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Audit Report Number	2008-AO-0001

TO: David Vargas, Director, Office of Housing Voucher Programs, PE

FROM: *Rose Capalungan*
Rose Capalungan, Regional Inspector General for Audit, GAH

SUBJECT: HUD Had a Less Than 1 Percent Error Rate in Housing Ineligible Participants for KDHAP and DVP Disaster Housing Assistance

HIGHLIGHTS

What We Audited and Why

We audited the U.S. Department of Housing and Urban Development's (HUD) Katrina Disaster Housing Assistance Program (KDHAP) and Disaster Voucher Program (DVP) administered by public housing agencies. We initiated the audit as part of our examination of relief efforts provided by the federal government in the aftermath of Hurricanes Katrina and Rita.

Our audit objectives were to determine whether HUD (1) properly determined the eligibility of KDHAP/DVP participants and (2) implemented adequate measures to prevent KDHAP/DVP participants from receiving duplicate housing assistance from other HUD housing programs.

What We Found

HUD did not always ensure that only eligible KDHAP/DVP participants received disaster housing assistance. This condition occurred because during its development of the Disaster Information System, HUD included names of participants who were not residing in HUD-assisted dwellings immediately before the Hurricane Katrina evacuation. In addition, HUD did not specify in the family eligibility requirements for KDHAP/DVP that families with regular vouchers that were searching for housing but never had a housing assistance payments contract executed on their

behalf in the disaster area were ineligible for these programs. As a result, as of August 31, 2007, \$760,317 in federal funds had been misspent for 84 KDHAP/DVP participants who were ineligible for disaster assistance. If ineligible costs continue to be incurred, HUD could spend an additional \$153,808 on ineligible participants from September 2007 to the end of the program. However, these 84 participants count as less than 1 percent of the total number of participants according to the KDHAP Information System.

We will report the results of our review regarding the adequacy of HUD's measures to prevent duplicate housing assistance in a separate audit report.

What We Recommend

We recommend that HUD's Director of Housing Voucher Programs take appropriate actions deemed necessary to recover or write off the \$760,317 in federal funds that was misspent on 84 ineligible participants, immediately cease paying funding on the participants ineligible for KDHAP and/or DVP to prevent misspending \$153,808 in federal funds, and take appropriate actions to remove any other ineligible participants from the Disaster Information System.

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 the Director of the Housing Choice Voucher program a discussion draft on October 2, 2007 and requested HUD's response by October 31, 2007. Further, we conducted an exit conference with HUD on October 9, 2007. The Director provided written comments to the discussion draft, dated November 16, 2007. HUD generally agreed with the finding but disagreed with the recommendations. The complete text of HUD's written 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 U.S. Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA) executed a \$79 million mission assignment¹ in October 2005. Through the mission assignment, HUD developed the Katrina Disaster Housing Assistance Program (KDHAP) in response to Hurricane Katrina. KDHAP provided temporary monthly rent subsidies to assist certain participants² displaced by Hurricane Katrina. KDHAP assists in obtaining decent, safe, and sanitary housing in the privately owned rental market.

In December 2005, the Defense Appropriations Act of 2006 appropriated \$390 million to HUD for temporary rental voucher assistance for certain participants displaced by Hurricanes Katrina and Rita, thereby creating the Disaster Voucher Program (DVP). DVP replaced KDHAP. Effective January 31, 2006, the FEMA mission assignment with HUD ended, along with KDHAP,³ and DVP began February 1, 2006.

HUD implemented KDHAP/DVP through local participating public housing agencies and referral call centers (RCC). Under KDHAP and DVP, the housing agencies assumed the responsibility to (1) provide a monthly rent subsidy on behalf of the participants and (2) actively assist the potential participants in locating an eligible unit. HUD established a contractor to implement the RCCs. The RCCs established counselors to relocate potential participants and lease available units throughout the country. The RCC counselors used HUD-provided resources, including information systems and referral tools, to match potential participants with housing agencies' available units. The primary role of the RCC counselors was to ensure that potential participants were on the eligibility list for the programs and that their requests for a specific location and unit type were available.

HUD developed Office of Public and Indian Housing (PIH) notices for each program as operating requirements entailing the policies and procedures for the programs. These operating requirements explain the design features of KDHAP and/or DVP.

