



Issue Date September 30, 2008

Audit Report Number 2008-PH-1014

TO: James D. Cassidy, Director, Office of Public Housing, Pittsburgh Field Office,
3EPH

FROM:  John P. Buck, Regional Inspector General for Audit, Philadelphia Regional
Office, 3AGA

SUBJECT: The Housing Authority of the City of Pittsburgh, Pennsylvania, Did Not
Adequately Administer Its Housing Assistance Payments for Leased Housing

HIGHLIGHTS

What We Audited and Why

We audited the Housing Authority of the City of Pittsburgh's (Authority) administration of its housing assistance payments for leased housing under its Moving to Work Demonstration program agreement based on our analysis of various risk factors relating to housing authorities administering a leased housing program within our region. This is the first of two audit reports we plan to issue on the Authority's program. The audit objective addressed in this report was to determine whether the Authority properly maintained documentation to support housing assistance payments and accurately calculated them.

What We Found

The Authority did not properly maintain documentation to support housing assistance payments and did not always accurately calculate housing assistance payments for its leased housing. We identified deficiencies in 28 of the 30 tenant files that we reviewed. The Authority did not maintain complete documents required by the U.S. Department of Housing and Urban Development (HUD) and its own administrative plan, resulting in unsupported housing assistance payments

of \$58,470. It also made ineligible housing assistance payments totaling \$12,180 because it did not execute housing assistance payments contracts within 60 days of the beginning of the lease term, and it made housing assistance payments before the effective date of the related housing assistance payment contract. Lastly, the Authority inaccurately calculated housing assistance payments, resulting in \$4,811 in overpayments and \$1,708 in underpayments.

What We Recommend

We recommend that HUD require the Authority to correct the errors in the tenant files identified by the audit, provide documentation to support housing assistance payments totaling \$58,470 or reimburse its leased housing program for the payments that it cannot support, reimburse its leased housing program \$16,991 for the ineligible payments and overpayments, and reimburse applicable tenants \$1,708 for the housing assistance underpayments.

For each recommendation without a management decision, please respond and provide status reports in accordance with HUD Handbook 2000.06, REV-3. Please furnish us copies of any correspondence or directives issued because of the audit.

Auditee's Response

We provided our discussion draft audit report to the Authority on July 30, 2008. We discussed the report with the Authority during the audit and at an exit conference on August 7, 2008. Following the exit conference, we provided an updated draft to the Authority on August 14, 2008. The Authority provided written comments to our draft report on August 22, 2008. The Authority disagreed with some of the conclusions in the report and reimbursement of any ineligible costs, but it stated that it has developed and is implementing policies and procedures to address the deficiencies that we identified. The complete text of the Authority's response, along with our evaluation of that response, can be found in appendix B of this report.

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BACKGROUND AND OBJECTIVES

The Housing Authority of the City of Pittsburgh (Authority) was established as a public corporation in 1937 under the Housing Authority Law of the Commonwealth of Pennsylvania to provide decent, safe, and sanitary housing in the most efficient and economical manner. A seven-member board of commissioners governs the Authority. The mayor of the City of Pittsburgh appoints the members of the board. The board appoints an executive director to administer the affairs of the Authority. The current executive director is A. Fulton Meachem, Jr. The Authority's main administrative office is located at 200 Ross Street, Pittsburgh, Pennsylvania.

In 1996, Congress authorized Moving to Work as a U.S. Department of Housing and Urban Development (HUD) demonstration program. Congress exempted the participants from many of the Housing Act of 1937 and associated regulations as outlined in the individual Moving to Work agreements that HUD established with the program's participants. In October 1998, the language in the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1999 (Public Law 105-276, 112 Stat. 2461) specifically named and authorized the Authority to join the demonstration program. In November 2000, HUD signed a five-year Moving to Work agreement with the Authority. In April 2005, HUD agreed to extend the term of the Authority's Moving to Work agreement for one year. In December 2006, HUD agreed to extend for three years the term of the Authority's Moving to Work agreement. The expiration date of the Authority's current agreement is December 31, 2009.

Under the Section 8 Housing Choice Voucher program, the Authority was authorized to provide leased housing assistance payments to more than 7,000 eligible families. HUD authorized the Authority the following financial assistance for housing choice vouchers:

<u>Authority fiscal year</u>	<u>Annual budget authority</u>
2005	\$34,714,733
2006	\$35,828,080
2007	\$34,991,503
Totals	<u><u>\$105,534,316</u></u>

Our audit objective was to determine whether the Authority properly maintained documentation to support housing assistance payments and accurately calculated them.

RESULTS OF AUDIT

Finding: The Authority Did Not Adequately Administer Its Leased Housing Assistance Payments in Accordance with HUD Requirements

The Authority did not properly maintain documentation to support housing assistance payments and did not always accurately calculate housing assistance payments for its leased housing in compliance with HUD requirements. This condition occurred because the Authority did not implement quality control procedures to ensure that it followed HUD requirements. As a result, it was unable to support \$58,470 in housing assistance payments and improperly overpaid \$16,991 and underpaid \$1,708 in housing assistance.

The Authority Lacked Proper Documentation in Its Tenant Files and \$58,470 of Payments Were Unsupported

The Authority lacked proper documentation to support housing assistance payments totaling \$58,470 for the period September 2005 through December 2007. Our review of 30 tenant files showed that 28 files had at least one of the following key documents missing or incomplete:

- 27 files did not have fully executed housing assistance payments contracts (signed but not dated by the Authority, the owner, or both),
- 18 files did not have a signed and/or dated lease,
- 10 files did not have leases executed before the beginning of the lease term,
- Six files did not have a completed request for tenancy approval,
- Five files did not have evidence of an adequate rent reasonableness review,
- Five files either did not have an Authorization for Release of Information/Privacy Act Notice (HUD Form 9886) or the form was incomplete,
- Three files did not have proper income verification,
- Three files either did not have a lead-based paint certification or the certification was not signed by the tenant,
- One file did not have an interim reexamination completed as required, and
- One file did not have a completed criminal background check.

The files reviewed did not include complete documentation required by HUD and were not consistent with the Authority's administrative plan. Although the

majority of the deficiencies are in essence documentation issues, there were instances in which incomplete documentation or the lack of documentation was material and resulted in the Authority making unsupported housing assistance payments of \$58,470. We conservatively determined that the Authority made unsupported payments of

- \$41,258 in 6 of the 27 files in which the housing assistance payment contract was not signed,
- \$13,954 in the three files that lacked third party verification of income, and
- \$3,258 in three of the five files that had inadequate rent reasonableness reviews.

