

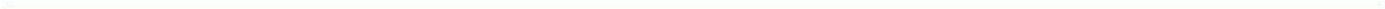


# Kansas City Health Department Kansas City, MO

## Lead-Based Paint Hazard Control Grant Program

**Office of Audit, Region 7  
Kansas City, KS**

**Audit Report Number: 2018-KC-1002  
April 6, 2018**





**To:** Matthew Ammon  
Director, Office of Lead Hazard Control and Healthy Homes, L

**From:** //signed//  
Ronald J. Hosking  
Regional Inspector General for Audit, 7AGA

**Subject:** The Kansas City, MO, Health Department Did Not Spend Funds in Accordance With HUD Requirements

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our review of the Kansas City, MO, Health Department's Project Lead Safe KC 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, Title 5 United States Code, section 8M, requires that OIG post its publicly available reports on the OIG website. Accordingly, this report will be posted at <http://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at 913-551-5870.



**Audit Report Number: 2018-KC-1002**

**Date: April 6, 2018**

**The Kansas City, MO, Health Department Did Not Spend Funds in Accordance With HUD Requirements**

## Highlights

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### What We Audited and Why

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We audited the Kansas City, MO, Health Department's Lead Safe KC program due to increased media attention on lead-based paint poisoning in the Kansas City area. Further, we had never conducted an audit of the more than \$21.6 million in grants received by the Health Department since 1997. Our audit objective was to determine whether the Health Department (1) properly and consistently calculated income for program participants, (2) spent grant funds on items that qualified as lead hazards, (3) properly spent grant funds for relocation of owner-occupants, and (4) properly notified owners in accordance with U.S. Department of Housing and Urban Development requirements.

### What We Found

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The Health Department (1) did not consistently and correctly calculate annual income for program participants; (2) sometimes replaced windows that did not qualify as lead hazards; (3) did not determine whether relocation was a hardship for owner-occupants; and (4) did not properly notify property owners of lead-based paint disclosure requirements, timely risk assessment results, clearance reports, and ongoing reporting and maintenance recommendations.

### What We Recommend

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We recommend that the Health Department (1) repay \$19,173 spent on ineligible assistance; (2) complete a cost breakdown for the \$10,731 spent for a rental property, which included assistance to an ineligible unit; (3) recalculate the annual income for participants assisted with the 2014 lead hazard control grant to support the \$1.8 million spent and repay the U.S. Treasury from non-Federal funds for any property found to be ineligible; and (4) provide support showing the \$79,738 spent on windows replacement qualified or repay the U.S. Treasury from non-Federal funds.

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# Background and Objective

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The Kansas City, MO, Health Department started its Project Lead Safe KC program in 1997 with the assistance of lead-based paint hazard control grants awarded by the U.S. Department of Housing and Urban Development (HUD). The program assists privately owned and rental properties in the Kansas City area in reducing lead hazards found in the home. To qualify for assistance, the property must have been built before 1978 and contain lead-based paint hazards. Additionally, the owner or tenant occupants of the property must meet specific income requirements.

Lead-based paint and lead-contaminated dust are the most common sources of lead poisoning in children. Even small amounts of lead can cause serious health problems. Children under the age of 6 are especially vulnerable to lead poisoning because it can severely affect mental and physical development. Since 1997, the Health Department has received \$21.6 million in grant funds and assisted 1,826 homes in reducing lead hazards.

Authorized by Section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, HUD's Office of Lead Hazard Control and Healthy Homes oversees the Health Department's grants. The purpose of the grant program is to assist States, cities, and other units of local government in undertaking comprehensive programs to identify and control lead-based paint hazards in eligible rental or owner-occupied housing. Grantees awarded with funding must administer their grant programs in accordance with HUD requirements.

Our audit objective was to determine whether the Health Department (1) properly and consistently calculated income for program participants, (2) spent grant funds on items that qualified as lead hazards, (3) properly spent grant funds for relocation of owner-occupants, and (4) properly notified owners in accordance with HUD requirements.

# Results of Audit

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## **Finding 1: The Health Department Did Not Properly and Consistently Calculate Income for Program Participants**

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The Health Department did not properly and consistently calculate income for program participants. This condition occurred because the Health Department did not fully understand income requirements and lacked policies and procedures stating the definition of annual income that it would use, how it would calculate annual income, and the documentation required to verify income. Additionally, it did not have a documented review process to ensure that income was correctly calculated. As a result, the Health Department spent \$19,173 on a property that was not eligible to receive assistance and another \$10,731 on a property for which only one of two units qualified for assistance. Further, it could not ensure that the \$1.8 million spent on property assistance went to participants who met income qualifications.

### **The Health Department Did Not Properly and Consistently Calculate Income for Program Participants**

The Health Department did not properly and consistently calculate income for program participants. We reviewed 20 files for properties that received assistance through the Health Department's Project Lead Safe KC program. In calculating annual income, the Health Department incorrectly used net wages instead of gross wages in six of the property files reviewed. Further, it did not include any type of income other than wages in its annual income calculation for any of the 20 property files reviewed.

HUD policy guidance 2013-07 required the Health Department to select one of three definitions of annual income and apply the definition consistently for all properties. The Health Department stated that it used the definition of annual income found at 24 CFR (Code of Federal Regulations) 5.609. This definition includes gross wages and salaries, net income from the operation of a business, welfare assistance payments, alimony, and child support in the calculation of annual income. The Health Department incorrectly collected only documentation related to wages.

### **The Health Department Did Not Fully Understand Income Requirements and Lacked Policies and Procedures**

The Health Department did not fully understand income requirements, and it lacked policies and procedures for calculating income. In addition, it did not have a documented review process to ensure that it properly calculated income.

In responses to our inquiries, the Health Department was unaware that the income definition it used required more than wage-related income. While the program manager responsible for overseeing the program received training on HUD requirements, the persons responsible for reviewing applications had not been trained on income requirements. Further, the Health Department's work plan did not define the annual income definition it would use, nor did the

Health Department have policies and procedures to address how it would calculate annual income and the documentation required to verify annual income. While the Health Department stated that the program manager reviewed approved applications for accuracy, it did not have a documented review process to show that this review occurred.

### **The Health Department Spent Grant Funds on Ineligible Properties**

The Health Department spent \$19,173 on a property that was not eligible to receive assistance and another \$10,731 on a property for which only one of two units qualified for assistance. The Health Department did not break down expenditures by unit; therefore, we were unable to determine how much of the \$10,731 was spent on the ineligible unit. To qualify for assistance, participants must meet certain income requirements. Because the Health Department incorrectly calculated income for tenants, it approved units for assistance that had income above the limit of 80 percent of the area median income.

Further, the Health Department could not ensure that the \$1,803,705 spent on property assistance went to participants who met income requirements because it did not collect the documentation necessary to properly calculate annual income (see Appendix C for more details on the cost breakdown).