Our audit objectives were to determine whether HUD (1) properly determined the eligibility of KDHAP/DVP participants and (2) implemented adequate measures to prevent KDHAP/DVP participants from receiving duplicate housing assistance from other HUD housing programs.

We will report the results of our review regarding the adequacy of HUD's measures to prevent duplicate housing assistance in a separate audit report.

¹ The mission assignment was an interagency agreement between HUD and FEMA.

² "Certain participants" means participants who were previously HUD assisted or homeless before Hurricane Katrina.

³ Some KDHAP participants were initially ineligible for DVP; therefore, those participants continued to receive KDHAP assistance after January 31, 2006.

RESULTS OF AUDIT

Finding 1: HUD Did Not Always Ensure That Only Eligible KDHAP/DVP Participants Received Disaster Housing Assistance

HUD did not always ensure that only eligible KDHAP/DVP participants received disaster housing assistance. This condition occurred because during its development of the Disaster Information System, HUD included names of participants who were not residing in HUD-assisted dwellings immediately before the Hurricane Katrina evacuation. In addition, HUD did not specify in the family eligibility requirements for KDHAP/DVP that families with regular vouchers that were searching for housing but never had a housing assistance payments contract executed on their behalf in the disaster area were ineligible for these programs. As a result, as of August 31, 2007, \$760,317 in federal funds had been misspent for 84 KDHAP/DVP participants who were ineligible for disaster assistance.⁴ If ineligible costs continue to be incurred, HUD could spend an additional \$153,808 from September 2007 to the end of the program. However, these 84 participants count as less than 1 percent of the total number of participants according to the KDHAP Information System.

Federal Requirements

In accordance with the (1) Robert T. Stafford Disaster Relief and Emergency Assistance Act; (2) Department of Defense Appropriations Act of 2006; and (3) Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, HUD developed policies and procedures for the administration of KDHAP and DVP. For KDHAP, HUD issued the KDHAP Interim Operating Requirements and Notice PIH 2005-36. For DVP, HUD issued Notice PIH 2006-12 and Notice PIH 2006-37. All of these operating requirements for KDHAP and DVP contained family eligibility criteria, which were determined by FEMA and HUD. For both programs, the eligibility criteria included a requirement that the individual or family must have resided in a HUD-assisted dwelling unit or have been homeless immediately before evacuation. (See appendixes D and E for the complete family eligibility requirements for KDHAP and DVP, respectively.)

According to HUD, the word “immediately” meant that when a participant evacuated the area as a result of the hurricane, the participant’s residence at the time of the evacuation was a HUD-assisted dwelling unit under a housing assistance payments contract. The word (immediately) was used to clarify that

⁴ The \$760,317 includes \$76,923 in misspent federal funds for 32 KDHAP/DVP participants listed as residing with the Housing Authority of New Orleans before Hurricane Katrina who were identified as ineligible as a result of data analysis. The estimate of misspent funds and identification of the ineligible participants is subject to adjustment should actual records become available.

former HUD-assisted residents who were no longer residing in HUD-assisted units at the time of the hurricane were not eligible for KDHAP assistance.

HUD's Disaster Information System

In response to Hurricane Katrina and later Hurricane Rita (the disasters), HUD developed the KDHAP Information System, now known as the Disaster Information System. During the initial development stages of the KDHAP Information System, HUD

1. Retrieved HUD-assisted housing data to obtain information about participants who received HUD assistance before the disasters. The HUD-assisted housing data included
 - The Public Housing Information Center (PIC), which held information related to participants who were under Section 8 programs (rental voucher, rental certificate, and moderate rehabilitation programs) or public housing households;
 - Public housing rent rolls, which held a listing of assisted participants who were in public housing;
 - Housing assistance payment registers, which held a registry for participants who were in Section 8 programs; and
 - The Tenant Rental Assistance Certification System (TRACS), which contains information related to participants who are assisted by programs administered by HUD's Office of Multifamily Housing Programs.
2. Coordinated with FEMA and retrieved a FEMA database of families registered in connection with Hurricane Katrina. The FEMA database included Katrina evacuees from a federally declared disaster area within Louisiana, Mississippi, or Alabama, whose place of residence was destroyed or uninhabitable.
3. Matched the FEMA database with the HUD-assisted housing data and compiled a HUD-FEMA database of potential KDHAP-eligible participants.
4. Filtered out information pertaining to participants who were not HUD assisted as of August 29, 2005 (Hurricane Katrina), to eliminate inactive participants.