Appendix D of this report shows the detailed results of our tenant file reviews.

The Authority Made Ineligible Housing Assistance Payments

The Authority also made ineligible housing assistance payments totaling \$12,180 in 4 of the 30 tenant files reviewed. It made \$10,971 in ineligible payments because it did not execute the housing assistance payments contract within the required period of 60 days from the beginning of the lease term. HUD regulations require the contracts to be executed no later than 60 calendar days from the beginning of the lease term. Any contract executed after the 60 day period is void and the Authority may not pay any housing assistance payment to the owner. This condition occurred in four files that we reviewed. The Authority made another \$1,209 in ineligible payments because it made the payments before the effective date of the housing assistance payments contract. HUD regulations prohibit the Authority from making any assistance payment to the owner until the housing assistance payment contract has been executed. This condition occurred in one file¹ that we reviewed.

Appendix D of this report shows the detailed results of our tenant file reviews.

The Authority Incorrectly Calculated Housing Assistance Payments

The Authority incorrectly calculated housing assistance payments, resulting in overpayments of \$4,811 and underpayments of \$1,708 for a total difference of \$6,519 for the period September 2005 through December 2007. To determine

¹ One file (tenant 26) had total ineligible costs of \$2,015 related to deficiencies with housing assistance payment contracts (\$806) and early payments (\$1,209).

whether the Authority correctly calculated the housing assistance payments, we reviewed 59 annual reexaminations from 30 tenant files. The Authority incorrectly calculated housing assistance payments in 10 of the 30 tenant files reviewed. The Authority made these errors because it did not

- Retroactively adjust housing assistance payments based on an increase in tenant income (one file, \$3,339 overpayment),
- Include child support payments in the income calculations and did not properly calculate other income and wages (one file, \$1,140 overpayment),
- Properly include unemployment compensation and a related dependent allowance in the income calculations (one file, \$140 overpayment),
- Properly calculate medical assistance (one file, \$120 overpayment),
- Properly calculate a medical deduction (one file, \$72 overpayment), and
- Properly calculate medical expense deductions and tenant income (five files, \$1,708 underpayments).

Appendix E of this report shows the housing assistance payment errors that resulted from the Authority's incorrect calculations.

The Authority Needs to Establish Quality Control and Compliance Procedures

Although the problems discussed in this finding occurred mainly because of administrative errors made by the Authority's staff, the Authority's lack of quality control and compliance procedures contributed significantly to this situation. The Authority did not perform supervisory quality control reviews to ensure that all required documentation was properly maintained in its tenant files and did not implement procedures and controls to ensure that it followed HUD requirements. The Authority's administrative plan stated that it was required to perform quality control reviews for units under contract. However, the Authority acknowledged that it had not performed quality control reviews before September 2007. It stated that since September 2007, it had established a quality control and compliance program and that it views this component of its operations as a continual process that will be updated and enhanced as needs are identified. The Authority indicated that it had made changes and implemented some controls and that it planned to make additional changes and implement additional controls to improve its leased housing program.

Conclusion

The Authority did not adequately administer its leased housing assistance payments. As a result, it disbursed \$58,470 in housing assistance payments without proper documentation and overpaid \$16,991 and underpaid \$1,708 in

housing assistance. The Authority needs to implement adequate controls and procedures to improve its administration of the program and ensure that it complies with HUD requirements and its administrative plan.

Recommendations

We recommend that the Director of HUD's Office of Public Housing, Pittsburgh field office, direct the Authority to

- 1A. Correct the errors in the tenant files identified by the audit.
- 1B. Provide documentation to support housing assistance payments totaling \$58,470 or reimburse its leased housing program from nonfederal funds for the payments that it cannot support.
- 1C. Reimburse its leased housing program \$16,991 from nonfederal funds for the ineligible housing assistance payments identified by the audit.
- 1D. Reimburse applicable tenants \$1,708 from program funds for the housing assistance underpayments.
- 1E. Improve its controls by implementing procedures to help reduce and/or prevent recurring deficiencies in its payments calculation process, ensure that housing assistance contracts and leases are executed as required, and that assistance payments are made after contracts have been properly executed.
- 1F. Develop and implement policies and procedures for performing quality control reviews of files and documenting the results of those reviews and any actions taken.
- 1G. Develop procedures for employees to adequately maintain all supporting documentation in tenant files.

SCOPE AND METHODOLOGY

To accomplish our objective, we

- Reviewed applicable laws; regulations; the Authority's administrative plan; HUD's program requirements at 24 CFR [*Code of Federal Regulations*] Parts 5, 35, and 982; HUD's Public and Indian Housing Notices 2004-01 and 2004-18; and HUD's Housing Choice Voucher Program Guidebook 7420.10G;
- Reviewed the Authority's accounting records; annual audited financial statements for 2003, 2004, and 2005; check register; tenant files; computerized databases including housing assistance payment register and HUD-50058 (Family Report) data; board meeting minutes; organizational chart; correspondence; and Moving to Work documents including the agreement, plans, and reports; and
- Reviewed HUD's monitoring reports for the Authority.

We also interviewed the Authority's employees and HUD staff.

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

We randomly selected files for 20 tenants receiving housing assistance payments during our audit period from the Authority's housing assistance payment register. The universe included 6,416 families that were receiving housing assistance payments. Additionally, we selected files for 10 of 21 new tenants the Authority admitted to the program during the month of August 2007. Therefore, we reviewed 30 tenant files in total. As stated in the audit report, we identified deficiencies in 28 tenant files that we reviewed and determined that the Authority made ineligible housing assistance payments totaling \$16,991 during the period from September 2005 to December 2007.

We analyzed an automated data file that the Authority provided containing family information for all persons participating in its leased housing program as of August 2007. The Authority had 6,416 families in its data file. We screened the Social Security numbers for the heads of household for the 6,416 families against a database provided to us by the Social Security Administration to determine whether heads of household were deceased. We determined that 106 Social Security numbers for heads of household were associated with a deceased person and 14 had validation issues. We reviewed the tenant files for 10 of the 106, and 2 of the 14. We identified only minor internal control issues relating to the Authority's handling of these situations, and we reported them to the Authority in a separate letter.

