.645 \times \$100.22) \approx \$212.81_{LCL}$
Annualized projection: $\$212.81 \times 13,505 \text{ units} \times 12 \text{ months} \approx \$34,487,988.60_{LCL}$

Unit Observations

From a universe of 73 units scheduled for inspection from April 25 through April 27, 2023, we selected 12 inspections from 6 inspectors that had the highest number of scheduled inspections to observe how the Authority's inspectors performed HQS inspections. We observed inspections for 11 of the 12 units from April 25 through April 27, 2023.⁵⁵ The observations were performed by our appraiser. We did not project the results of our observations to the universe.

Supervisory Quality Control Inspections

From April 2022 through March 2023, the Authority performed 125 supervisory quality control reviews of HQS inspections conducted by its staff inspectors. Of the 125 supervisory quality control inspection reviews, 87 passed, and 38 failed the supervisory quality control inspection. We selected a targeted sample of 12 quality control reviews, focusing on reviews that resulted in a failed unit inspection. We believed it would not have been useful to select quality control reviews that resulted in a passed unit inspection since those reviews would not have identified deficiencies that were not noted by the staff inspections.

Second Finding

Failed Unit Inspections and Stop Payments

Using the SAS Enterprise Guide tool, we selected a sample of 28 units from a universe of 5,918 inspections that had an inspection result type that indicated a failed inspection or for which the Authority experienced delays in inspecting the unit from May 2, 2022, through May 5, 2023, to determine whether the Authority took timely actions to address unit deficiencies and noncompliance. We also selected an additional four units with a second stop payment order to determine whether the Authority paid HAP to the owners after the second stop payment order. Therefore, we reviewed a total of 32 units. We did not project the results of our review to the universe.

We determined that internal controls over compliance with laws and regulations and effectiveness and efficiency of operations were relevant to our audit objective. We assessed the relevant controls. Based on our review, we believe that the Authority did not have adequate procedures and controls to ensure that it followed applicable HUD and its own requirements.

To achieve our objective, we relied in part on the Authority's computer-processed data. Although we did not perform a detailed assessment of the reliability of the data, we performed a minimal level of testing and found the data to be adequate for our purposes.

⁵⁵ We were not able to observe one unit because the unit became vacant.



We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.



Appendixes

Appendix A – Schedule of Questioned Costs and Funds To Be Put to Better Use

Recommendation number	Ineligible 1/	Funds to be put to better use 2/
1B		\$34,487,989
2A	\$106,477	
Total	106,477	34,487,989

1/ Ineligible costs are costs charged to a HUD-financed or HUD-insured program or activity that the auditor believes are not allowable by law; contract; or Federal, State, or local policies or regulations.

2/ Recommendations that funds be put to better use are estimates of amounts that could be used more efficiently if an Office of Inspector General (OIG) recommendation is implemented. These amounts include reductions in outlays, deobligation of funds, withdrawal of interest, costs not incurred by implementing recommended improvements, avoidance of unnecessary expenditures noted in preaward reviews, and any other savings that are specifically identified. In this instance, if the Authority implements our recommendations, it will stop incurring Program costs for units that are not decent, safe, and sanitary. Our estimate reflects only the initial year of this benefit.



Appendix B – Auditee Comments and OIG’s Evaluation

Ref to OIG Evaluation – Auditee Comments



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June 4, 2024

Kelly Anderson
Audit Director
Office of Inspector General
U.S. Department of Housing and Urban Development
77 West Jackson Blvd, Room 2201
Chicago, IL 60604

Re: Audit of Housing Choice Voucher Program Units

Dear Audit Director Anderson,

Please find below the Boston Housing Authority's ("BHA") comments regarding the Office of Inspector General's ("OIG") most recent audit of compliance related to units in the Housing Choice Voucher Program.

Before delving into comments regarding the audit report, the BHA would like to emphasize that the health and safety of participants is of the utmost importance. Generally, BHA agrees that there are opportunities for operational improvements and additional quality control that could further ensure the compliance of subsidized units in its program. However, BHA does disagree with certain findings and recommendations in the audit report. BHA's comments are detailed below.

Comments on Finding 1: The Authority Did Not Ensure That Its Program Units Met Minimum Housing Standards

Much of the housing stock in Boston and the surrounding area was constructed in the early 1900s. Due to the age, the housing typically requires ongoing maintenance to comply with Housing Choice Voucher Program requirements. BHA inspections often reveal violations of the HUD health and safety requirements that require repair or correction and were not present at the prior regular inspection. It is no surprise that the OIG audit inspections revealed many units with deficiencies.

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 **Comment 1 >**



Ref to OIG Evaluation – Auditee Comments

 **Comment 2 >**

However, BHA generally disagrees with the logic used by the OIG used to determine that violations preexisted the most recent BHA inspection and that BHA will improperly pay \$34 million in Housing Assistance Payments. The OIG’s report extrapolates from a sample of 87 apartments, finding that 15 of the units had violations that preexisted the BHA inspections, and goes on to assume that a comparable ratio of the BHA budget may be spent on housing that violated the inspection requirements, resulting in the potential \$34 million in improper payments. While BHA does not contend that its inspectors are infallible, BHA disagrees with the OIG’s evidentiary standards for determining that a violation pre-existed a BHA inspection.