During the transition from KDHAP to DVP, HUD transitioned the KDHAP Information System to the Disaster Information System, a Web-based system that provides initial intake information. The system also acts as a reporting mechanism for KDHAP/DVP public housing agencies (receiving housing agencies) to provide subsidy information to HUD once a participant has leased a

unit using disaster assistance. In addition, the system contains information related to KDHAP and DVP participants who were receiving HUD assistance immediately before the disaster evacuation.

Families Non-HUD-Assisted before Hurricane Katrina

Some families in the KDHAP Information System were inactive or not located in PIC or TRACS before August 29, 2005, and, therefore, were not residing in a HUD-assisted dwelling immediately before the Hurricane Katrina evacuation. In addition, within the KDHAP Information System, these families were shown as having been provided housing assistance before Hurricane Katrina and were, therefore, not determined homeless. A file review of 162 KDHAP/DVP participants determined that 50 (or 30 percent) participants were ineligible for KDHAP/DVP. These participants were inactive, or their names were not included in either PIC or TRACS before Hurricane Katrina (appendix F). Of the 50 instances,

- 13 participants had been inactive in PIC since between April 3, 2003, and August 1, 2005.
- 30 participants had been inactive in the TRACS since between October 1, 2004, and August 25, 2005. Six of these participants, in addition to being listed as inactive in TRACS, had no record of assistance at the HUD-assisted multifamily dwelling where TRACS listed them as residing.
- Seven participants had no record of HUD assistance before Hurricane Katrina. HUD coded these participants as “FHA [Federal Housing Administration] Multifamily” in the KDHAP Information System, meaning that these participants were designated as multifamily participants before Hurricane Katrina. As a result, the participants should have been listed in TRACS and residing in a multifamily-assisted dwelling before Hurricane Katrina. However, the participants were neither listed in TRACS nor housed in a HUD-assisted dwelling unit.

Although HUD explained that participants who were not HUD assisted at the time of the hurricane were ineligible, these ineligible participants were entered into the KDHAP Information System. As a result, as of August 31, 2007, \$664,328 in federal funds had been misspent for 50 KDHAP/DVP participants who were ineligible for disaster assistance. In addition, HUD continued to incur ineligible costs and could pay an additional \$151,924 from September 2007 to the end of the program.

Initial Eligibility Requirements Not Specified

HUD did not specify in the family eligibility requirements for KDHAP/DVP that families with regular vouchers who were searching for housing but never had a housing assistance payments contract executed on their behalf in a disaster area were ineligible for these programs. A file review of 162 KDHAP/DVP participants identified two (or 1 percent) additional participants who were ineligible for KDHAP/DVP. Although these KDHAP/DVP participants were searching for housing with a regular housing voucher at the time of the disasters, they were not yet receiving HUD voucher assistance because a housing assistance payments contract had not yet been executed by the public housing agency and the landlord on their behalf (appendix G). This condition occurred because housing agencies were uncertain as to how to deal with this situation. Moreover, HUD's eligibility requirements did not specify how to deal with this situation.

To clarify the uncertainty, HUD issued directives concerning this issue in November 16, 2005. In the directives, HUD informed receiving public housing agencies that those who were in search of housing with a regular (nondisaster) voucher but never had a housing assistance payments contract executed on their behalf were not eligible for KDHAP. However, the participant could receive assistance under the (nondisaster) voucher program in the issuing housing agency's jurisdiction or in another location if the initial housing agency permitted the participant to move under portability. The housing agency in the disaster area also had the option to extend the term of the participant's current voucher in accordance with public housing agency policy as described in the housing agency's administrative plan.

Although HUD provided directives clarifying the eligibility for voucher holders who were in search of housing, these participants began receiving disaster assistance before November 2005 and continued to receive assistance thereafter. As a result, as of August 31, 2007, \$19,066 in federal funds had been misspent for two KDHAP/DVP participants who were ineligible for disaster assistance. Also, HUD could pay an additional \$1,884 in federal funds toward one of the ineligible participants from September 2007 to the end of the program. The other participant's participation has ended; therefore, HUD would incur no additional costs.