### **Recommendations**

We recommend that the Director of the Office of Lead Hazard Control and Healthy Homes require the Health Department to

- 1A. Repay the U.S. Treasury \$19,173 spent on ineligible assistance from non-Federal funds.
- 1B. Complete a cost breakdown to support the \$10,731 spent on a rental property, which included assistance to an ineligible unit, and repay the ineligible assistance to the U.S. Treasury from non-Federal funds.
- 1C. Recalculate annual income for participants assisted with the 2014 lead hazard control grant to support the \$1,803,705 spent. For any assistance the Health Department cannot support with complete income calculations, it should repay the U.S. Treasury from non-Federal funds, less any amount repaid as a result of recommendations 1B and 2A.
- 1D. Develop and implement policies and procedures that clarify the definition of annual income to be used, calculation components, and the documentation required to calculate income.
- 1E. Develop and implement procedures for quality control reviews to ensure that annual income is properly calculated.
- 1F. Provide training on HUD's income requirements to employees responsible for calculating income.

## **Finding 2: The Health Department Sometimes Replaced Windows That Did Not Qualify as Lead Hazards**

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The Health Department sometimes replaced windows that did not qualify as lead hazards. This condition occurred because the Health Department did not have adequate internal controls. As a result, it did not have those funds available for eligible program expenses.

### **The Health Department Replaced Windows That Did Not Qualify as Lead Hazards**

The Health Department sometimes replaced windows that did not qualify as lead hazards. Due to the costliness of window replacement, HUD issued policy guidance with specific requirements for windows. In policy guidance 2013-01, it required grantees to test all windows for lead-based paint. The guidance further stated that the window must contain a lead-based paint hazard and not merely lead-based paint. For a window to qualify as a lead hazard, it must contain either deteriorated lead-based paint or intact lead-based paint determined to be a friction hazard. Only those lead-based paint hazards identified and clearly documented in the lead-based paint inspection and risk assessment are eligible for reimbursement.

We reviewed 20 files for properties that received assistance from the Health Department's lead hazard control grant. We reviewed the risk assessment for each property, which outlined all of the lead-based paint tests conducted and lead hazards identified. We compared the windows identified on the property floor plan to the lead-based paint testing results to determine whether the windows replaced were tested for lead-based paint and whether the test results clearly showed that the window met the requirements of a lead-based paint hazard. For 9 of the properties reviewed, the Health Department replaced 46 windows that had not been tested or did not test positive for lead-based paint or for which the lead-based paint was intact and the Health Department did not conduct the appropriate analysis to determine whether it was a friction hazard. For these 9 properties, the Health Department spent \$79,738 on the replacement of 245 windows. However, we could not determine the cost of the 46 windows that did not qualify for replacement because the invoice documentation did not include the location of the windows (see Appendix C for more details on the cost breakdown).

### **The Health Department Did Not Have Adequate Internal Controls**

The Health Department did not have adequate internal controls. It lacked policies and procedures to implement HUD guidance and ensure that windows replaced met requirements. Additionally, it did not have a process for reviewing risk assessments against the proposed scope of work to ensure that only those items identified as lead hazards were included in the bid specifications.

### **The Health Department Did Not Have Funds Available for Other Eligible Expenses**

As a result of the issues described above, the Health Department did not have funds available for eligible program expenses. The Health Department may have been able to use the funds to provide additional support to homes on its waiting list and help control other lead hazards.

## **Recommendations**

We recommend that the Director of the Office of Lead Hazard Control and Healthy Homes require the Health Department to

- 2A. Provide support showing the \$79,738 spent on window replacement qualified or repay the U.S. Treasury from non-Federal funds.
- 2B. Develop and implement policies and procedures to ensure that all windows replaced meet lead hazard qualifications.
- 2C. Develop and implement quality control procedures to ensure that all bid specifications are reviewed for qualified items based on the risk assessment results.

### **Finding 3: The Health Department Did Not Determine Whether Relocation Was a Hardship for Owner-Occupants**

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The Health Department did not determine whether relocation was a hardship for owner-occupants. This condition occurred because the Health Department did not include procedures for determining hardship for relocation assistance. As a result, it may have spent grant funds for the relocation of owner-occupants that could have been spent for other program expenses. Further, it could not ensure that each participant received equitable treatment for the determination of relocation assistance.

#### **The Health Department Did Not Determine Whether Relocation Was a Hardship**

The Health Department did not determine whether relocation was a hardship before providing relocation assistance to owner-occupants. Of the 13 owner-occupied properties reviewed, the Health Department provided relocation assistance to 5 participants without determining hardship. Further, for the eight participants that did not receive relocation assistance, the Health Department did not show why participants were not eligible to receive assistance.

According to the program notice of funding availability, owner-occupants temporarily relocated for lead hazard reduction activities under this grant were not entitled to uniform relocation assistance. However, HUD issued guidance that allowed grantees to use funds for the temporary relocation of owner-occupants because occupants are not allowed to be present while lead hazard is performed. According to the Health Department's work plan, relocation assistance in the form of a \$75-per-day stipend would be offered to those property owners who had a hardship.

#### **The Health Department Did Not Have Procedures for Determining Hardship**

While the Health Department's work plan stated that it would offer relocation assistance to those for whom relocation would be a hardship, it did not have policies and procedures to define hardship and how it would be determined. Instead, the Health Department asked families during the contract signing process whether they had a place to stay while work was performed. If the family had no other place to go, the Health Department offered the stipend. The verbal discussion was not documented.

#### **Grant Funds Were Not Available for Other Eligible Expenses and the Health Department Could Not Determine Whether Participants Received Equitable Treatment**

As a result of the issues described above, the Health Department may have spent grant funds on relocation assistance that could have been used for other eligible program expenses. Additionally, it could not ensure that each participant received equitable treatment for relocation assistance.

#### **Recommendations**

We recommend that the Director of the Office of Lead Hazard Control and Healthy Homes require the Health Department to

- 3A. Update the Health Department's work plan to include policies and procedures for defining, determining, and documenting relocation hardship for all participants.

## **Finding 4: The Health Department Did Not Always Provide Proper Notification to Owners**

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The Health Department did not always provide property owners with lead-based paint disclosure requirements, timely risk assessment results, clearance reports, and ongoing reporting and maintenance recommendations. This condition occurred because the Health Department lacked adequate policies and procedures. As a result, it could not ensure that owners had all information necessary to properly disclose lead hazards to potential buyers or lessees, and owners may not have understood how to maintain work performed to prevent additional lead hazards or a recurrence.

### **The Health Department Did Not Always Provide Proper Notifications to Owners**

The Health Department did not always provide property owners with lead-based paint disclosure requirements, timely risk assessment results, clearance reports, and ongoing reporting and maintenance recommendations.