 **Comment 3 >**

In footnote 18, the OIG explains the logic for determining whether a cited violation preexisted the BHA inspection, stating, “We identified a preexisting condition as a deficiency that predated the Authority’s previous inspection based on observations made by our appraiser and auditor during the unit inspections and participant’s comments during the inspection interviews. We took a conservative approach to determine the facts and circumstances to conclude whether the deficiencies existed during the Authority’s last inspection. If we could not reasonably determine when a deficiency occurred, we did not categorize it as preexisting.” BHA disagrees that using participant’s incidental comments, or relying on the observations of an auditing inspector many months after the BHA inspection occurred, is a “conservative approach”.

 **Comments 3 and 4 >**

For example, asking a participant if the violation existed prior to the BHA inspection, when the participant may have been responsible for the violation, should not be the sole evidentiary factor to determine a preexisting condition. However, this was the standard used in several instances, including the extremely obvious back porch railing missing spindles cited in figure 3 of the report. Although it cannot be determined with certainty, it seems highly unlikely that BHA inspector missed this violation, and much more likely that the porch spindles were removed or knocked out in the intervening period. BHA sees porch spindles frequently removed by participants to hoist large items in and out of their apartments, which often have narrow internal staircases. The OIG failed to consider alternative scenarios, or the possibility that participants assume the OIG to be an enforcement agency targeted at the participants’ own program compliance. Instead, the OIG simply took the participant’s word as fact on determining this violation as preexisting. The OIG’s adopted standard presumes that the credibility of the participant’s unofficial and unsworn comments a half a year after the BHA inspection occurred outweighs the credibility of the BHA inspector’s written report from the day of the inspection. In other instances, the OIG cited windows that were difficult to open as pre-existing conditions. This fails to consider that the OIG inspections took place on warm weather days in June when the old wood frame construction tends to swell and

 **Comment 3 and 5 >**

 **Comment 6 >**



Ref to OIG Evaluation – Auditee Comments

 **Comment 7 >**

tighten window frames, while BHA inspected those same windows in the colder winter months when the windows may have moved freely.

The OIG methodology also fails to consider that a condition may have pre-existed prior to the BHA inspection or been resolved at the time of the inspection and then recurred by the time the OIG inspected. This scenario is a likelihood for conditions such as: (1) mildew in a shower, which can easily recur if the shower is not consistently cleaned, (2) infestation, which can recur after space was treated for infestation and can vary from season to season, or (3) smoke detectors, which often have batteries removed for use in other devices or to reduce noisy alarms during daily cooking.

 **Comment 8 >**

Ultimately, BHA agrees with the OIG's recommendations in this section, requiring resolution of the violations cited in the audit and to enhancing its quality control processes to improve unit compliance in the program. However, BHA strongly asserts that the methodology used to state that \$34 million was improperly paid is neither conservative nor fair.

 **Comment 9 >**

[Comments on Finding 2: The Authority Did Not Consistently Take Appropriate and Timely Actions Following Failed Unit Inspections](#)

 **Comment 10 >**

BHA generally agrees with the conclusions and recommendations in finding 2 and has already taken actions to: (1) recapture improperly paid amounts to owners, (2) improve processes and policies regarding the granting of extensions to owners to make repairs, and (3) conducting a review of those units that had more than one stop payment and determining if repayment is necessary.

[Comments on Finding 3: The Authority Did Not Have Procedures for Monitoring Owners for Compliance With HUD's EBLL Requirements](#)

 **Comment 11 >**

The BHA's comment on finding 3 is related to the OIG's determinations regarding data matching requirements with local public health departments. As stated in the audit report, HUD's regulations at 24 CFR 35.1225(g) require PHAs to identify EBLL cases in the HCV Program through data sharing and data matching with the public health department(s) with a similar area of jurisdiction at least quarterly, unless the relevant public health department(s) is unwilling to share with or receive information from the PHA. Per a federal court case in Massachusetts, the jurisdiction for a housing authority in Massachusetts is the entire state. See [Williams, et al. v. Hanover Housing Authority, et al.](#), 871 F Supp 527 (D. Mass. 1994). Therefore, the public health department with a similar area of jurisdiction is the Massachusetts Department of Public Health ("MPDH"). As stated in the audit report, MPDH has already provided an opinion that it cannot release personal data including

3



Ref to OIG Evaluation – Auditee Comments

 **Comment 12 >**

addresses due to privacy laws. The OIG report also implies that BHA should also request the same data from local health departments that are bound by the same State and federal privacy laws as MPDH. This recommendation will yield the same non-response from local health departments, but also runs contrary to the data matching requirement that calls on the PHA to conduct data matching with a health department with a similar jurisdiction. Per federal case law, local health departments do not have the statewide jurisdiction as the BHA.

 **Comment 13 >**

The BHA is also concerned that the recommendation to attempt conduct data matching with local health departments will have unintended consequences, as HUD’s guidance and regulation does not contemplate the unique jurisdictional specifics of Massachusetts. Since unlike in many states, the large voucher jurisdictions of housing authorities in Massachusetts extensively overlap, while local health jurisdictions are divided up by the small municipal units of 351 cities and towns, local health authorities could expect to receive matching requests from dozens of area housing authorities that have voucher programs operating within their locality. Already knowing that they will not be able to respond or provide matches under privacy laws, this recommendation seems likely to only create interagency confusion and frustration without achieving its desired effect.