We performed our on-site audit work between September 2007 and June 2008 at the Authority's office located at 200 Ross Street, Pittsburgh, Pennsylvania. The audit covered the period September 1, 2005, through August 31, 2007, but was expanded when necessary to include other periods.

We performed our audit in accordance with generally accepted government auditing standards.

INTERNAL CONTROLS

Internal control is an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls relate to management's plans, methods, and procedures used to meet its mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined the following internal controls were relevant to our objectives:

- Program operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Validity and reliability of data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.
- Compliance with laws and regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.
- Safeguarding resources – Policies and procedures that management has implemented to reasonably ensure that resources are safeguarded against waste, loss, and misuse.

We assessed the relevant controls identified above.

A significant weakness exists if internal controls do not provide reasonable assurance that the process for planning, organizing, directing, and controlling program operations will meet the organization's objectives.

Significant Weakness

Based on our audit, we believe the following item is a significant weakness:

- The Authority did not establish and implement adequate controls to ensure that assistance payments were properly supported and the accuracy of housing assistance payments.

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS AND FUNDS TO BE PUT TO BETTER USE

Recommendation number	Ineligible 1/	Unsupported 2/	Funds to be put to better use 3/
1B		\$58,470	
1C	\$16,991		
1D			\$1,708

- 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.
- 3/ 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. This includes reductions in outlays, deobligation of funds, withdrawal of interest subsidy costs not incurred by implementing recommended improvements, avoidance of unnecessary expenditures noted in preaward reviews, and any other savings which are specifically identified. The funds to be put to better use in this report represent funds that tenants overpaid due to the Authority's calculation errors.

Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

Ref to OIG Evaluation

Auditee Comments



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August 22, 2008

Via Email and First Class Mail

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Re: OIG Audit of the Housing Authority of the City of Pittsburgh

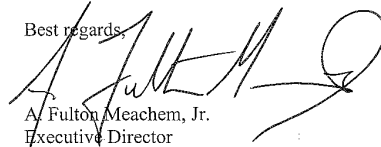
Dear Mr. Buck:

Enclosed is the response of the Housing Authority of the City of Pittsburgh ("HACP") to the August 14, 2008, draft audit report regarding HACP's Section 8 Housing Choice Voucher Program. We would like to thank you and your staff for your willingness to consider and discuss the additional information we provided to you after the exit conference. We also appreciate that you took the opportunity to revise the draft audit report based on these additional materials and discussions.

As our response details, we continue to respectfully disagree with some of the conclusions drawn in the audit report. Of course, we welcome your input as we continue to enhance the management of the Housing Choice Voucher Program, in furtherance of our mission of providing decent, safe, and affordable housing to low-income residents of Pittsburgh.

Please feel free to contact me should you have any additional questions or if I can be of additional assistance.

Best regards,



A. Fulton Meachem, Jr.
Executive Director

**HOUSING AUTHORITY OF THE CITY OF PITTSBURGH RESPONSE TO
AUGUST 14, 2008 DRAFT OIG AUDIT REPORT**

Comment 1

There are several areas where the Housing Authority of the City of Pittsburgh ("HACP") does not agree with the conclusions included in the audit report. Also, in some instances, HACP does not believe that the findings are seen in context. The discussion below responds to the specific findings contained in the draft audit report, in the order in which those findings appear in the report.

Comment 2

Our response is supported by the enclosed report from Kroll, a third party consultant whom HACP retained to conduct an independent review of the tenant files audited by the OIG.¹ Kroll's analysis indicates that the HAP contracts and leases are valid and support the HAP payments, despite some instances of missing dates.

**Finding 1: There Is No Basis for the OIG's Finding
that HACP's Files Lacked Proper Documentation to
Support \$134,091 in Housing Assistance Payments**

Comment 3

As a general matter, even if there were minor issues with respect to some of the documentation for some of the files, this does not mean that the associated HAP payments are unsupported. All of the files contain substantial documentation to support the HAP payments. Our responses to the individual finding are as follows:

1. Fully Executed HAP Contract

(a) Issue

Comment 4

The draft audit reports indicates that 27 files² did not have "fully executed" housing assistance payments contracts and specifies that this means that they were "signed but not dated by the Authority, the owner, or both." We appreciate the OIG's revision of the language of the draft audit report to clarify that this finding is not primarily based on files not containing a HAP contract, or the HAP contracts not containing signatures, but rather on the fact that some HAP contract signatures were not dated. However, the absence of a date does not constitute a violation of HUD requirements, the HACP Administrative Plan, or Pennsylvania contract law. Thus, it is not a valid finding.

Comment 5

¹ Please note that the finding numbers contained in the Kroll report correspond to information provided to HACP by the OIG regarding the individual tenant files.

² The number contained in the prior draft audit report was 24, so three files were added after the exit conference.

Comment 4

(b) Resolution

This finding should be removed. Although not mandated by HUD requirements, HACP has developed and is implementing additional quality assurance procedures to ensure that all HAP contracts are dated when signed.

2. Signed and/or Dated Lease

(a) Issue

The draft audit report indicates that 20 files did not have a “signed and/or dated” lease. Like the HAP contract finding, this finding is based primarily on the fact that some of the signatures on the leases were not dated. All of the files contained leases. One of the 20 files cited contained a signed and dated lease (tenant number 17), so the finding is not supported as to that file. Based on the documentation provided to us, the two findings as to tenant 2 appear to be based upon two partially executed “Notice of Rent Change” forms. These findings are unsupported, as the forms do not require a signature. In at least 16 of the remaining 18 files cited, the only issue is that one or both of the signatures on the lease are not dated. Again, while it might be a better business practice to ensure that the signatures are dated, the leases are valid without dates. There is no requirement under HUD regulations, the HACP Administrative Plan, or Pennsylvania contract law that signatures be dated; therefore, the lack of a date is not a valid basis for an audit finding.

Comment 6

(b) Resolution

This finding should be removed as to tenants 2 and 17 and as to the tenants where the only issue is the lack of a signature date. Although not mandated by HUD requirements, HACP has developed and is implementing additional quality assurance procedures to ensure that all leases are dated when signed.

Comment 6

3. Rent Reasonableness

(a) Issue

The draft audit report indicates that seven files did not have evidence of a rent reasonableness review. In fact, there is evidence of a rent reasonableness review in five of the files:

Comment 7

- As to tenant 7, rent reasonableness certifications support all rent increases, and rent comparability forms are present in the file. It appears merely that the comparability forms were not matched with the proper certifications.
- As to tenant 19, a rent reasonableness determination was not required for the 2006 recertification, because rent was not increased.