The HUD-issued program notice of funding availability, commonly known as a NOFA, notified State and local governments that grant funds were available, provided program and application requirements, and explained how applications would be reviewed. This notice required the Health Department to provide all lead-based testing results, summaries of lead-based paint hazard control treatments, and clearances to the owner of the unit, together with the notice describing the owner's legal duty to disclose the results to tenants and buyers. This notice also required verifiable evidence that lead hazard evaluation and control reports, such as a signed and dated receipt, were provided to owners and tenants. In addition, the Lead Safe Housing Rule found at 24 CFR Part 35, subparts B-R, contained specific information that should be included in the notices to owners for risk assessment results, clearance reports, and ongoing reporting and maintenance recommendations.

### Lead Disclosure Requirements Not Always Provided to Property Owners

According to the Lead Disclosure Rule found at 24 CFR Part 35, subpart A, owners have a legal duty to disclose the presence of lead-based paint. HUD required the Health Department to ensure that property owners were aware of this requirement. We reviewed 20 property files and found 3 instances in which the Health Department did not provide notification of these requirements to the owner.

### Risk Assessment Results Not Always Provided to Property Owners

Regulations within the Lead Safe Housing Rule, subpart B, found at 24 CFR 35.125, required owners to be notified within 15 days of the completion of the risk assessment. Further, it required the notice to include information, such as a summary of the nature, dates, scope, and results of the assessment and contact information, to obtain the full risk assessment report. Of the 20 property files reviewed, we found 7 instances in which the Health Department did not provide notification to the owner. Additionally, the letters provided to owners were not dated. Therefore, we could not determine whether the Health Department notified owners within 15 days of the risk assessment completion.

### Clearance Reports Not Always Provided to Property Owners

HUD required the Health Department to obtain clearance following lead hazard reduction work to ensure that the work completed successfully addressed the lead-based paint hazard.

Therefore, the Health Department conducted dust wipe analysis following work to ensure that the work was completed successfully. Regulations within the Lead Safe Housing Rule, subpart R, found at 24 CFR 35.1340 required the preparation of a clearance report providing documentation of the lead hazard reduction or maintenance activities as well as the clearance examination. In accordance with the regulation, the clearance report must contain the following information:

- Address of the residential property.
- Information on the clearance examination, such as date conducted; the name, address, and signature of each person performing the examination; the results of the visual assessment; and results of the analysis of dust samples by location of sample, along with the name and address of each laboratory that conducted the analysis of the dust samples.
- Information on the hazard reduction or maintenance activity, such as the start and completion dates of the reduction activities; name and address of each firm or organization conducting the work; a detailed written description of the hazard reduction activities, including methods used; and locations of exterior surfaces, interior rooms, common areas, and components where reduction activity occurred.

Of the 20 files reviewed, we found 5 properties that did not receive notification that clearance was achieved. None of the clearance reports found in the files included all of the required information identified above.

### Reporting and Maintenance Not Provided to Property Owners

Regulations within the Lead Safe Housing Rule, subpart R, found at 24 CFR 35.1355 required that each assisted unit be provided written notice asking occupants to report deteriorated paint and, if applicable, failure of encapsulation or enclosure, along with the name, address, and telephone number of the person whom occupants should contact. Further, the Health Department stated that it would send owners a maintenance recommendation letter following the dust wipe analysis. However, we did not find evidence that this occurred in the 20 files reviewed. In the clearance notification, the Health Department recommended periodic checks of all painted surfaces to determine whether the paint and other surface coatings would require additional repair or maintenance. It also recommended frequent cleaning using lead-safe cleaning practices.

The table below shows the number of instances of notifications missing from property files.

**Notifications missing from property files**

Disclosure requirements	Risk assessment results	Clearance reports	Reporting & maintenance
3	7	5	20

In no instance did the Health Department provide the required verifiable evidence, such as a signed and dated receipt, showing that it supplied the above information to the owner.

#### **The Health Department Lacked Procedures**

The Health Department lacked procedures for providing required notifications to owners. While the Health Department's work plan stated that it would discuss disclosure requirements during the preconstruction meeting, it did not discuss how it would provide the required information once the lead hazard control work was complete. Additionally, the Health Department's work plan lacked detailed policies and procedures to ensure that all owners received the required notifications.

#### **The Owners Did Not Have All Necessary Information**

As a result of the issues described above, the Health Department could not ensure that owners had all information necessary to properly disclose lead hazards to potential buyers or lessees, and owners may not have understood how to maintain work performed to prevent additional lead hazards or a recurrence.

#### **Recommendations**

We recommend that the Director of the Office of Lead Hazard Control and Healthy Homes require the Health Department to

- 4A. Develop and implement policies and procedures to ensure that the property owners receive the required information concerning lead-based paint disclosure requirements, risk assessment results, summaries of treatments and clearances, and ongoing maintenance activities, including how to report paint deterioration.

# Scope and Methodology

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Our audit period generally covered the period October 1, 2014, through July 31, 2017. We performed our fieldwork from September through December 2017 at the Kansas City, MO, Health Department located at 2400 Troost Avenue, Kansas City, MO.

To accomplish our objective, we reviewed

- applicable laws and regulations;
- the grant agreement between the Health Department and HUD, including the terms and conditions and the notice of funding availability for the grant;
- the Health Department's policies and procedures, financial statements, organization chart, and employee listing; and
- property files for properties assisted.

Additionally, we interviewed Health Department employees and HUD staff from the Office of Lead Hazard Control and Healthy Homes.

During our review, we selected a targeted nonstatistical sample of 20 property files for review. We selected our sample from a universe of 170 properties with \$1.26 million spent from lead hazard control funds, \$356,691 spent from health homes supplemental funds, and \$80,277 spent from owner contributions. Our sample represented 12 percent of the total properties in our universe, 20 percent of the lead hazard control funds, 21 percent of the healthy homes funds, and 33 percent of the overall owner contributions. Our review included 7 rental properties and 13 owner-occupied properties.

To select our sample, we analyzed data obtained from the Health Department, which included its general ledger, contracts, and properties assisted. We selected our sample to ensure that we included rental and owner-occupied properties; a variety of vendors that performed work; and unusual occurrences, such as a high dollar value, multiple vouchers for one contract, and costs in excess of the contract amount. We accomplished this analysis by compiling the data provided by the Health Department and sorting it by different factors. We selected our sample of 20 properties as follows:

- We selected the only property that had multiple vouchers associated with a single contract.
- We selected the only property that had no contract associated with the work performed.
- We selected 6 of the 8 properties with costs of more than \$20,000. (We excluded 2 properties because the work was performed by a vendor included in our sample.)