Other Concerns

Although during the file review, 52 of the 162 KDHAP/DVP participants were determined ineligible, all 162 participants were either inactive or not located in the HUD-assisted databases (PIC and TRACS). Therefore, HUD should review the accuracy of the PIC and TRACS data for KDHAP/DVP participants.

In addition, during the file review of the 162 KDHAP/DVP participants, 12 (or 7 percent) participants received minor to no damage to their pre-Hurricane Katrina dwelling unit. Therefore, these participants were potentially ineligible to receive disaster assistance. However, FEMA determined habitability initially, and, therefore, the determination was dependent upon FEMA. As a result, we note this discovery as a concern.

Housing Authority of New Orleans Eligibility Analysis

The file review did not extensively cover the Housing Authority of New Orleans (Authority) because of the significant damage it suffered during Hurricane Katrina. Consequently, instead of file review, a data analysis was conducted.

The results of the analysis identified 32 participants who resided under the Authority before Hurricane Katrina but were not actively receiving HUD assistance at the time of Hurricane Katrina. In other words, the 32 participants did not reside in a HUD-assisted dwelling immediately before the Hurricane Katrina evacuation and were, therefore, ineligible to receive disaster assistance. As a result, \$76,923 in federal funds was misspent for the 32 KDHAP/DVP participants who were ineligible for disaster assistance. This ineligible funding only covers the KDHAP portion of rental payments based on the KDHAP Information System and does not reflect DVP funding. In addition, the Authority analysis was separate from the file review of the 162 participants.

Less Than 1 Percent Error Rate

Given the need for an immediate response to Hurricane Katrina, which made landfall on August 29, 2005, HUD had developed the initial stages of the KDHAP program by October 2005. Based upon the audit results, 84 participants were ineligible, which included the 52 from the file review and 32 from the Authority data analysis. This number constitutes a less than 1 percent error rate.

Conclusion

Our review of HUD's determination of KDHAP and DVP eligibility disclosed that HUD did not always ensure that only eligible KDHAP/DVP participants received disaster assistance. These participants were either (1) inactive or not located in the PIC or TRACS databases before the Hurricane Katrina evacuation or (2) voucher holders in search of housing who had not executed a housing assistance payments contract. These participants did not reside in a HUD-assisted dwelling and were, therefore, ineligible.

The review disclosed that a total of 84 participants were ineligible for disaster assistance. As a result, as of August 31, 2007, HUD had spent \$760,317 on 84 of these participants and could pay an additional \$153,808 by the end of the program if no action is taken (see footnote 4). HUD should remove these participants from the Disaster Information System and implement necessary measures to cease payments for ineligible participants to prevent future funds from being misspent.

HUD should also perform a system review to ensure that all participants entered into the Disaster Information System are eligible to receive assistance and if other ineligible participants are determined, take appropriate actions to remove them from the database. In addition, HUD should require public housing agencies administering the programs to determine whether the participants were HUD assisted before August 29, 2005, or contact the predisaster (initial) housing agency to provide an accurate account of the participants' history.

Recommendations

We recommend that HUD's Director of Housing Voucher Programs

- 1A. Take appropriate actions deemed necessary to recover or write off the \$760,317 in federal funds that was misspent on 84 ineligible participants (see footnote 4).
- 1B. Immediately cease paying funding on the participants ineligible for KDHAP and/or DVP to prevent misspending \$153,808 in federal funds. This amount was calculated for the costs that HUD would pay for ineligible participants expected to participate from September 2007 to the end of the program.
- 1C. Perform a system review to ensure that all participants entered into the Disaster Information System are eligible to receive assistance and if other ineligible participants are determined, take appropriate actions to remove them from the database.
- 1D. Require public housing agencies administering the programs to determine whether the participants were HUD assisted before August 29, 2005, or contact the predisaster (initial) housing agency to provide an accurate account of the participants' history.

SCOPE AND METHODOLOGY

We performed our audit work between January and August 2007. We conducted our audit at HUD Office of Inspector General (OIG) headquarters and the New Orleans, Jackson, and Houston field offices. We also visited and/or contacted various multifamily complexes receiving HUD subsidies and initial and receiving public housing agencies maintaining the files of the participants we reviewed.