Comment 7

- As to tenants 23, 26, and 30, while the rent comparability forms were missing some information, other documents in the file demonstrate that a rent comparison was conducted and rent was based on comps.

(b) Requirements

(i) 24 C.F.R. § 982.507

24 C.F.R. § 982.507 provides that the housing authority may not approve a lease until it determines that the initial rent to owner is a reasonable rent and that it must re-determine the reasonable rent before any increase in the rent to owner. The regulation does not require that any specific form be used.

(c) Resolution

The audit report should be revised to state that only two files were missing some evidence of a rent reasonableness review.

Comment 7

4. HUD Form 9886

(a) Issue

The draft audit report indicates that five files either did not have an Authorization for Release of Information/Privacy Act Notice (HUD Form 9886) or the form was incomplete. There was only one file in which HUD Form 9886 was not present (tenant 18). In the other four files (tenants 21, 22, 23, 24) the form was present in the file and signed by the tenant, and the only issue was that the top part that identifies that the request is coming from HACP was not filled out. There is no requirement that this information be included on the form. Instead of filling out the form, HACP found it more efficient to send the information along with the form. Both the tenant and the recipient of the form are made aware of that the request came from HACP through a cover letter or otherwise.

Comment 8

(b) Requirements

(i) 24 C.F.R. § 5.230(a)

24 C.F.R. § 5.230(a) requires that each member of the family of an assistance applicant or participant who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms. The consent form shall contain, at a minimum, the following: (1) A provision authorizing HUD and HAs to obtain from State Wage Information Collection Agencies any information or material necessary to complete or verify the application for participation and to maintain continued assistance under a covered program; (2) A provision authorizing HUD, PHAs, or the owner responsible for determining eligibility for or the level of assistance to verify with previous or current employers income information pertinent to the assistance applicant's or participant's eligibility for or level of assistance under a covered program; (3) A provision authorizing HUD to request income return information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the assistance

applicant's or participant's eligibility or level of benefits; and (4) A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

(c) Resolution

This finding should be removed as to the four tenants where the only issue was that the top of the form was not filled out. Although not mandated by HUD requirements, HACP has developed and is implementing additional quality assurance procedures to ensure that HUD Form 9886s are filled out at the top.

Comment 8

5. Request for Tenancy Approval

(a) Issue

The draft audit report indicates that six files did not have a request for tenancy approval or it was incomplete. The request for tenancy approval - HUD Form 52517 - was present in all six files, so it is incorrect to say that any of the files did not have this form. For at least three of the files, the only issue is that the form was not dated by the tenant and/or the landlord.³ While it might be a better business practice to date the form, there is no requirement that the form be dated; therefore, the lack of a date is not a valid basis for an audit finding.

Comment 9

(b) Requirements

(i) 24 C.F.R. § 982.305(d)

24 C.F.R. § 982.305(d) states the following: "After receiving the family request for approval of the assisted tenancy, the PHA must promptly notify the family and owner whether the assisted tenancy is approved." These regulations do not require a specific form and do not establish minimum standards for the process, nor do they require a date.

(c) Resolution

This finding should be removed as to those files where the only issue is the lack of a date. The language of the audit report should be revised to remove the statement that files did not have a request for tenancy approval, as all files contained the HUD form. Although not mandated by HUD requirements, HACP has developed and is implementing additional quality assurance procedures to ensure that Requests for Tenancy Approval are dated when signed.

Comment 9

³ There are two tenants (22 and 30) where the landlord's signature was not handwritten but stamped on the form. It appears that the OIG did not consider the stamp to be a valid signature. We disagree with this view, as the use of a stamp evidenced an intent to be bound.

6. Lead-Based Paint Certification

(a) Issue

The draft audit report indicates that three tenant files did not have a lead-based paint certification or the certification was not signed by the tenant. While HACP recognizes the requirement that each tenant sign a lead-based paint certification, we would like to point out that all three files contained signed annual acknowledgements that the tenants received a copy of the "Watch Out for Lead Paint Poisoning" or "Protect Your Family from Lead in Your Home." Also, the files document that all three of these units were inspected and found to be free of lead-based paint hazards. Therefore, all tenants were made aware of the issue of lead paint, acknowledged receipt of applicable information, and tests indicated that there was no lead paint in the units.

Comment 10

(b) Resolution

As part of its enhanced quality assurance processes, HACP has developed and is implementing additional procedures to ensure that all tenant files contain lead-based paint certifications signed and dated by the tenant.

Comment 10

7. Concluding Statement

(a) Issue

We appreciate the OIG's revision of the language of the conclusion to reflect the fact that for many of the files believed to be deficient, the issue is not that the file was missing documentation but that the documentation was believed to be incomplete in some way. For the reasons discussed above, we disagree that incomplete information should be the basis for an audit finding. The conclusion also states that the files were not kept in a manner that was consistent with HACP's Administrative Plan. We would like to point out that we have not been provided any information as pertains to any inconsistencies with the Administrative Plan with respect to file maintenance.

Comment 11

(b) Resolution

No action needed.

Finding 2: The OIG's Finding that HACP Made Ineligible Housing Assistance Payments Is Unsupported

As a general matter, even if there may be minor issues with respect to some of the documentation for some of the files, this does not mean that the associated HAP payments were ineligible. There is no evidence that payments were made to ineligible households. Our responses to the individual findings are as follows:

Comment 12

Comment 13

1. Execution of Lease after Beginning of Lease Term

(a) Issue

The draft audit report indicates that in nine files (the six mentioned in the text of the report and the three referenced in the footnote), leases were executed after the beginning of the lease term. For two of these files (tenants 12 and 20), however, the signatures on the leases were not dated, so there is no basis for assuming that those leases were not executed before the lease term.

(b) Requirements

(i) 24 C.F.R. § 982.305(b)

24 C.F.R. § 982.305(b) specifies that the landlord and tenant are to execute the lease prior to the beginning of the initial term of the lease for a unit.

(c) Resolution

Comment 13

This finding should be removed. Although leases might not have been not executed before the lease term in limited cases, there is no evidence that payments were made to ineligible households. Notwithstanding the above, HACP has developed and is implementing additional quality assurance procedures to ensure that all leases are signed prior to the beginning of the lease term.