 **Comment 14 >**

Most importantly, the BHA wishes to note that the audit report entirely neglects to provide the context that BHA always required property owners to provide a lead certificate when it becomes aware of a reported EBLL, even below de minimis levels. The report also fails to mention that Massachusetts has one of the most stringent reporting and remediation laws for child lead exposure in the country, a regime which is managed by the local public health departments who receive privileged medical information and are in direct communication with doctors, landlords, and any other locations that a lead poisoned child might frequent. As a result, while BHA has now improved its processes for keeping HUD informed about lead-related cases as it becomes aware of them, it should be stressed that neither the Boston HUD Field Office nor BHA is responsible for leading the remediation process for such cases in Massachusetts. Local public health departments were expeditiously addressing any children with elevated lead levels throughout the audit period and will continue to so. The health and safety of children in publicly-subsidized housing is of utmost importance to the BHA, and readers should not deduce from the audit report that cases of elevated lead levels were somehow going unaddressed.

 **Comment 15 >**

 **Comment 16 >**

Nonetheless, as recommended in the audit report, BHA has instituted a new tracking system in order to be able to provide more complete reporting internally and to HUD of all lead cases of which it becomes aware, and is updating guidance to landlords to ensure that those contacted by the public health department about a child’s elevated lead level also make HUD aware of the issue.



Ref to OIG Evaluation – Auditee Comments

BHA appreciates the opportunity to comment on the audit report.

Respectfully Submitted,

[Kenzie Bok \(Jun 4, 2024 14:21 EDT\)](#)

Kenzie Bok
Administrator
Boston Housing Authority

CC: Robert P. Cwieka, Director, Office of Public Housing, Boston HUB

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OIG Evaluation of Auditee Comments

General comment In June 2024, the Authority provided documentation, outside its written comments, showing that it had collected additional HAP from the owners for two of the three units that had been inappropriately paid HAP due to the Authority's information system not having controls to stop payments and the Authority's plan to recover future HAP as detailed on page 18 of the report. Therefore, we revised the questioned amount for the two units to reflect that the Authority recovered \$73,832 in HAP and had planned to recover an additional \$12,115.

Further, the Authority provided documentation showing that it no longer planned to recover \$31,785 in overpaid HAP to the owner for one unit because the owner asserted that the tenant would not allow access to the unit for repairs to be completed. The Authority provided documentation from the owner of the unit stating that the tenant would not grant the owner access.

We disagree with the Authority's determination not to collect HAP from the owner. The owner provided documentation, dated December 2023 and January 2024, as support that the tenant would not grant unit access. However, the owner did not provide documentation for the period in which the deficiencies remained uncorrected, which was from November 2022 to October 2023. Therefore, the \$31,785 in payments will remain an ineligible cost. However, we adjusted the report to reflect the Authority's position not to collect the HAP from the unit's owner and our reasoning for still questioning the payments.

Comment 1 The Authority stated that most of the housing stock in Boston and the surrounding area was constructed in the 1900s. Therefore, it is no surprise that the OIG audit inspections revealed many units with deficiencies. We acknowledge that much of the housing stock in Boston and the surrounding areas was constructed in the early 1900s and requires ongoing maintenance to comply with HCV Program requirements. Of the 87 units inspected, 77 units were built from 1836 through 1999. Therefore, the age of the Authority's housing stock signifies the importance of the Authority implementing our recommendations to improve its processes for its inspections and related quality control.

Comment 2 The Authority disagreed with the logic we used to determine that violations preexisted the most recent Authority inspection, and that the Authority will improperly pay \$34 million in housing assistance. The Authority stated that our report extrapolates from a sample of 87 apartments, finding that 15 of the units had violations that preexisted the Authority's inspections, and goes on to assume that a comparable ratio of the Authority's budget may be spent on housing that violated the inspection requirements, resulting in the potential \$34 million in improper payments. While the Authority does not contend that its inspectors are infallible, it disagrees with our evidentiary standards for determining that a violation preexisted an Authority inspection.



Our determination of whether a deficiency was preexisting is based on our inspections of the Authority's units conducted by a HUD OIG certified HQS inspector and an auditor with experience in conducting audits of HUD's HCV Program, in conjunction with (1) statements from the Authority's tenants and (2) our review of the Authority's latest inspection reports. We considered the facts and circumstances surrounding the deficiencies to help us determine whether an HQS deficiency existed at the time of the last passed inspection conducted by the Authority or whether it was identified on the last passed inspection and not corrected. Our statistically valid projection is based on the number of units that had preexisting conditions. We extrapolated that number to the total number of the Authority's units to estimate the amount of housing assistance that would be spent on units that do not meet standards due to needed improvements in the Authority's inspection and quality control process as detailed in the audit report. Therefore, we did not remove our statistical projection from the report.

Comment 3 The Authority disagreed that using participants' incidental comments or relying on the observations of an auditing inspector many months after the Authority's inspection occurred is a "conservative approach."

We disagree with the Authority's statement. Chapter 10 of HUD's Housing Choice Voucher Program Guidebook states, "HQS quality control inspections should consider whether the failed item occurred since the previous inspector was on site. Often the tenant can describe when the deficiency occurred and will be helpful in making this determination". Therefore, we took into consideration the tenants' comments since they have firsthand knowledge of the existence of a deficiency. However, our determination of whether a deficiency was preexisting was not based solely on tenant statements, but rather on our inspector's training certification and experience in conducting HQS inspections. As detailed in the audit report, we believe that we took a conservative approach to determine the facts and circumstances surrounding deficiencies to conclude whether they existed at the time of the last passed inspection conducted by the Authority.