- We selected 7 of the 23 properties with costs that exceeded the contract amount.
  - We selected 6 of the 7 properties with the greatest variance from the contract amount. (We excluded 1 property because the work was performed by a vendor included in our sample.)
  - To include a second rental property in this portion of the sample, we selected the rental property with the greatest cost from the remaining 17 properties with costs exceeding the contract amount.
- We selected the 1 property for which the vendor paid was not the contracted vendor.
- We selected the 1 property with the highest cost of 6 properties that received matched funds other than owner matches.
- We selected the 2 properties that had work rebid to a different contractor than originally selected.
- We selected the only owner-occupied property that had been reclassified as a rental property.

We validated the data provided by the Health Department by comparing those data to the documentation found in the property file. From those properties selected, we reviewed 19 properties from the Health Department's 2014 grant. However, we mistakenly selected one property from the Health Department's 2012 grant due to an error in the address in the contract data provided by the Health Department. We did not identify any other errors in the Health Department data or the property files.

The results of procedures apply to items selected under this method, apply only to the selected items, and may not be projected to the portion of the population that was not tested. We did not rely on computer-based data to support our audit conclusions. All of our audit conclusions are based on source documentation obtained from the Health Department's property files.

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.

# Internal Controls

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Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- effectiveness and efficiency of operations,
- reliability of financial reporting, and
- compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

## Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objective:

- Controls over income calculations, lead hazards, relocation assistance, and notifications for the Health Department's Lead Safe KC program.

We assessed the relevant controls identified above.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

## Significant Deficiencies

Based on our review, we believe that the following items are significant deficiencies:

- The Health Department did not have adequate policies and procedures (findings 1, 3, and 4)
- The Health Department did not have a process to review risk assessments against the proposed scopes of work (finding 2).

## Separate Communication of Minor Deficiencies

We reported minor deficiencies to the auditee in a separate management memorandum.

# Appendixes

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## Appendix A

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**Schedule of Questioned Costs**

<b>Recommendation number</b>	<b>Ineligible 1/</b>	<b>Unsupported 2/</b>
1A	\$19,173	
1B		\$10,731
1C		1,803,705
2A		79,738
<b>Totals</b>	<b>19,173</b>	<b>1,894,174</b>

- 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/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of the audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.

# Appendix B

## Auditee Comments and OIG's Evaluation

### Ref to OIG Evaluation

### Auditee Comments



KANSAS CITY  
MISSOURI

**Health Department**  
2400 Troost Avenue, Suite 4100  
Kansas City, Missouri 64108  
Office (816) 513-6241 Fax (816) 513-6293

**Financial Services**



ACCREDITED HEALTH DEPARTMENT  
PHAB  
ADVANCING PUBLIC HEALTH PERFORMANCE  
PUBLIC HEALTH ACCREDITATION BOARD



**Public Health**

March 12, 2018

U.S. Department of Housing and Urban Development  
Office of Inspector General  
Gateway Tower II, 5<sup>th</sup> Floor  
400 State Ave  
Kansas City, KS 66101-2406  
Ronald J. Hosking, Regional Inspector General for Audit

Subject: MOLHB-0578-14 Findings

Dear Mr. Hosking,

Please see the Kansas City, Missouri's review and comments for the Draft Discussion Report.

**Finding 1**

The Lead Safe KC Program is a flexible and versatile funding resource for providing safe, affordable housing. A fundamental component of using the grant funds effectively is ensuring that they are targeted to households that are low- and very low-income.

**Comment 1**

We have allowed the use of IRS 1040 forms to calculate income for the self-employed and for back up if needed, on some hard to figure situations (such as overtime) to calculate a true annual income. We also have accepted pay stubs mainly due to the fact that income must be calculated within 6 months of the work being started (which does not always work when using a 1040). The combination is needed because of the many requirements for proof of income and to accommodate the types of income the applicant families have.

**Comment 2**

We have always asked for proof of additional income which is stated on the old and new applications. We always ask for all income, including child support and alimony, which we seldom if ever see. Most frequently, we get SSI, overtime, disability and unemployment. We can only ask and have the applicant sign off that the information is true.

**Comment 3**

The regulations also allow for flexibility in gathering the income when none of the income types are 1040s or pay stubs, but the applicant offers other documentation: A. Third Party (online or hard copy), B. Verbal Third Party (documented by the grantee), C. Tenant/Landlord Declaration (signed statement by tenant and/or landlord).

**Comment 4**

The Lead Safe KC Program and Procedure Manual uses the HUD Policy Guidance Number 2013-07 for reference (Attachment 1). A new policy has been established (Attachment 2) which clarifies the "Part 5 annual income" to include all income amounts, monetary or not.

Auditee Comments

The new process which will be on the updated applications (Attachment 3 and 4) has a set form to follow, with examples, hopefully, for ease and accuracy. After the application is complete the applicant will sign off that, "I certify under penalty of law that the information contained in the declaration is true, accurate and complete to the best of my knowledge. I understand that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for a knowing violation".

Staff will check for accuracy and if all documents are present, they will sign off. If documents are missing or an understanding is needed, staff will send a letter or call for an explanation. Also, the Program Manager will review and initial if all calculations are correct.

The Program and Procedure Manual currently has a Zero Declaration form (Attachment 5), which is used frequently as many spouses or young adults are seeking employment. We also have a relocation waiver (Attachment 6) which allows individuals who have a disability or who are over 62 years of age to be in the house (with specific requirements) during the rehab. The Pre-Walkthrough Checklist (Attachment 7) has a verification section to document again where the income came from and at what level of median income they are.

Action Taken to Date:

Comment 5

1A) Journal #845223 (Attachment 1A) moving out funds paid for unallowable Lead Abatement & Healthy Homes – amounting to \$17,673 in grant # MOLHB-0578-14. This credit was billed on the October 2017 billing. This did not include the relocation costs of \$1,500, because relocation was covered under Finding 3 and because it did not list a payback amount we were under the impression that we were not required to pay that amount back. Once HUD makes their final decision we will need to write a check back for the \$1,500 relocation fee for the Gilliam Property to HUD.

Comment 6

1B) Journal #851712 (Attachment 1B) moved out the funds related to the 2<sup>nd</sup> Floor in the Ord Property. This amount decreased the amount on the MOLHB-0578-14 final grant billing submitted on 2/1/18 for the month of November.

Comment 7

1C) While we understand that on 1 property out of the 20 sampled, income was done incorrectly, we believe that was an anomaly due to staff turnover and issues that we had with this particular property. We follow HUD Policy Guidance 2013-07 (attachment #1) and we think that it is not clear that we need to choose one form of income verification for all applicants. We have applicants who are self-employed and we would need to use the 1040 form as they don't have check stubs. We request more guidance from HUD on how to follow only one income method for all applications.

Comment 8

1D) We will need additional guidance from HUD on this Procedure. Again we can't follow one income guideline for all the clients. Some clients are self-employed and some received paychecks. The easiest requirement to follow would be to require the client's 1040 however with the requirement of verifying income within 6 months prior to the start of work the client may not have their tax return done yet and they may not have to file a tax return.