To accomplish our objectives, we selected a file review of 167 KDHAP/DVP participants. These participants received HUD assistance under Section 8, public housing, or multifamily programs before Hurricane Katrina and are now receiving assistance under KDHAP and/or DVP. We used the KDHAP Information System as of August 22, 2006, which held 15,817 participants. We compared the KDHAP Information System to PIC and TRACS to filter out KDHAP/DVP participants who were potentially not HUD assisted (ineligible) before Hurricane Katrina.

From the total of the potentially ineligible participants, we removed those that did not have participant files available. As a result, we identified 170 total potential ineligible participants with available files, as follows:

- 45 participants who were under the Section 8 program before Hurricane Katrina.
- 43 participants who were under the public housing program before Hurricane Katrina.
- 82 participants who were under the multifamily program before Hurricane Katrina.

Of the 170 total ineligible participants, three participants appeared twice, reducing the total ineligible participants to 167. We were unable to determine the eligibility for five more of the participants. As a result, we reviewed 162 participants' eligibility.

We also performed data analysis related to the Authority. We compared the PIC database to the KDHAP Information System and identified potential ineligible participants. We then collected a list of potential ineligible participants who had the Authority listed as the pre-Hurricane Katrina housing agency and compared it to Authority listings of active participants⁵ to identify ineligible participants.

In addition to file reviews and data analysis, we performed the following fieldwork:

- Interviewed HUD and public housing agency officials.
- Reviewed the mission assignment agreement between HUD and FEMA, applicable PIH notices, guidelines, regulations, and requirements.
- Reviewed related documents, database timelines, and other applicable information that HUD used to implement KDHAP/DVP.

⁵ The participants were active at the time of Hurricane Katrina.

The audit covered the period September 1, 2005, through August 31, 2007. We adjusted our scope as necessary. We conducted the 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,
- Compliance with applicable laws and regulations, and
- Safeguarding resources.

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 audit objective:

- 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 review, we believe the following item is a significant weakness:

- HUD did not always ensure that only eligible KDHAP/DVP participants received disaster assistance (finding 1).

FOLLOWUP ON PRIOR AUDITS

In January 2006, PIH took the initiative to perform a KDHAP front-end risk assessment. In February 2006, PIH submitted the risk assessment to the Deputy Assistant Chief Financial Officer for Financial Management, who approved the KDHAP front-end risk assessment. The risk assessment identified three of ten items with an unsatisfactory risk level. The three risks included (1) personnel adequacy, (2) adequacy of appropriations, and (3) system/ADP (automated data processing) considerations.

As it relates to the systems/ADP considerations risk, PIH identified that (1) the KDHAP Information System's requirements were not clearly defined, (2) existing systems did not meet HUD's needs for managing KDHAP, (3) HUD had encountered problems in accessing data from PIC and TRACS, and (4) deficiencies existed in the controls established over the KDHAP Information System.

In December 2006, we issued a memorandum to HUD citing survey results related to determining whether the public housing agencies executed the HUD requirements in an efficient and effective manner. We determined that the two housing agencies we visited appropriately administered KDHAP and DVP. However, we identified issues that needed further consideration. We found that DVP participants either were not in PIC, their vouchers had expired, or they were ineligible to receive KDHAP or DVP assistance. As a result of this survey, we initiated an audit to determine whether HUD properly determined the eligibility of KDHAP and DVP participants.

APPENDIXES

Appendix A

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

Recommendation number	Ineligible 1/	Funds to be put to better use 2/
1A	<u>\$760,317</u>	
1B		<u>\$153,808</u>
Totals	<u>\$760,317</u>	<u>\$153,808</u>


- 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. The \$760,317 includes an estimate of \$76,923 in misspent federal funds for 32 KDHAP/DVP participants that were identified as ineligible as a result of data analysis (see footnote 4).
- 2/ Recommendations that funds to be put to better use are estimates of amounts that could be used more efficiently if an 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 \$153,808 was calculated for the costs that HUD would pay for ineligible participants expected to participate from September 2007 to the end of the program.

Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

Ref to OIG Evaluation

Auditee Comments

	<p>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC 20410-5000</p> <p>ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING</p>
MEMORANDUM FOR:	Rose Capalungan Regional Inspector General for Audit, GAH
FROM:	David A. Vargas, Director, Office of Housing Voucher Programs, PEV
SUBJECT:	Draft Audit Report – HUD Did Not Always Ensure That Only Eligible KDHAP/DVP Participants Received Disaster Housing Assistance
<p>Thank you for the opportunity to comment on the draft report addressing whether HUD properly determined the eligibility of Katrina Disaster Housing Assistance Program (KDHAP) and Disaster Voucher Program (DVP) participants. Below are my comments on each of the four recommendations in the report.</p>	
<p><u>Recommendations and HUD Comments</u></p>	
Comment 1	<p>Recommendation 1A. Take appropriate actions deemed necessary to recover or write off the \$760,317 in federal funds that was misspent on 84 ineligible participants.</p>
Comment 2	<p>Response: The Office of Housing Voucher Programs (OHVP) agrees with the finding but not the recommendation. HUD accepts this error as the risk of implementing the program under very tight deadlines to help families impacted by hurricanes Katrina and Rita. HUD will not recover the funds in question as that would have a detrimental impact on the program and our Public Housing Agencies. Due to the urgent nature of providing emergency assistance to thousands of families impacted by Hurricane Katrina, OHVP acknowledges that errors were made in determining the eligibility of certain families for disaster assistance. OHVP has determined that the following circumstances were responsible for allowing ineligible families to be assisted under KDHAP/DVP:</p> <p><i>(1) Original KDHAP Information Database included families that were not actively assisted under a HUD program immediately prior to August 29, 2005. In late October 2005, OHVP staff began to have concerns about the accuracy and validity of data on families that had been deemed eligible and entered into the KDHAP Information Database. As a result of these concerns, OHVP and contractor staff performed analyses of data in the Public Housing Information Center (PIC) for voucher and public housing families, the Tenant Rental Assistance Certification System (TRACS) for project-based multifamily households, and compared this data to that in the KDHAP Information Database. These analyses determined that some household records in the KDHAP Information Database contained codes indicating that these families were ineligible for disaster assistance. However, some of these families had been assigned to a public housing agency (PHA), and some PHAs had quickly leased up these families and executed housing assistance payments contracts with</i></p>

landlords on the families' behalf.

It appears that in extracting household data from PIC for voucher and public housing households, the KDHAP Information System team did not exclude all household records whose latest update date was prior to August 29, 2005 (the date Hurricane Katrina struck the Gulf Coast) and whose PIC Action Type Codes were either "End of Participation," "Portability Move Out," or "VOID (Back Out Latest Action Code)." A similar data extraction was performed for TRACS for project-based multifamily households by HUD's Office of Policy Development and Research to identify the HUD-assisted multifamily households and it also appears that not all households records whose latest update date was prior to August 29, 2005, and whose TRACS Transaction Type Codes were either "Terminated" or "Move-out transaction" were excluded.

In the initial days of KDHAP, HUD began the validation of prior participation for those families assisted by PHAs affected by Hurricane Katrina. HUD's Real Estate Assessment Center (REAC) staff members worked with HUD Alabama and Mississippi Field Office staff members and contractors to verify and validate the eligibility of public housing and voucher families for KDHAP. Unbeknownst to HUD and contracting staff, they were relying on a flawed database containing ineligible families that was being utilized to determine a family's eligibility for KDHAP. Further, it appears that incomplete data was provided by some PHAs that were contacted for the purpose of verifying prior assistance, but the REAC Team validated the eligibility of these ineligible families anyway.

Although the KDHAP Information Database was the major tool for determining the eligibility of families for KDHAP, other controls were put in place to ensure that only actively HUD-assisted families were eligible for the program. Pursuant to HUD's Standard Operating Procedures for KDHAP Eligibility Determination and Documentation, in addition to accessing the KDHAP Information Database to validate the head of household's prior HUD assistance, KDHAP Referral Call Center (RCC) Counselors and PHAs were required to complete a *Verification of Family Assistance Form* when the applicants applied for KDHAP in person. As part of this form, additional verification of information was supposed to be performed via the PIC Form HUD 50058 for voucher and public housing families, the Housing Assistance Payments (HAP) register for voucher families, or public housing rent rolls. Despite the existence of these controls, it appears that this additional verification of information was not always performed; therefore, some ineligible families were provided with KDHAP assistance.