Comment 4 The Authority questioned whether the missing spindles of a back porch were preexisting and stated that although it cannot be determined with certainty, it seems highly unlikely that the Authority's inspector missed this violation and more likely that the spindles were removed or knocked out in the intervening period. It further stated that porch spindles are frequently removed by participants to hoist large items into and out of their apartments.

In the report we included one picture of a porch with missing spindles (figure 3). However, our inspection of the porch also identified deteriorated wood in several places, leaving gaps in the porch floor. As part of our inspection, we interviewed the tenant, who expressed that the condition with the porch existed during the Authority's last inspection in February 2023 and was concerned because her children play on the porch. The Authority did not identify this deficiency in its February 15, 2023, inspection report. Therefore, we evaluated the facts and circumstances surrounding this deficiency to conclude that the deficiency existed at the time of the



Authority's last passed inspection. Further, as stated in the report, when the Authority performed quality control inspections, more than 30 percent of the units failed a supervisory quality control inspection; however, the Authority's quality control process did not include an evaluation of whether deficiencies were preexisting and missed by its inspectors. Without this evaluation, the Authority would be missing an opportunity to obtain feedback on the quality of the inspections. Additionally, the Authority's statement that tenants remove spindles should not be presumed in this instance or any instance without evaluating the circumstances.

Comment 5 The Authority stated that we failed to consider alternative scenarios or the possibility that tenants assume the OIG to be an enforcement agency targeted at the tenants' participation. The Authority also stated that we adopted a standard that presumes that the credibility of the participant's unofficial and unsworn comments a half a year after the Authority's inspection occurred outweighs the credibility of the Authority inspector's written report from the day of the inspection.

We disagree with the Authority's statements. Our determination of preexisting deficiencies considers whether conditions may have been caused by tenants after the Authority's inspections. In those instances, we do not identify the deficiencies as preexisting. Further, for the 15 units with preexisting conditions, the average time between our inspection and the Authority's inspection was 3 months, rather than half a year, and almost half of those inspections were performed within 3 months.

Comment 6 The Authority indicated that there were instances in which we cited windows that were difficult to open as preexisting conditions. The Authority stated that we failed to consider that our inspections took place on warm weather days in June when the old wood frame construction tends to swell and tighten window frames, while the Authority inspected those same windows in the colder winter months, when the windows may have moved freely.

We identified two units that had windows that were hard to open as preexisting. We understand that intense heat can cause wood to expand, making it more difficult to open and close windows. However, one of the units that we cited in the report did not have windows with a wood frame. Further, the tenant expressed difficulties with opening the windows since moving into the unit in February 2023. We considered the facts and circumstances surrounding the deficiencies to help us determine whether an HQS deficiency existed at the time of the last passed inspection conducted by the Authority or whether it was identified on the Authority's last passed inspection and not corrected.

Comment 7 The Authority indicated that our methodology failed to consider that a condition may have preexisted the Authority's inspection or had been resolved at the time of the inspection and then recurred by the time we inspected the unit. This scenario is a likelihood for conditions such as (1) mildew in a shower, which can easily recur if the shower is not consistently cleaned; (2) infestation, which can recur after space was treated for infestation and can vary from season to season; or (3) smoke detectors,



which often have batteries removed for use in other devices or to reduce noisy alarms during daily cooking.

We disagree with the Authority's statements. For the 193 deficiencies that we identified, we assessed whether the deficiency existed at the time of the Authority's last inspection or occurred after the Authority's last inspection. For instance, we identified three units with mold or mildew in bathroom tubs as a preexisting condition. One of the units is depicted in figure 5 in this report. On December 17, 2022, the Authority identified that the tub needed recaulking. On January 25, 2023, the Authority's inspectors identified the deficiency as having been corrected. On March 2, 2023, the outstanding deficiencies were corrected, and the Authority passed the unit. However, our inspection did not find evidence that recaulking had occurred as shown in figure 5. Therefore, although the Authority identified this deficiency during its inspections, it was not addressed. For the two units with preexisting infestations, we determined that the deficiencies were not identified during the Authority's inspections. However, based on the severity of the infestation and lack of documentation provided by the Authority showing evidence of extermination, we concluded that the infestations were preexisting. Finally, regarding smoke detectors, we did not consider a missing or inoperable smoke detector as a preexisting condition.

Comment 8 The Authority stated that it agreed with our recommendations requiring resolution of the violations cited in the audit and to enhance its quality control processes to improve unit compliance in the program.

We acknowledge the Authority's actions to continue to (1) provide support that the 46 deficiencies for the 20 units with outstanding deficiencies are corrected and (2) improve its quality control process for monitoring its inspectors to enhance the effectiveness of its unit inspections and ensure that all units meet HUD's requirements. The Authority should work with HUD to address the associated recommendations 1A and 1B.