2. HAP Contract Executed Within 60 Days of the Lease

(a) Issue

Comment 14

The draft audit report indicates that in six files, the HAP contract was not executed within 60 days of the date of the lease. The finding as to two tenants (tenants 14 and 20) that the HAP was not signed within 60 days is based solely on the lack of a signature date. The lack of a signature date does not provide a reasonable basis for such a conclusion, especially when there is other supporting documentation substantiating that the contract was in fact signed within the 60-day time frame.

(b) Requirements

(i) 24 C.F.R. § 982.305(c)

24 C.F.R. § 982.305(c) provides that the HAP contract must be executed no later than 60 days from the beginning of the lease term and that any HAP contract executed after the 60 day period is void.

Comment 14

(c) Resolution

This finding should be removed. Although the HAP contract might not have been executed within 60 days from the date of the lease in some cases, there is no evidence that payments were made to ineligible households. HACP has developed and is implementing additional quality assurance procedures to ensure that all HAP contracts are executed within the required time period.

Comment 15

3. HAP Payments before Effective Date

(a) Issue

The draft audit report indicates that in four files, HAP payments were made before the effective date of the HAP contracts. For two of those files (tenants 27 and 28), although the file includes a check to the owner dated the 15th of the month and the HAP contracts had an effective date of the 17th of the month, the 15th was a Saturday, there is no evidence to demonstrate that the payment was sent out prior to the 17th.

(b) Requirements

(i) 24 C.F.R. § 982.311

24 C.F.R. § 982.11(a) provides that HAP payments may only be paid to the owner during the lease term.

(c) Resolution

Comment 15

This finding should be removed. Although the HAP payments might have been made before the effective date of the HAP contracts in limited cases, there is no evidence that payments were made to ineligible households. HACP has developed and is implementing additional quality assurance procedures to ensure that HAP payments are not made before the effective date of the HAP contract.

Comment 16

Finding 3: The OIG's Finding that HACP Incorrectly Calculated Assistance Payments Is Unsupported

1. Overpayments

(a) Issue

The draft audit report indicates that HACP made calculation errors, resulting in a total of \$5,540 in HAP overpayments for five tenants. We agree with the OIG's conclusions as to the overpayments, with one exception: we believe that the correct amount for tenant 8 is \$3,339 (the amount stated in the prior draft) and not the increased amount of \$4,068 contained in this draft.

Comment 16

(b) Response

The amount of overpayment for tenant 8 should be changed back to \$3,339, which will reduce the total overpayment amount to \$4,811. We are in the process of reviewing the files to determine if further action to recapture these funds is appropriate. HACP has developed and is implementing additional quality assurance procedures to ensure that HAP and utility allowance calculation errors are minimized.

2. Underpayments

(a) Issue

The draft audit report indicates that HACP made calculation errors, resulting in a total of \$1,528 in HAP underpayments for five tenants. We disagree with the findings with respect to tenants 12, 13, and 22. Our review of the files indicates that there were no underpayments for these tenants.

(b) Resolution

The audit report should be revised to remove the underpayment calculation errors as to tenants 12, 13, and 22, and to revise the total underpayment amount, accordingly, to \$1090. HACP has developed and is implementing additional quality assurance procedures to ensure that HAP and utility allowance calculation errors are minimized.

Comment 17

Comment 18
Comment 16

Finding 4: The OIG's Finding that HACP Needs Quality Control and Compliance Procedures Is Not Supported

1. Quality Control Issues

(a) Issue

We appreciate the OIG's recognition that the issues cited in the draft audit report occurred mainly due to administrative errors made by HACP staff, rather than a lack of quality control and compliance procedures, and we appreciate the inclusion of language regarding HACP's quality control and compliance program in the audit report.

(b) Resolution

As noted in the draft audit report, we have already made changes to our quality control and compliance program, which include provisions for hiring a compliance monitor, creating an internal audit component, and conducting extensive staff training on a regular basis. Quality control is viewed as a continual process, and HACP will be developing and implementing additional quality assurance procedures on an on-going basis.

Recommendations

HACP's response to the OIG's Recommendations is as follows:

1A - HACP does not agree that all of the documentation issues identified by the audit were "errors." Nevertheless, we agree to correct any remaining issues to the extent possible.

1B - HACP believes we have already provided support for the HAP and utility allowance payments and associated administrative fees, but we agree to provide any additional support that we are able to. We disagree with any reimbursement, but we have developed and are implementing additional policies and procedures in order to improve tenant file documentation practices as part of our ongoing enhancements to our quality assurance program. We welcome the OIG's input as we move forward with these efforts.

1C - HACP disagrees with any reimbursement, but we have developed and are implementing additional policies and procedures in order to reduce HAP and utility allowance calculation errors as part of our ongoing enhancements to our quality assurance program. We welcome the OIG's input as we move forward with these efforts.

1D - HACP disagrees with any reimbursement, but we have developed and are implementing additional policies and procedures in order to reduce HAP and utility allowance calculation errors as part of our ongoing enhancements to our quality assurance program. We welcome the OIG's input as we move forward with these efforts.

1E - HACP already has controls in place. As we have explained to the OIG, we have developed and are implementing additional policies and procedures that address the issues noted as part of our ongoing enhancements to our quality assurance program. We welcome the OIG's input as we move forward with these efforts.

1F - HACP has quality control policies and procedures in place. As we have explained to the OIG, we have developed and are implementing additional policies and procedures as part of our ongoing enhancements to our quality assurance program. We welcome the OIG's input as we move forward with these efforts.

1G - HACP already has employee tenant file procedures, but we have developed and are implementing additional policies and procedures as part of our ongoing enhancements to our quality assurance program. We welcome the OIG's input as we move forward with these efforts.

CONCLUSION

We have appreciated the OIG's willingness to communicate with us throughout this audit, as well as its willingness to consider and discuss the additional information we

provided. We are confident that we can work together to resolve all of these findings. As noted above, we welcome the OIG's input as we move forward with our plans to improve our management of the Housing Choice Voucher Program.