Comment 9

Comment 10

1E) Attachment 1 is the HUD Policy that has been utilized and the program manager has implemented improved staff training on all policies. In addition we developed an Income Verification form – attachment 2 (to be used on applications already processed) and attachment 3 & 4 (applications- home & rental) with the updated verification information.

**Ref to OIG  
Evaluation**

**Auditee Comments**

Comment 11

This requires the Risk Assessor to verify income in regard to qualifying for HUD services and requires their sign off and then routes it to the Program Manager for his review and initial before it is put out for bid.

- 1F) Training has been implemented. All staff are aware of how to figure income eligibility. However, we still need clarification on the requirement of being able to use only one form of income documentation for all applicants.

**Summary**

Comment 12

LSKC has always had a policy and procedure manual that is updated on a regular basis with internal documents. In addition, LSKC follows other State and Federal procedures and regulations as required. Further, LSKC has developed the following new procedures/policies for quality control reviews and training:

Comment 13

- LSKC Management staff and fiscal staff review grant agreements and terms and conditions for all new grants as soon as the documents are available.
- LSKC Management staff has developed an active policy review process in which staff review and present policies during weekly staff meetings with the goal of reviewing all new and existing policies. Each staff member is required to sign off on the policy after training.
- A third hard copy of the policy and procedure manual has been made available for access by LSKC staff. This is in addition to the electronic version that is available to all staff.
- LSKC staff have participated in regular HUD in-person monitoring visits (the last one in 2014) as well as annual HUD risk analyses (Nov. 2017, Nov. 2016, Jan. 2016) and have had no issues or complaints. However, we take all feedback seriously and will make any improvements necessary.

Comment 14

**Finding 2**

Comment 15

- 2A) We disputed the count of the windows that were deteriorated and had lead content in a previous discussions with you however are resubmitting our information. The report lists 46 questionable windows however we only agree that 28 of the windows addressed are questionable; those issues were mostly related to issues with a third party risk assessor. Please see attachment (2-B-1) for backup for windows listed under unsupported windows that we believe were allowed to be replaced. We reviewed each winning bid and pulled the cost for each unit and found that the 28 windows in question would have had a total cost of \$10,311.28 for the material and labor while the report is listing the total window cost for all of the intact and deteriorated lead windows in all of the units for a total of 245 windows at a cost of \$89,700.00. After talking with Caitlin, she stated that she was not sure what the replacement cost was for each window and therefore is requiring backup for all windows related to those properties. The Health Department figures out window costs by the contractor's bid which includes labor and window costs. All windows for the properties listed for each property were the same amount. See (attachment 2A). Since these are contractors and not sub-recipients we take the lowest or best bid and pay according to that bid as long as there are no change orders. Also, this grant is one of the few that assist rental property owners in remediating lead hazards and we require the Landlord to pay 25% of the lowest and best bid for the lead work. Therefore 25% should be removed from the total costs of the windows for the rental properties. See attachment

Auditee Comments

Comment 16

(2-A). This leaves a total cost for the Health Department to pay back to HUD of \$8,315.28 for unsupported windows.

2B) We used the Policy from HUD 2013-01(Attachment 8) in our policy and procedure book. If HUD supplies a policy, then we do not believe that it is always necessary to write a new policy. We did hire a third party risk assessor for a short time and had to have meetings and extra communication with them due to the fact that while they had done lead risk assessments for other HUD funded programs (such as CDBG) they were not familiar with the LIRA (lead inspection/risk assessment) required by the Office of Healthy Homes Lead Hazard Control. We also found some issue with their reports, especially after we required them to go back out and take more XRF readings after it was determined their LIRAs and reporting were not complete. This made tracking the documentation difficult. We are fully staffed now and do not plan to hire any third parties to conduct LIRAs. Documentation details for a few windows were missed during some of the LIRAs and we have instituted new procedure (Attachment 9). This requires Risk Assessors to record which windows will be replaced directly on the floor plan for the LIRA. This will help ensure accuracy during the writing of the work specifications. In addition, the floor plan with the windows marked, will be handed out at each property during the walkthrough, so the Risk Assessors, owners, contractors and Project Manager can review the information at the site.

Comment 17

2C) To assure that only qualified windows are replaced and there is accurate reporting in the LIRA and the Scope of Work (which shows which windows the contractor will replace) it is now policy (see attachment 9) for the floor plan to be copied in the scope and for that copy to have an "R" placed next to each window to be replaced. The Policy further mandates for the Risk Assessor to cross reference the scope with the XRF readings before placing the "R" next to each window on the scope to assure that each window designated for replacement has been checked against the XRF readings and meets the necessary criteria for replacement. This will improve accuracy and consistency by mandating that these components are double checked line by line. The risk assessment/paint inspection will be on site during the walkthrough for reference and clarity if needed.

Actions taken to Date:

Attached backup for the costs of the windows for each property.  
Created a new Policy (see attachment 9) to assure that only qualified windows are replaced and there is accurate reporting in the LIRA and the Scope of Work.

Comment 18

**Finding 3**

When abatement type work is required to remediate lead hazards, the discussion of relocation is started during the risk assessment. The discussion continues at the contract signing (Attachment 10), as part of the checklist which is signed by the property owner.

Comment 19

The contractor is also aware of the relocation requirements for each location and discusses relocation with the property owner or tenant. The contractor has signed the relocation process (Attachment 11) which shows that they are aware of the voucher procedure and the amount they may be required to pay if they go over the contract days (period of performance for abatement). The voucher procedure (Attachment 12) continues the relocation process with the contractor handing the relocation voucher agreement to the property owner or the tenant. This agreement notifies the property owner or tenant when the abatement work will start and the tenant/owner

## Auditee Comments

Comment 20

signs the agreement. This signed voucher agreement must be handed to staff by the property owner or tenant to enable them to receive a voucher. A clearance testing (Attachment 13) procedure was developed a number of years ago because the contractors needed more guidance on the number of days allotted to complete their jobs; the penalty being the contractor must pay \$75 dollars per day for the extra relocation costs. The process of discussing relocation with both the contractor and the property owner/tenant has always been in place but we have made adjustments to make it clearer and to improve documentation. In addition, while it has always been the program process to discuss the availability of vouchers for owners and tenants who do not have a place to relocate and cannot afford a hotel, we have improved the documentation process. Attachments 11, 12 and 13 were always utilized but the process has been improved and the documents themselves updated.

#### Action Taken to Date:

We have developed a relocation hardship (Attachment 14) procedure and forms to better document equity in provision of relocation resources. A hardship/no hardship form will be signed by each property owner/tenant who is relocated. This will ensure equitable allocation of relocation resources.