Comment 9 The Authority asserted that the methodology used to state that \$34 million was improperly paid is neither conservative nor fair. We disagree with the Authority's assertion. The \$34 million in HAP cited in the report represents a statistical estimate of HAP that could be paid for units that will not meet HQS over a 1-year period if the Authority does not improve its processes for inspections and quality control. The calculation is based on the results of our inspections of a random sample of program units that statistically represents the population from which it was drawn. Therefore, we did not remove our statistical projection from the report.

Comment 10 The Authority generally agreed with the conclusions and recommendations for finding 2 and stated that it had already taken actions related to the recommendations cited in the report. We appreciate the Authority's willingness to take corrective actions and encourage the Authority to work with HUD to ensure that corrective actions taken fully address the issues cited in the report and the related recommendations.



Comment 11 Concerning data-matching requirements with local public health departments, the Authority stated that according to a Federal court case in Massachusetts, the jurisdiction of a PHA in Massachusetts is the entire State. (See Williams, et al. v. Hanover Housing Authority, et al., 871 F Supp 527 (D. Mass. 1994).) Therefore, the public health department with a similar area of jurisdiction is the Massachusetts Department of Public Health (MPDH). Further, the Authority stated that based on an opinion (a 2015 legal opinion) provided, MPDH cannot release personal data due to privacy laws and our recommendation to request the same EBLL data would yield a nonresponse from local health departments because they are bound by the same State and Federal privacy laws as MPDH.

We disagree with the Authority's statements. Specifically, the legal opinion MDPH provided relied on an interpretation of the data-sharing restrictions in the State Fair Information Practices Act (FIPA) (M.G.L. c. 66A). However, FIPA applies only to State agencies, such as MDPH, and does not apply to non-State agencies, such as local health departments. The seminal case for that proposition is *Spring v. Geriatric Auth. of Holyoke*, 394 Mass. 274 (1985), which held that FIPA did not apply to the Geriatric Authority of Holyoke, since FIPA "was not intended to apply to units of county, city or town governments" (Internal quotations removed). Therefore, the Authority may attempt to ask local public health departments for their EBLL data to comply with the LSHR.

Comment 12 The Authority stated that the report implies that it should request the same data from local health departments that are bound by the same State and Federal privacy laws as MPDH. This recommendation will yield the same non-response from local health departments, but also runs contrary to the data matching requirement that calls on the PHA to conduct data matching with a health department with a similar jurisdiction. Per Federal case law, local health departments do not have the statewide jurisdiction as the Authority.

We disagree with the Authority's statement. Given that MDPH has refused to provide EBLL data statewide, the Authority should attempt to obtain EBLL data from the local public health departments that cover geographical areas where the Authority's residents reside. We note that the majority of the Authority's residents are likely clustered within the jurisdiction of just a few local public health departments and, therefore, made recommendation 3D for the Authority coordinate with HUD's OLHCHH on how to effectively attempt to conduct EBLL data matching with local public health departments.

Comment 13 The Authority stated that it was also concerned that the recommendation to attempt to conduct data matching with local health departments will have unintended consequences, as HUD's guidance and regulations do not contemplate the unique jurisdictional specifics of Massachusetts.

HUD's regulations at 24 CFR 35.1225(g) state that at least quarterly, the PHA must attempt to obtain from the public health department(s) with area(s) of jurisdiction



similar to that of the PHA the names and addresses of children of less than 6 years of age with an identified EBLL. Therefore, the Authority should work with HUD to determine how to implement this requirement to address recommendation 3C.

Comment 14 The Authority expressed that the audit report entirely neglected to note that the Authority always required property owners to provide a lead certificate when they became aware of a reported EBLL, even below de minimis levels. Further, the Authority stated that the audit report also failed to mention that the State of Massachusetts has one of the most stringent reporting and remediation laws for child lead exposure in the country.

As stated in the report, the Authority did not have procedures for monitoring owners for compliance with HUD's EBLL requirements, which included more than owners' providing lead certifications, as detailed in the table 3 in the Background and Objective section of the report. Further, a "stringent" State reporting and remediation regime does not preclude the Authority from complying with Federal requirements. PHAs are required to follow requirements found at HUD's regulations at 24 CFR part 35 and HUD's Notice PIH 2017-13.

Comment 15 We acknowledge the Authority's actions to improve its processes to ensure that HUD is informed about lead-related cases in children under 6 years of age as it becomes aware. During our audit, the Authority acknowledged that it had cases of children with EBLLs during our audit period; however, it could not readily provide documentation of those cases, including the required environmental investigations, because it did not maintain a unit listing of children with EBLLs. Therefore, as detailed in the audit report, we were not able to confirm how the reported cases were addressed. The Authority should work with HUD to ensure that its actions sufficiently address the related findings and recommendations.

Comment 16 The Authority stated that it had instituted a new tracking system concerning the reporting of all lead cases and was updating its guidance to landlords to ensure that it reports cases of EBLL in children under 6 years of age to HUD. We commend the Authority for the corrective actions it has taken to date and encourage the Authority to work with HUD to ensure that its corrective actions address the report's recommendations for managing cases of children with EBLLs.