OIG Evaluation of Auditee Comments

- Comment 1** The conclusions in the audit report are supported by audit work performed in accordance with generally accepted government auditing standards and support the finding.
- Comment 2** The Authority's response included a report from a consultant hired by the Authority to review our audit findings. The consultant's report was dated June 11, 2008, but was not furnished to us until two months later, when the Authority provided its formal response to our draft report. The consultant's report was based on preliminary findings that we communicated to the Authority as the audit progressed. We did not include the consultant's report because the report contained language restricting its use. The Authority's response incorporated the consultant's analysis and we, in turn, considered the consultant's analysis in our comments to the Authority's written response. (See Comments 4, 6, 13, 14 and 15) We also revised the report and appendix D to show that the majority of the deficiencies were documentation issues and we conservatively included in our calculations of questioned costs only those instances where incomplete documentation or the lack of documentation was material.
- Comment 3** We revised the report to show that the majority of the deficiencies were documentation issues and we conservatively included in our calculations of questioned costs only those instances where incomplete documentation or the lack of documentation was material.
- Comment 4** HUD regulations at 24 CFR [*Code of Federal Regulations*] 982.305 (c) state that the Public Housing Authority must use its best efforts to execute the Housing Assistance Payment (HAP) contract before the beginning of the lease term. The contract must be executed no later than 60 calendar days from the beginning of the lease term. Any HAP contract executed after the 60 day period is void, and the Public Housing Authority may not pay any housing assistance payment to the owner. As stated in the report, in 27 files, the HAP contract was not dated by the Authority, the owner, or both parties. Because dates were missing, we could not determine whether the HAP contract was executed within 60 days of the beginning of the lease term or not. We considered other documentation in the tenant files as well as the Authority's housing assistance payment register and conservatively determined that payments totaling \$41,258 were unsupported for six tenants. In the six cases, the Authority made payments to the owners for three and a half to six times the normal monthly assistance payment amount. This gives indication that the contracts were not executed until more than 60 days after the beginning of the initial term of the lease. Further, in two of the six cases, date stamps on the back of the HAP contracts, documenting receipt by the Authority, gave additional indication that the contracts were executed closer to the date of the first payment to the owner (20 days and 17 days), rather than the effective date of the lease term (134 days and 76 days).

We are encouraged by the Authority's statement that it is developing and implementing quality control procedures to ensure that all HAP contracts are dated when signed.

Comment 5 Based on additional analysis that we performed as a result of the exit conference, we revised the appendix in the report to show that 27 of the files we reviewed did not have a fully executed housing assistance payments contract.

Comment 6 HUD regulations at 24 CFR 982.305 (b) state that the landlord and the tenant must always execute the lease before the beginning of the initial term of the lease for a unit. Because dates were missing, we could not determine whether the leases were executed before the beginning of the lease or not. Regarding tenant 17, contrary to HUD regulations, the lease was not executed before the beginning of the initial term of the lease. The beginning of the initial term of the lease was July 16, 2004, and the owner and the tenant signed and dated the lease on July 30, 2004. Therefore, we revised our results to show that the lease was not signed before the term of the lease rather than not being present, signed and dated. Regarding tenant 2, contrary to HUD regulations, the lease was not executed before the beginning of the initial term of the lease. The beginning of the initial term of the lease was December 1, 2004, and the owner and the tenant signed and dated the lease on February 21, 2005. Therefore, we revised our results and removed the mark indicating that the lease was not present, signed and dated. We revised the report to show that this deficiency was a documentation issue.

We are encouraged by the Authority's statement that it is developing and implementing quality assurance procedures to ensure that all leases are dated when signed.

Comment 7 As stated in the audit report, our review of tenant files showed that key documents were missing or incomplete. For tenants 23, 26, and 30, the rent comparability forms were incomplete and the Authority did not provide any other documentation to demonstrate that a rent comparison was conducted and that the rent was reasonable for these units. Regarding tenant 7, rent reasonableness certifications were in the file for the 2002, 2003 and 2004 rent increases. Although the comparability forms supporting the 2002 and 2003 certifications were not current, the comparables for the 2004 certification were current. Since the most recent certification was acceptable, we removed the results for this tenant from the report. We revised our results for tenant 19 because a rent reasonableness review was not needed because there was no increase in rent. The report now shows that five files lacked evidence of an adequate rent reasonableness review.

Comment 8 The Authorization for Release of Information/Privacy Act Notice is a HUD form (HUD Form 9886) and it includes space to identify the name of the Public Housing Authority requesting the release of information, including the full address, name of contact person, and date. As such, the Authority is required to accurately and completely fill out the form. The Authority claims that the tenant

and the recipient of the form are made aware of the requestor through a cover letter or otherwise, however, we found no evidence in the tenant files reviewed to support the Authority's claim. Further, a cover letter could easily become separated from the form and as a result, the recipient would not have any information regarding the party requesting the information. We revised the report to show these deficiencies as documentation issues.

We are encouraged by the Authority's statement that it is developing and implementing additional quality assurance procedures to ensure that it will completely fill out Authorization for Release of Information/Privacy Act Notices.

Comment 9 The Request for Tenancy Approval is a HUD form (form HUD-52517). HUD's Housing Choice Voucher Program Guidebook, 7420.10G, section 8.7, states that Public Housing Authorities must use the form for requesting tenancy approval. Further, the Authority's administrative plan requires that the Request for Tenancy Approval be signed by both the tenant and the owner. Our results showed that three forms lacked a date and three forms lacked a required signature. We revised the report to show these deficiencies as documentation issues.

We are encouraged by the Authority's statement that it is developing and implementing additional quality assurance procedures to ensure that Requests for Tenancy Approval are dated when signed.

Comment 10 HUD regulations at 24 CFR 35.92 addressing lead-based paint require a statement by the lessor disclosing the presence of known lead-based paint and /or lead-based paint hazards in the housing being leased or indicating no knowledge of the presence of lead-based paint and/or lead-based paint hazards. The lessor shall also disclose any additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination that lead-based paint and/or lead-based paint hazards exist in the housing, the location of the lead-based paint and or lead-based paint hazards, and the condition of the painted surfaces. The regulation also requires the signatures of the lessors, agents, and lessees certifying to the accuracy of their statements to the best of their knowledge, along with the dates of signature. The certification is intended to protect the assisted families from the hazards associated with lead-based paint.

We are encouraged by the Authority's statement that it is developing and implementing additional procedures to ensure that all tenant files contain lead-based paint certifications signed and dated by the tenant, but we point out that the Authority needs to ensure that all involved parties sign and date the certifications as required.