#### Finding 4

Disclosure: The Lead Safe KC Program has procedures in place to ensure property owners understand lead based paint disclosure requirements. Disclosure is discussed at the following points in the project process:

- LIRA- the Risk Assessor discusses the property owner's responsibilities for disclosure in the LIRA report which is provided to the owner.
- Contract signing- during the contract signing, LSKC staff discuss with the property owner, their responsibility for disclosure, ongoing maintenance and the need for continued assessment.
- Renovate Right I- the contractor who will be performing the work provides the owner with a copy of the Renovate Right booklet and has them sign and keeps the documentation.
- Renovate Right II- during the contract signing, health department staff has the owner sign the booklet and a copy of the signature page is placed in the file. This process was developed because some contractors were forgetting to document that they provided the document to the property owners.
- In the clearance letter packet, provided to the owner at the end of the job, the owners' responsibility to disclose is discussed.

Recent staff turnover did result in the lapse of use of a standardized contract signing check list which would have reminded staff of the need to make sure the Renovate Right signature page was included in the file. An updated checklist and new policy have been instituted to remedy this issue.

Risk Assessment Results: Risk assessment results are sent to the property owner within 15 days of the completion of the risk assessment. In the process of developing standardized letters, some staff did not update the dates of their letters. There may be some instances in which an owner may not receive their risk assessment within the 15 day time frame, this may be due to staff illness, holidays, lab sample turn-over time or a combination of these. During the actual risk assessment procedure, if the property owner is present, the risk assessor will provide a verbal overview of lead paint hazards. In addition, the Healthy Homes Coordinator provides comprehensive teaching regarding healthy homes hazards (including lead paint). A policy has been initiated to remind all

## Auditee Comments

staff that correspondence must include dates and signatures. In addition, a policy has been developed (see attachment # 20) to ensure property owners receive their risk assessment reports within the 15 day time period.

**Summaries of Lead Based Paint Hazard Control Activities:** The type of lead paint hazard control work provided is initially mentioned in the program application then, briefly discussed verbally in general, during the risk assessment. It is discussed specifically during the contract signing and the scope of work is attached to the contract which is signed by the owner and the contractor. The lead based paint work that has been completed is also reviewed in the clearance packet that is sent to the property owner after the work has been done and the clearance dust wipes completed. In addition, the LSKC program performs additional evaluations for work sustainability and quality control. As part of this process, the property may be reviewed again if the property owner agrees to have the risk assessor return to the property to perform evaluative dust wipes and visual inspection of the work. Ongoing maintenance and disclosure are discussed at the time the property owner is asked to participate as well as when the risk assessor returns to the property to perform the additional evaluation.

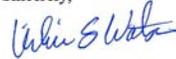
**Ongoing maintenance:** Ongoing maintenance is first discussed in the risk assessment report. It is reviewed during the contract signing when the Renovate Right booklet is reviewed and signed. It is also reviewed in the clearance letter that is sent with the clearance packet. Previously, copies of the documents included in the clearance packet were not included in the client file. A policy will be developed to require all documentation that is sent to the owner be included in the client file. The clearance file currently includes: the clearance letter which discusses disclosure and ongoing maintenance, the clearance dust wipe results, and the visual inspection letter which verifies the work was completed and that the contractor and the owner sign (this document is required with the contractor's invoice). In addition, the contractor provides the Renovate Right book, the warranty for the windows, the contractor warranty which warranties their work for one year, and a quart of touch up paint in the colors used during the work so the owner can maintain the work that was done. The latter list is specified in the contract language and the policy and procedure book.

**Summary:** While many procedures are in place to ensure discussion of the lead work, disclosure and the owners' responsibility to maintain the property, there are opportunities for improvement in documentation and the development of improved procedures as well as consolidation of information as some of this information is not currently kept in the client file but elsewhere.

**Action Taken to Date:**

We updated the Notice of Evaluation and Hazard Activities Procedure to require the inclusion of the date on the letter and also to include in the procedure that the risk assessment and letter must go to the file. We also added to the procedure a sample letter. Please see attachment #20.

Sincerely,



Vickie S. Watson  
Chief Financial Officer  
Kansas City, MO Health Department

## OIG Evaluation of Auditee Comments

General We acknowledge that the Health Department took the findings found in this report seriously and took numerous steps to correct the issues identified. The Health Department made references to those changes in the audit report and provided documentation to support its changes to policies and procedures. We reviewed the changes the Health Department made and found that they took steps to prevent future findings. However, HUD should review the changes to the Health Department's policies and procedures to ensure that program requirements are met. Further, HUD should require the Health Department to update its work plan for future grants to ensure that it includes all the information necessary to meet program requirements. Please note that the Health Department made references to a number of attachments throughout its comments. Due to the voluminous nature of these attachments, we excluded them from the auditee's comments in the audit report.

Comment 1 Policy guidance 2013-07 required grantees to select one of three definitions of annual income. One of the definitions allowed is the adjusted gross income as defined for reporting purposes under the IRS form 1040 long form. However, the guidance stated that this did not mean the IRS forms submitted to the IRS. The guidance required grantees to obtain income verification with the hierarchy of third party verification that should be used.

Comment 2 The program files did not support the statement that the Health Department requested additional information from applicants. The only documentation to support the income submission and verification was the application and wage statements provided by applicants. While the applicants certify that the information included in the application is true and correct, we found no evidence to suggest that the Health Department verified the information within the application.

According to 24 CFR 5.609, annual income means all amounts, monetary or not, that go to the family member head or any other family member or are anticipated to be received from a source outside the family during the 12-month period. It also means amount derived from assets for which any family member has access. This includes but is not limited to the full amount of wages and salaries, the net income from the operations of a business or profession, interest, dividends, and other net income of any real or personal property, the full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, payments in lieu of earnings such as unemployment and disability compensation, welfare assistance payments, and alimony and child support payments and regular contributions or gifts received from organizations or from persons not dwelling in the unit. We found no evidence to support that the Health Department determined that applicants had means derived from assets. While the Health Department did ask for the

applicant to report income in its application, the only documentation the Health Department received was related to wages and social security statements. Further, the Health Department did not consistently accept the same documentation to support wage information. We found instances where the Health Department accepted W-2 forms, IRS 1040 forms, and employer wage statements.

The guidance 2013-07 also required the Health Department to verify income and stated that verification methods may not be altered to suit particular circumstances or applicants. The Health Department's work plan did not include the method used to verify income. As mentioned previously, the program files did not provide documentation to show verification took place.

Finally, the guidance required the Health Department to re-examine a household's income if more than six months elapsed. Of the files reviewed, 13 of the files received assistance more than six months after the dated application. The only updated documentation provided supported wages and not other sources of income. Based on this, HUD cannot be assured that all applicants qualified to receive assistance.