Appendix C – OIG Inspection Results

Identification number ⁵⁶	Fail	Total number of deficiencies	Life-threatening deficiencies	Preexisting deficiencies	Total number of preexisting deficiencies	Number of deficiencies corrected
1						
2						
3	x	2	1			1
4*	x	10	2	x	6	7
5	x	1				1
6	x	1				1
7						
8*	x	4	1	x	1	3
9						
10	x	3				
11*	x	6	2	x	6	5
12						
13						
14	x	2				2
15*	x	6	1	x	3	6
16	x	1				1
17						
18	x	1				
19						
20						
21	x	11	3			10
22	x	1				1
23	x	2	1			2
24	x	3	1			
25	x	4	2			3
26	x	1	1			1
27	x	1				1

⁵⁶ * Units identified as having a preexisting condition that were used to determine the projected more than \$34 million in HAP that the Authority will pay owners that do not meet HQS. See the Scope and Methodology section of this report for more information.



28	x	1				1
29*	x	3	1	x	2	
30	x	3	1			3
31	x	1				1
32	x	1				1
33						
34*	x	1	1	x	1	
35	x	1	1			1
36	x	4	3			3
37	x	2	1			2
38*	x	4	2	x	1	4
39						
40	x	4				4
41						
42						
43*	x	7	4	x	6	6
44						
45	x	1				1
46	x	1				1
47						
48						
49*	x	15	4	x	5	
50						
51						
52						
53*	x	2		x	1	1
54	x	9	2	x	1	1
55						
56	x	2				2
57	x	2	1			2
58						
59*	x	4		x	3	
60	x	3				3
61	x	4				



62	x	1				1
63	x	1				1
64						
65						
66						
67						
68						
69						
70						
71						
72	x	4				
73						
74						
75						
76						
77						
78	x	3				2
79*	x	13		x	8	4
80	x	5				3
81	x	17	5	x	5	
82	x	2	1			1
83	x	2	1			2
84						
85*	x	10		x	4	8
86						
87						
Totals	50	193	43	15	53	104



Appendix D – Federal and the Authority’s Requirements

HUD’s regulations at 24 CFR 982.4(b) define HQS as HUD’s minimum quality standards for housing assisted under the HCV Program.

HUD’s regulations at 24 CFR 982.54(c) state that the PHA must administer its Program in accordance with the PHA’s administrative plan.

HUD’s requirements at 24 CFR 982.158(a) state that the PHA must maintain complete and accurate accounts and other records for the Program in accordance with HUD requirements, in a manner that permits a speedy and effective audit.

HUD’s regulations at 24 CFR 982.401(a)(3) state that all Program housing must meet the HQS performance requirements both at commencement of assisted occupancy and throughout the assisted tenancy.

HUD’s regulations at 24 CFR 982.404(a)(1) state that the owner must maintain the unit in accordance with HQS. Section 982.404(a)(2) states that if the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations. PHA remedies for such breach of the HQS include termination, suspension or reduction of HAP, and termination of the HAP contract. Section 982.404(a)(3) states that the PHA must not make any HAP for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction.

HUD’s regulations at 24 CFR 982.405(a) state that the PHA must perform unit inspections before the term of the lease, at least biennially during assisted occupancy, and at other times as needed to determine whether the unit meets HQS.

HUD’s regulations at 24 CFR 982.405(b) state that the PHA must conduct supervisory quality control HQS inspections.

HUD regulations at 24 CFR 982.405(g) state if a participant family or government official reports a condition that is life-threatening, the PHA must inspect the housing unit within 24 hours of when the PHA received the notification. If the reported condition is not life threatening, the PHA would require the owner to make the repair within no more than 30 calendar days, and then the PHA must inspect the unit within 15 days of when the PHA received the notification.

HUD’s regulations at 24 CFR 985.3(e)(1) requires a PHA’s supervisor or other qualified person to reinspect a sample of units under contract during the PHA’s fiscal year, which meets the minimum sample size requirements under the PHA’s quality control sample, for quality control of HQS inspections.

HUD’s regulations at 24 CFR 35.175 state that the designated party, as specified in subparts C, D, and F through M of this part, must keep a copy of each notice, evaluation, and clearance or abatement report required by subparts C, D, and F through M of this part for at least 3 years. Those records applicable to a portion of a residential property for which ongoing lead-based paint maintenance or reevaluation activities are required must be kept and made available for HUD’s review until at least 3 years after such activities are no longer required.



HUD's regulations at 24 CFR 35.1225(e)(1) state that the owner must report the name and address of a child identified as having an EBLL to the public health department within 5 business days of being so notified by any other medical health care professional. Section 35.1225(e)(2) states that the owner must also report each confirmed case of a child with an EBLL to the HUD field office and OLHCHH within 5 business days of being notified. Section 35.1225(e)(3) states that the owner must provide to the HUD field office documentation that it has conducted the activities of paragraphs (a) through (d) of 24 CFR 35.1225 within 10 business days of the deadline for each activity.

HUD's regulations at 24 CFR 35.1225(g) require, at least quarterly, that the PHA attempt to obtain from the public health department(s) with area(s) of jurisdiction similar to that of the PHA the names and addresses of children of less than 6 years of age with an identified EBLL. At least quarterly, the PHA must also report an updated list of the addresses of units receiving assistance under a tenant-based rental assistance program to the same public health department(s), except that the report(s) to the public health department(s) is not required if the health department states that it does not wish to receive such report. If it obtains names and addresses of EBLL children from the public health department(s), the PHA must match information on cases of EBLL with the names and addresses of families receiving tenant-based rental assistance, unless the public health department performs such a matching procedure. If a match occurs, the Authority must carry out the requirements of this section.