Comment 11 HUD regulations at 24 CFR 982.158 state that the Public Housing Authority must maintain complete and accurate accounts and records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. The records must be in the form required by HUD, and include

copies of executed leases and HAP contracts, lead-based paint records as required by part 35, subpart B of this title, records to document the basis for determining rent reasonableness and other records specified by HUD. The Authority did not properly maintain documentation to support housing assistance payments in accordance with HUD regulations and its own administrative plan. For example, as noted in comment 8 above, the Authority's administrative plan required the Request for Tenancy Approval to be signed by both the tenant and owner (see Comment 12). Further, the administrative plan reiterates HUD regulations and requires the Authority to execute HAP contracts no later than 60 calendar days from the beginning of the lease term. Since HAP contracts were frequently not dated, the Authority could not demonstrate its compliance with this requirement (see Comment 4). As stated in the report, the Authority needs to improve its administration of the program.

Comment 12 Ineligible costs are expenditures of HUD funds that are not allowable by law; contract; or federal, state or local policies or regulations. As explained in our comments that follow, the Authority did not comply with HUD regulations and as a result it made ineligible expenditures despite the fact that the tenants met eligibility requirements.

Comment 13 Contrary to the Authority's assertion, for tenant 12, although the lease was signed but not dated by the owner, it was signed and dated by the tenant 47 days after the beginning of the lease term. For tenant 20, the owner and the tenant signed and dated the lease 65 days after the beginning of the lease term. The final report correctly shows 10 files had this deficiency. We revised the report to show these deficiencies as documentation issues.

We are encouraged by the Authority's statement that it is developing and implementing additional quality assurance procedures to ensure that all leases are signed prior to the beginning of the lease term.

Comment 14 The draft report indicated that in five files, not six, as stated by the Authority, it did not execute the HAP contract within 60 days from the beginning of the lease term. For tenant 20, although the HAP contract was signed but not dated by the Authority, it was signed and dated by the owner 65 days after the beginning of the term of the lease term. To be conservative, we revised the results for tenant 14 to show that \$9,404 are unsupported costs because the date stamp on the back of the HAP contract is an indicator and not definitive to demonstrate when the contract was executed.

We are encouraged by the Authority's statement that it is developing and implementing additional quality assurance procedures to ensure that all HAP contracts are executed within the required time period.

Comment 15 HUD regulations at 24 CFR 982.305 (c) state that the Public Housing Authority may not pay any housing assistance payment to the owner until the HAP contract has been executed. However, to be conservative, we revised the report and

removed the results for those tenants for which the payment was processed over a weekend.

We are encouraged by the Authority's statement that it is developing and implementing additional quality assurance procedures to ensure that HAP payments are not made before the effective date of the HAP contract.

Comment 16 We revised the report to show that the amount for tenant 8 is \$3,339.

We are encouraged by the Authority's statement that it is developing and implementing additional quality assurance procedures to ensure that HAP and utility allowance calculation errors are minimized.

Comment 17 The Authority did not provide an explanation or documentation to support its disagreement with our determination that the tenants were underpaid. However, we revised the results for tenant 13 from \$270 to \$450 in the final report because the underpayments occurred for at least 10 months rather than the six months reported in the draft report.

Comment 18 The correct total of underpayments identified by the audit is \$1,708 as revised (see Comment 17).

Appendix C

CRITERIA

24 CFR [Code of Federal Regulations] 5.901

(a) General criminal records searches. This subpart applies to criminal conviction background checks by public housing authorities that administer the Section 8 and public housing programs when they obtain criminal conviction records, under the authority of section 6(q) of the 1937 Act (42 U.S.C. [United States Code] 1437d(q)), from a law enforcement agency to prevent admission of criminals to public housing and Section 8 housing and to assist in lease enforcement and eviction.

24 CFR [Code of Federal Regulations] 35.92

(b)(1) A Lead Warning Statement with the following language: Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling.

(2) A statement by the lessor disclosing the presence of known lead-based paint and/or lead-based paint hazards in the target housing being leased or indicating no knowledge of the presence of lead-based paint and/or lead-based paint hazards. The lessor shall also disclose any additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination that lead-based paint and/or lead-based paint hazards exist in the housing, the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces.

(3) A list of any records or reports available to the lessor pertaining to lead-based paint and/or lead-based paint hazards in the housing that have been provided to the lessee. If no such records or reports are available, the lessor shall so indicate.

(4) A statement by the lessee affirming receipt of the information set out in paragraphs (b)(2) and (b)(3) of this section and the lead hazard information pamphlet required under 15 U.S.C. 2696.

(5) When any agent is involved in the transaction to lease target housing on behalf of the lessor, a statement that:

(i) The agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852d; and

(ii) The agent is aware of his/her duty to ensure compliance with the requirements of this subpart.

(6) The signatures of the lessors, agents, and lessees certifying to the accuracy of their statements to the best of their knowledge, along with the dates of signature.

(c) Retention of certification and acknowledgment information.

(1) The seller, and any agent, shall retain a copy of the completed attachment required under paragraph (a) of this section for no less than 3 years from the completion date of the sale. The lessor, and any agent, shall retain a copy of the completed attachment or lease contract containing the information required under paragraph (b) of this section for no less than 3 years from the commencement of the leasing period.

(2) This recordkeeping requirement is not intended to place any limitations on civil suits under the Act, or to otherwise affect a lessee's or purchaser's rights under the civil penalty provisions of 42 U.S.C. 4852d(b)(3).

(d) The seller, lessor, or agent shall not be responsible for the failure of a purchaser's or lessee's legal representative (where such representative receives all compensation from the purchaser or lessee) to transmit disclosure materials to the purchaser or lessee, provided that all required parties have completed and signed the necessary certification and acknowledgment language required under paragraphs (a) and (b) of this section.

24 CFR [*Code of Federal Regulations*] 982.158, Program Accounts and Records

(a) The Public Housing Authority 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. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record-keeping. The Public Housing Authority must comply with the financial reporting requirements in Code of Federal Regulations 24 part 5, subpart H.

(e) During the term of each assisted lease, and for at least three years thereafter, the Public Housing Authority must keep:

- (1) A copy of the executed lease;
- (2) The Housing Assistance Payment contract; and
- (3) The application from the family.

(f) The Public Housing Authority must keep the following records for at least three years:

- (1) Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- (4) Unit inspection reports;
- (5) Lead-based paint records as required by part 35, subpart B of this title.
- (7) Records to document the basis for Public Housing Authority determination that rent to owner is a reasonable rent (initially and during the term of a Housing Assistance Payment contract); and
- (8) Other records specified by HUD.