Comment 3 Policy guidance 2013-07 allowed flexibility for the definition of annual income by allowing grantees to select one of three definitions. The Health Department could have selected the definition of adjusted gross income on the IRS Form 1040; however, the guidance stated that this did not mean the IRS forms submitted to the IRS. Further, the guidance citation the Health Department included in its response was the portion of the guidance related to income verification and not the definition of annual income used. It is the responsibility of the Health Department to verify all income information submitted by applicants. The policy guidance stated that the source documentation must be sufficient for HUD to monitor the program compliance and verification methods may not be altered to suit particular circumstances or applicants. The guidance outlined a hierarchy of verification methods that was required to be followed in all cases.

Comment 4 The policy provided did not include a procedure on how the Health Department would verify the information provided. Additionally, the Health Department should update its approved work plan to include the income verification methods used. The guidance stated that grantees must ensure that families are treated equitably by using the same definition of income for all applicants. Therefore, the Health Department cannot use the definition of annual income found at 24 CFR 5.609 for some applicants and the adjusted gross income as defined for reporting purposes under the IRS Form 1040 long form for others. HUD should ensure that the updated policy complies with its requirements for income calculation and verification.

- Comment 5 We confirmed that the Health Department returned \$17,673; however, the Health Department must also return the \$1,500 spent on relocation of occupants because the property was not eligible to receive assistance. Finding 3 refers to relocation expenditures spent on properties eligible to receive assistance. We will work with HUD during the audit resolution process to reflect the Health Department's \$17,673 repayment thus far.
- Comment 6 The Health Department provided the cost breakdown of the funds spent on the ineligible property and the journal entry documentation to support the decreased billing. We will work with HUD during the audit resolution process to reflect the repayment and close out the recommendation.
- Comment 7 We found 6 instances in the 20 files reviewed where the Health Department incorrectly calculated income using net wages instead of gross. One of the definitions of annual income allowed by HUD to be used is the "adjusted gross income" as defined under the IRS Form 1040 long form. However, the Health Department did not adopt this definition for annual income. Further, the Health Department did not obtain proper verification of the form submitted by the applicant.
- Comment 8 The "Defining Income" section of policy guidance 2013-07 states "you must ensure that families in each grant program are treated equitably by using the same definition of income for all applicants within a particular grant program."
- Comment 9 The definition of annual income found at 24 CFR 5.609 covered income for those self-employed by including net income for operations of a business. Therefore, the Health Department could have used this definition. As stated previously, the Health Department could have adopted the definition of annual income used by the IRS for all applicants; however, adopting the definition used on the 1040 does not mean using the forms submitted to the IRS. The Health Department would still need to verify the income of the applicant using the hierarchy method outlined in policy guidance 2013-07.
- Comment 10 We did not review the changes to the Health Department's policies as part of the audit. The auditee's comments refer to using multiple definitions of income, which is contrary to HUD guidance. Therefore, HUD will need to review the Health Department's policies and procedures to ensure they comply with HUD requirements.
- Comment 11 The auditee's comments refer to using multiple definitions of income, which is contrary to HUD guidance. Therefore, HUD should provide training to help ensure the auditee complies with the guidance.
- Comment 12 During our audit, we did not find evidence to support that the Health Department's policies and procedures manual had been updated to reflect HUD's

policy guidance for income requirements. The Health Department did not have policies and procedures to ensure the proper calculation and verification of income. Further, the guidance required specific information to be included in the Health Department's work plan, and the Health Department had not updated its work plan accordingly.

- Comment 13 We did not review the changes to the Health Department's policies as part of the audit. Therefore, HUD will need to review the Health Department's policies and procedures to ensure they comply with HUD requirements.
- Comment 14 Due to the nature and complexity of an OIG audit, it is not uncommon for the OIG to identify issues not previously discovered in a HUD review.
- Comment 15 HUD will need to review the documentation for all 46 windows that we found to be ineligible. We did not find the support provided by the Health Department sufficient to justify the replacement of the windows. The guidance contained certain requirements for window replacement, and we did not find that the 46 windows met that criteria. However, for rental properties, the Health Department did require owners to contribute 25 percent of the lead hazard control work conducted. Therefore, we did reduce the total cost of the windows for the three rental properties by \$9,962 to reflect the amount contributed by the owners (see Appendix C). As stated in the audit report, we could not determine the cost of the windows based on the invoice and bid proposal documents maintained in the property files. Therefore, we recommended to HUD that the Health Department provide a cost breakdown of the windows it replaced to show that they qualified for replacement.
- Comment 16 This represents a weakness in internal controls, and the Health Department failed to properly implement HUD's guidance. Therefore, we recommended that HUD require the Health Department to develop and implement appropriate policies and procedures to ensure it is in compliance with HUD requirements. The Health Department is also responsible to ensure its vendors perform work as required.
- Comment 17 We reviewed the changes to the Health Department's policies that we received as attachments to the auditee comments and found them to be acceptable; however, during future monitoring visits, HUD should ensure the Health Department has implemented the new policies.
- Comment 18 The program files did not have evidence to support that discussions regarding relocation hardships took place to ensure the policy was equitably applied for all program participants. The Health Department is ultimately responsible for ensuring that it is in compliance with program requirements, including work performed by contractors.

We acknowledge that the Health Department's work plan stated that it would hold a preconstruction conference and had a checklist. However, in 18 of the 20 files reviewed, the checklist was either not found or not completed properly.

Comment 19 The Health Department could not provide documented evidence to show that discussions occurred and hardship was properly determined. Further, the Health Department is ultimately responsible for following HUD's rules and regulations. Therefore, it must have adequate oversight of its contractors and proper documentation to support that relocation funds spent were eligible. The updated policy and forms the Health Department provided did not define hardship and how the forms would be used to make the determination.

Comment 20 HUD's notice of funding availability required the Health Department to provide all lead-based paint testing results, summaries of lead-based paint hazard control treatments, and clearances to the owner of the unit, together with the notice describing the owner's legal duty to disclose the results to tenants and buyers. Additionally, it required the Health Department to document verifiable evidence that this was done. Further, the notification discussed in the audit report required written notifications to owners. The program files did not contain any evidence that this occurred and there was not sufficient documentation to support the Health Department's statements that discussions concerning these four items occurred.