Section 5 of HUD's Notice PIH 2017-13 (HA) states that for HCV units, when a child under 6 is identified with an EBLL, the PHA or the owner, must take certain steps. For the HCV Program, while the PHA is the designated party, the LSHR provides that the owner is responsible for certain EBLL response activities and the PHA other EBLL response activities.

The owner is responsible for

1. Initial notification of a confirmed case to HUD: Notifying the HUD field office and OLHCHH of the case – that is, the child's address – within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the case by the owner and to forward the notification to the two HUD offices.
2. Initial notification of the public health department, when necessary: When the owner is notified of the case by any medical health care professional other than the public health department, the owner must notify the public health department of the name and address of the child within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to inform the public health department.
3. Verification of the case, when necessary: When the owner receives information from a person who is not a medical healthcare provider that a case may have occurred, the owner should immediately convey the information to the PHA so the PHA may notify the public health department if the PHA has indicated or indicates at that time that it wishes to collaborate with the owner on implementation of the rule, as described below.
4. Control of lead-based paint hazards: Completing the reduction of lead-based paint hazards in the index unit and common areas servicing that unit that were identified by the environmental investigation conducted by the PHA within 30 calendar days, using a certified lead-based paint abatement firm or certified lead renovation firm. Work must include occupant protection and clearance of the unit and common areas servicing that unit by an independent certified risk



assessor or a trained dust sampling technician working under the risk assessor in accordance with section 35.1340.

5. Notification to other residents: As already required by the LSHR, in a multiunit property, the owner must notify all residents of lead evaluation and hazard control activities.
6. Ongoing maintenance: Maintaining covered housing without deteriorated paint if there is child under 6 in the family in accordance with sections 35.1220 and 35.1355(a).

The PHA is responsible for

1. Verification of the case, when notification is not from a medical health care provider: The PHA may wish to collaborate with the owner on this verification of an EBLL case, such as by agreeing with the owner to receive the information about the possible case. The PHA must immediately verify the information with the public health department or other medical health care provider.
2. Environmental Investigation: Conducting an environmental investigation of the child's unit and the common areas servicing that unit in accordance with chapter 16 of the HUD Guidelines.
3. Monitoring of owner's compliance with LSHR: Monitoring the owner's compliance with the LSHR in accordance with the HAP contract between the PHA and the owner. PHAs can perform oversight of this in conjunction with periodic HQS inspections but not at a frequency less than annually if there was deteriorated paint or known lead-based paint hazards identified in the child's unit or common areas servicing that unit. This includes such actions as (see above) monitoring the owner's
 - Notifying HUD of a confirmed case,
 - Notifying the public health department when any other medical health care professional notified the owner of the case,
 - Verifying the case when the owner receives information from a person who is not a medical healthcare provider that a case may have occurred,
 - Ensuring that any required lead hazard control (including passing clearance) is complete,
 - Ensuring that residents of other units in a multiunit property were notified of lead evaluation and hazard control activities, and
 - Ensuring that ongoing maintenance of paint is conducted in accordance with sections 35.1220 and 35.1355(a).
4. Control: Ensuring that the owner completes and clears the control of lead-based paint hazards identified in the environmental investigation of the index unit and the common areas servicing that unit. If lead-based paint hazards are found in the index unit in a multiunit property and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards.

The PHA may wish to collaborate with the owner on the response, including providing the names of qualified and certified lead hazard control contractors, providing for the clearance examination, and ensuring notification to other residents in a multiunit property.



Section 6 of HUD’s Notice PIH 2017-13 (HA) states that the HUD field office must be notified of the lead hazard control work that was completed and the results of the clearance examination within 10 business days of passing clearance. In the HCV and Project-Based Voucher Programs, the owner is responsible for notifying the HUD field office. The PHA may wish to collaborate with the owner on notifying the HUD field office, as described in section 5 above. The table below summarizes the timelines for environmental investigations, lead hazard control work, clearance, and field office notifications when the PHA learns that a child has an EBLL.

Activity	Timeframe
Notify HUD field office and OLHCHH of EBLL case	Within 5 business days after verification of the EBLL
Conduct environmental investigation	Within 15 calendar days after verification of the EBLL
Notify HUD field office of results of environmental investigation	Within 10 business days after receiving the results of the environmental investigation
Complete lead hazard control work and clearance	Within 30 calendar days of receiving the results of the environmental investigation.
Notify HUD field office of results of clearance	Within 10 business days after clearance.

Section 13 of HUD’s Notice PIH 2017-13 (HA) states that, at least quarterly, PHAs must provide an updated list of their HCV property target housing addresses to the health department so that the health department may evaluate whether it has information about incidences of EBLL cases in assisted housing. If the health department does not want or is unable to receive these data, the PHA should document this for HUD compliance reviews. PHAs should also attempt quarterly to obtain the names and addresses of children under age 6 with an EBLL who live in their owned or managed housing from the health department. If a match occurs, the PHA must comply with all requirements of the LSHR and this guidance. If a health department agrees to share EBLL information, the PHA must ensure that this information is protected and maintained as confidential and is used only for the public health protection of children and their families from lead exposure.