24 CFR [*Code of Federal Regulations*] 982.305, Public Housing Authority Approval of Assisted Tenancy

(b) Actions before lease term.

(1) All of the following must always be completed before the beginning of the initial term of the lease for a unit:

(ii) The landlord and the tenant have executed the lease (including the HUD-prescribed tenancy addendum, and the lead-based paint disclosure information as required in 35.92(b) of this title).

(c) When Housing Assistance Payment contract is executed.

(2) The Public Housing Authority may not pay any housing assistance payment to the owner until the Housing Assistance Payment contract has been executed.

(4) Any Housing Assistance Payment contract executed after the 60 day period is void, and the Public Housing Authority may not pay any housing assistance payment to the owner.

24 CFR [Code of Federal Regulations] 982.311, When Assistance Is Paid

(a) Payments under HAP [housing assistance payments] contract. Housing assistance payments are paid to the owner in accordance with the terms of the HAP contract. Housing assistance payments may only be paid to the owner during the lease term, and while the family is residing in the unit.

24 CFR [Code of Federal Regulations] 982.507, Rent to Owner: Reasonable Rent

(a) Public Housing Authority Determination.

(1) The Public Housing Authority may not approve a lease until the Public Housing Authority determines that the initial rent to owner is a reasonable rent.

(2) The Public Housing Authority must re-determine the reasonable rent:

(i) Before any increase in the rent to owner;

(4) At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or redetermined by the Public Housing Authority.

24 CFR [Code of Federal Regulations] 982.516, Family Income and Composition: Regular and Interim Examinations

(a) Public Housing Authority responsibility for reexamination and verification.

(1) The Public Housing Authority must conduct a reexamination of family income and composition at least annually.

(2) The Public Housing Authority must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:

(i) Reported family annual income;

(ii) The value of assets;

(iii) Expenses related to deductions from annual income; and

(iv) Other factors that affect the determination of adjusted income.

(g) Execution of release and consent.

(1) As a condition of admission to or continued assistance under the program, the Public Housing Authority shall require the family head, and such other family members as the Public Housing Authority designates, to execute a HUD-approved release and consent form (including any release and consent as required under Sec. 5.230 of this title) authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the Public Housing Authority or HUD such information as the Public Housing Authority or HUD determines to be necessary.

(2) The Public Housing Authority and HUD must limit the use or disclosure of information obtained from a family or from another source pursuant to this release and consent to purposes directly in connection with administration of the program.

HUD's Section 8 Housing Choice Voucher Program Guidebook, 7420.10G, Chapter 5, Section 5.2, Eligibility Requirements

There are four factors which affect eligibility:

- Family definition. Only applicants who meet a PHA’s [public housing agency] definition of family are eligible.
- Income limits. The household’s annual income may not exceed the applicable income limit as established by HUD.
- Citizenship status. The applicant must meet the documentation requirements of citizenship or eligible immigration status.
- Eviction for drug-related criminal activity. Persons evicted from public housing or any Section 8 program for drug-related criminal activity are ineligible for assistance for at least three years from the date of the eviction.

The PHA’s administrative plan must contain procedures for determining eligibility and denial of assistance.

Citizenship Status

Limits on Assistance to Non-Citizens

Eligibility for federal housing assistance is limited to U.S. citizens and applicants who have eligible immigration status. Eligible immigrants are persons who qualify for one of the immigrant categories in Table 5-1. Persons claiming eligible immigration status must present appropriate immigration documents, which must be verified by the PHA through the Immigration and Naturalization Service (INS).

Every applicant household for (and participant in) the housing choice voucher program must sign a certification for every household member either claiming status as:

- A U.S. citizen, or
- An eligible alien, or
- Stating the individual’s choice not to claim eligible status and acknowledge ineligibility.

The Housing Authority of the City of Pittsburgh’s Housing Choice Voucher Program Administrative Plan

The Authority’s Section 8 administrative plan establishes its policies and procedures used to administer the Section 8 Housing Choice Voucher program in accordance with HUD requirements.

Appendix D

RESULTS OF TENANT FILE REVIEWS

Tenant	Criminal background checks	Income verified to third-party evidence	Interim reexaminations	HAP contract present, signed, and dated	Lease present, signed, and dated	HAP contract executed within 60 days of the lease	Lease signed before the term of the lease	HAP paid after HAP contract was executed	Rent reasonableness determinations	Lead-based certification	HUD Form 9886 (Authorization for the Release of Information/ Privacy Act Notice)	Request for tenancy approval	Ineligible housing assistance payments*	Housing assistance payments not supported*
1				X					X					\$6,860
2				X			X					X		
3				X	X									
4			X	X	X									\$6,325
5				X					X					\$408
6				X	X							X		
8				XX	XX									
9	X			X	X					X				
10				X	X									
11				XX	X		X							
12				X	X		X					X		
13				XX		XX	XX						\$6,655	
14				X	X									\$9,404
15				XX			X							\$1,638
16				X			X							\$8,241
17		X		X			X							\$9,954
18				XX		X	XX				X		\$2,262	
19				XX	X		X							
20				XX	X	X	X			X			\$1,248	\$8,790
21											X			
22		X		X	X					X	X	X		\$1,985
23				X	X				X		X	X		\$1,815
24				X	X						X			
25				X	X									
26				X	X	X		X	X				\$2,015	
28				X										
29		X		X	X									\$2,015
30				X	X				X			X		\$1,035
Totals	1	3	1	27	18	4	10	1	5	3	5	6	\$12,180	\$58,470

NOTE: An "X" identifies a deficiency in the file. More than one "X" represents multiple occurrences of the deficiency.

* To avoid double counting, we did not report questioned costs both as ineligible payments and unsupported costs.

Appendix E

HOUSING ASSISTANCE PAYMENT ERRORS

Tenant number	Over-payments to landlord	Utility allowance over-payments to tenant	Under-payments to landlord	Total over-payments	Total under-payments
01			\$645		\$645
03	\$20	\$120		\$140	
08	\$3,339			\$3,339	
11	\$1,140			\$1,140	
12			\$128		\$128
13			\$450		\$450
14	\$72			\$72	
20	\$120			\$120	
22			\$40		\$40
30			\$445		\$445
Totals	\$4,691	\$120	\$1,708	\$4,811	\$1,708