## Appendix C

### Questioned Cost Detail

#### Finding 1: Ineligible and Unsupported Cost Detail

Property address	Ineligible	Unsupported
2805 Gillham Road	\$19,173	
318 Ord		\$10,731
10000 Belmont		8,475
10005 Cambridge		1,225
1018 East 76th Street		6,300
10428 Palmer		2,450
10610 College Avenue		950
108 South Overton		23,475
11117 Elmwood Avenue		4,800
1120 Norton		9,345
11227 Bristol Terrace		4,400
1124 East 44th Street		6,730
11502 Orchard Road		4,906
1169 East 77th Street		5,803
118 White		10,800
11813 East 62nd Terrace		3,000
1218 North Lynn		7,290
1314 East 60th Street		3,717
14014 East 66th Street		2,195
1408 South Osage		14,800
1419 East 66th Street		9,680
146 North Oakley		9,910
1517 East 73rd Street		3,600
1530 Belmont		16,400
1544 Chelsea		8,910
1602 Elmwood		7,755
1603 Lawn		17,615
1612 Lawn		5,150
1615 East 42nd Street		11,450
1633 East 49th Street		6,150
1712 East 72nd Street		4,675
1716 E 72nd Street		7,008
1846 E 68th Terrace		11,400
1924 Spruce		7,000
1956 East 71st Terrace		7,038

Property address	Ineligible	Unsupported
2018 Jefferson		2,010
2034 East Gregory		11,705
2201 South Overton		2,853
2306 Olive		6,600
2308 East 71st Terrace		7,855
2407 Spruce		6,500
2424 East 68th Street		19,640
2431 East 68th Street		13,400
2505 Northeast 52nd		3,850
2508 Lawndale		6,685
2511 South Hawthorne		3,510
2517 Norton		13,500
2528 Poplar Avenue		15,375
2542 Cypress		16,700
2545 Norton		10,600
2608 East 73rd Street		7,775
2718 Bales		11,200
2807 East 10th Street		13,700
2817 Indiana Avenue		1,665
2827 Monroe		5,500
2921 Wabash		2,800
2940 East 28th Street		12,875
3004 Wayne		6,110
3011 East 65th Street		3,575
3018 East 7th Street		10,003
3023 Montgall		18,000
3106 Perry		5,365
3119 Montgall		13,455
3120 Cypress		13,650
3122 Harrison		13,725
3210 Jackson		11,800
3216 Olive		19,875
3217 Bellefontaine		13,000
322 North Denver		9,645
3220 East 30th Terrace		9,750
3226-28 Campbell		11,071
3228 Bellefontaine		13,650
3319 East 59th Street		8,350
332 North Askew		13,390

Property address	Ineligible	Unsupported
3322 South Benton		12,395
3335 Askew		10,522
3426 Kensington		2,800
3429 Bellefontaine		4,487
343 South Hardesty		4,625
3430 Chestnut		12,388
3430 Woodland		14,650
3432 Kensington		4,425
3433 Central		28,463
3436-3636 Forest		29,223
3440 Garfield		5,732
3446 Kensington		8,710
3504 Benton Boulevard		17,950
3511 Windsor		24,600
3514 Tracy		17,748
3520 Morrell		5,700
3544 Jackson		15,800
3600 East 10th Street		9,175
3627 Agnes		11,158
3711 East Gregory Boulevard		7,400
3733 Prospect		20,600
3744 Monroe		6,995
3747 Wayne		5,700
3750 Wayne		2,850
3801 Kensington		9,125
3807 Monroe		7,260
3817-21 Baltimore		12,780
3821 Montgall Avenue		13,922
3825 East 9th Street		11,130
3851 East 60th Terrace		11,527
3905 Vineyard		3,825
3930 Myrtle		8,300
3937 Paseo Boulevard		16,885
3960 Lawn		5,000
4009 East 56th Street		9,944
4021 Forest		15,300
4106 Bellefontaine		12,888
4111 East 26th Street		9,795
4119 East 26th Street		8,485
4121 East 26th Street		750

Property address	Ineligible	Unsupported
4125 Scarritt Avenue		16,200
4127 Agnes		13,951
4131 Troost		18,155
4140 McGee		15,126
4210 Chestnut		13,160
4212 Harrison		7,375
4217 Hardesty		5,995
4241 College		9,000
4315 Benton		6,760
4325 College		14,650
4342 Benton Road		11,600
44 East 32nd Street		6,905
4412 Bellefontaine		9,800
4419 East 38th Street		7,600
442 North Drury		10,050
4447 Norton		3,975
4521 Gilham Road		24,681
4521 Montgall		12,340
4709 East 39th Street		2,080
4800 Greenway		4,060
487 Donnelly		9,490
4924 South Benton		6,165
5009 Forest Avenue		1,955
503 Jackson		10,500
5038 South Benton		21,100
511 East 91st Street		6,500
5115 Cambridge		3,700
5116 Garfield		14,000
512 North Lawndale		8,200
5214 Brookwood		8,609
5239 Franklin		2,435
5315 Olive		9,985
5323 Euclid Avenue		14,200
5342 Brooklyn		8,475
5346 Euclid		10,650
5425 East 28th Street		7,900
5434 Highland		15,100
5537 Lydia		7,100
5538 Virginia		7,282
5542 Lydia		5,288

Property address	Ineligible	Unsupported
5561 Northeast Munger		3,438
5629 Harrison		11,500
5635 Wabash		4,545
5717 Tracy		10,067
5720 Lydia		5,626
5813 East 11th Street		9,500
5830 Tracy		7,888
6025 East 10th Street		12,705
6040 East 14th Street		5,500
6124 College		3,213
6136 Agnes		7,250
6142 Kenwood		18,195
615 East 70th Street		7,444
630 East 65th Street		11,000
6626 East 16th Terrace		6,675
6928 Paseo Boulevard		16,720
6942 Spruce		6,038
7011 Paseo Boulevard		2,550
7020 East Bannister Road		3,975
7207 East 108th Terrace		6,210
7219 Myrtle Avenue		3,400
7227 Wabash		3,135
7336 Virginia		16,975
7406 Highland		15,085
7431 Pennsylvania		4,500
7711 East 48th Street		600
7929 Brooklyn		9,210
7940 Hickman Mills Drive		5,150
7953 Northeast 54th Street		2,331
8011 Main Street		4,500
8030 Flora		6,041
8101 Independence Ave		8,200
8107 East 90th Street		1,340
811 Ewing		4,550
816 East 31st Street		30,200
816 Lexington		10,395
8250 Flora		4,950
8300 Blue Ridge Boulevard		7,375
8802 Woodland Avenue		3,106
9013 East 90th Terrace		5,594

Property address	Ineligible	Unsupported
9220 Stark		2,500
9915 Charlotte		5,575
<b>Totals</b>	<b>19,173</b>	<b>1,803,705</b>

Please note that the amounts in the table above have not been reduced by the unsupported amounts below in Finding 2.

### Finding 2: Unsupported Cost Detail

Property address	Total windows replaced	Ineligible windows	Owner contribution	Unsupported (total auditee cost of windows)
3122 Harrison	13	4	\$975	\$2,925
3433 Central	44	24	3,850	11,550
3436-3636 Forest	59	9	5,138*	15,413*
3511 Windsor	32	1	0	12,800
3514 Tracy	18	3	0	6,800
3544 Jackson	14	1	0	3,750
4215 Montgall	18	2	0	6,800
4521 Gilham Road	27	1	0	14,800
5038 South Benton	20	1	0	4,900
<b>Totals</b>	<b>245</b>	<b>46</b>	<b>9,963</b>	<b>79,738</b>

\*rounded to the nearest dollar