Section 4 of HUD’s Notice PIH 2023-06 states that the HAP contract is the primary document that governs the relationship between the owner of a unit in the HCV Program and the PHA. The HAP contract and HUD regulations at 24 CFR 982.453 include the following as breaches of the contract by the owner: (1) If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner’s obligation to maintain the unit in accordance with HQS, and (2) If the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f). If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations. The PHA may inspect the unit and premises at any time the PHA determines necessary to ensure that the unit meets HQS and must notify the owner of any HQS deficiencies uncovered. The PHA must not make any HAP to the owner if the unit is in violation of HQS unless the owner corrects the deficiencies within the required timeframe and the PHA verifies that the corrections have been properly made. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. When the PHA determines that the HAP contract is breached for HQS or other reasons, the PHA must take certain steps to comply with the HAP contract and program requirements. In the event of a breach of the HAP contract, the PHA must notify the owner in writing of the determination of the breach and the reasons for that determination. The notice may require the owner to take corrective action by an established deadline. The PHA may recover any overpayment,



suspend HAP, abate or reduce the HAP, terminate the payment, or terminate the HAP contract. The PHA may also obtain additional relief by judicial order or action, including specific performance, other injunctive relief, or order for damages. The PHA must provide the owner with written notice of any termination or reduction in HAP or the termination of the HAP contract.

Section 11(a) of HUD's HAP contract (form HUD-52641) states that the owner must provide any information pertinent to the HAP contract that the PHA or HUD may reasonably require.

Section 17 of HUD's HAP contract (form HUD-52641) states that the HAP contract contains the entire agreement between the owner and the PHA. HUD's HAP contract must be interpreted and implemented in accordance with all statutory requirements and with all HUD requirements, including the HUD program regulations at 24 CFR part 982.

Section 10.7 of HUD's Housing Choice Voucher Guidebook 7420.10G states that the PHA must stop HAP to owners who do not comply with notifications to correct HQS deficiencies within the specified period: 24 hours or 30 days depending upon the nature of the deficiency. For valid reasons, the PHA may extend the period. Placement of stop payment must occur by the first of the month following expiration of the notice. Following a failure to comply with a notice of deficiency, owners are not entitled to HAP from the first of the month until the day the unit passes HQS.

Section 10.9 of HUD's Housing Choice Voucher Guidebook 7420.10 G states that PHAs should have an established policy and procedure for receiving and processing requests for an HQS compliance deadline, including the conditions under which extensions will be granted.

Section 9.3 of the Authority's administrative plan states that the Authority will inspect occupied units at least biennially (every other year).

Section 9.5.1 of the Authority's administrative plan states that

- a) The Authority requires that a landlord correct any conditions deemed to endanger or impair health or safety within 24 hours. Serious violations of this nature include but are not limited to lack of heat, lack of water, lack of bathing facilities, lack of electricity, lack of gas (where applicable), exposed wiring or other hazardous defects in the electrical system, and dangerous structural defects.
- b) All other violations must be corrected within 30 days unless the Authority approves an extension.

Section 9.5.2 of the Authority's administrative plan states that if a unit fails inspection, the inspection department will notify the owner of the violations in writing. The inspection department will schedule the reinspection within 30 days from the date on which the inspection department sent the notice of violations to the owner. If a serious violation exists, the inspection department will notify the owner by telephone that the violations must be corrected within 24 hours. The inspection department may also issue the owner a written letter detailing the serious violations. The inspection department will inform the owner of a reinspection date that is at least 24 hours after the inspector identified the violation(s). If the owner fails to correct the violations within the 24-hour period or fails to give access to the unit, the Authority will place the unit on stop payment. The Authority reserves the right to terminate a HAP contract for a unit that is placed on stop payment. A stop payment will remain in effect until the unit



receives inspection approval. The owner cannot recover subsidy payments for periods during which a unit is on stop payment.

Section 9.5.3 of the Authority's administrative plan states that Authority staff will abide by the following procedures in processing reinspections.

- a) Incomplete repairs: When the unit owner is in the process of correcting cited violations resulting from the initial inspection, the inspector will reject the unit and may grant the owner additional time to complete repairs. The Authority will then schedule a second reinspection date and notify the owner in writing. The inspection department will send a copy of the second reinspection notice to the tenant. If upon the second reinspection, the owner has not completed and repaired all cited items set forth in the initial inspection, the inspector will note the remaining cited items on the inspection report and recommend to the director of the inspection department that the Authority suspend subsidy payments. If the director approves the recommendation, the owner will be informed in writing that the Authority has stopped subsidy payments.
- b) No effort to make repairs: If the inspector determines that the owner made no effort to repair the previously cited items, the inspector will note this on the inspection report and recommend to the director of the inspection department that the Authority suspend subsidy payments to the owner. If the director approves the recommendation to suspend the subsidy, the inspection department will notify the owner of the stop payment by mailing a letter.
- c) Cited items repaired, new violations discovered: If the inspector determines that the owner has repaired all cited items but discovers new violations during the reinspection, the inspector will reject the unit. The inspector will note on the inspection report that the owner repaired the previously cited items. The Inspector will also specify and separately list the new violations in a new inspection report. The inspection department will then schedule a reinspection date and notify the owner in writing. The reinspection will be within 30 days of the notice to the owner date. The Authority will send a copy of this letter to the tenant. New violations in such a unit, for purposes of scheduling reinspection and imposing suspensions of subsidy payments, will be considered first-time violations unless the violations are deemed "serious."