(2) Some PHAs entered retroactive End of Participation (EOP) codes for voucher families in the KDHAP Information Database and the Disaster Information System months after initial family eligibility determinations were made. The Disaster Voucher Program (DVP) replaced KDHAP on February 1, 2006. The KDHAP Information Database became known as the Disaster Information System (DIS) upon the establishment of DVP. Analyses performed by OHVP and contracting staff in early 2006 determined that some PHAs entered retroactive EOP codes in both the KDHAP Information Database and DIS months after the initial family eligibility determinations for KDHAP were made in October and November, 2005. As a result of this occurrence, families whose participation in the voucher program

had ended prior to Hurricane Katrina striking the Gulf Coast were assisted under KDHAP and DVP.

(3) Families had been provided vouchers by PHAs and were searching for rental units, but had not been able to lease units by the time Hurricane Katrina struck the Gulf Coast on August 29, 2005. These families, who were provided with vouchers by their local PHA and were in the process of searching for units, were not able to lease up and have a housing assistance payments contract executed on their behalf by the time the hurricane struck the Gulf Coast. Therefore, these families were not being assisted by the voucher program at the time of the hurricane and were ineligible for KDHAP assistance. Despite their ineligibility for assistance, some of these families were provided KDHAP assistance.

(4) HUD used voucher Housing Assistance Payments (HAP) registers and public housing rent rolls, dated August 1, 2005, for the 10 largest PHAs located in the declared disaster areas to determine the eligibility of families for KDHAP. Because of the severe damage that was inflicted upon the 10 largest PHAs located in the Hurricane Katrina disaster area and the inadequacy of their PIC data, these PHAs could not verify which families were actively assisted under the voucher or public housing programs as of August 29, 2005. Therefore, HUD staff and contracting staff used these PHAs' public housing rent rolls and voucher HAP registers to determine eligible participants for KDHAP. Unfortunately, the rent rolls and HAP registers were as of August 1, 2005, so it is possible that some families effectively ended their participation in these PHAs' voucher and public housing programs between August 1 and August 28, 2005, but were provided disaster assistance anyway.

Comment 1
Comment 2

Conclusion: Although an effort was made by HUD staff and contractors to exclude households that were not actively assisted by HUD at the time Hurricane Katrina struck the Gulf Coast, some of these families were inadvertently determined eligible for the program, found units, and entered into leases with landlords, who executed housing assistance payments contracts with their local PHAs on their behalf. Recovering these funds now from participating landlords, who agreed, in good faith, to participate in HUD's disaster programs would damage relationships and undermine HUD's credibility.

Further, although adequate controls were in place to prevent the admittance of ineligible families into KDHAP/DVP, it appears that HUD staff, contracting staff, and PHA staff did not always or could not always perform the required steps to verify the previous HUD assistance of families that applied for KDHAP assistance. It must be remembered that HUD and the PHAs were urgently trying to provide assistance to as many families as possible, as quickly as possible in the aftermath of Hurricane Katrina. Furthermore, many of the largest PHAs' buildings in the declared disaster area were severely damaged, including destruction of their files and other records that showed which families were assisted. Therefore, errors in determining eligibility were unavoidable.

Finally, although \$760,317 in misspent funds is no small amount, this represents only 0.2 percent of the \$469 million that was provided to HUD to develop and implement the KDHAP and DVP programs. In its audit, the OIG did recognize that the 84 ineligible participants constituted a less than one percent error rate.

Comment 2

Recommendation 1B. Immediately cease paying funding on the participants ineligible for KDHAP and/or DVP to prevent mispending \$153,808 in federal funds. This amount was calculated for the costs that HUD would pay for ineligible participants expected to participate from September 2007 to the end of the program.

Response: OHVP disagrees with this recommendation. To cease paying funding to landlords, who agreed, in good faith, to participate in HUD's disaster programs before DVP ends would damage relationships and undermine HUD's credibility. Further, OHVP views it as a litigation risk for PHAs to cease payments to these landlords for the ineligible families since HUD, its contractors, and some PHAs made errors in admitting these families into KDHAP/DVP in the first place.

DVP ends for pre-disaster voucher families on December 31, 2007, and these families will revert to the regular voucher program effective January 1, 2008. However, OHVP has made a decision that those ineligible families currently receiving DVP assistance, who were believed to be actively assisted by the voucher program immediately prior to Hurricane Katrina, will not be permitted to revert to the regular voucher program when DVP ends for pre-disaster voucher families. Further, ineligible families that were believed to be actively assisted under the public housing program immediately prior to Hurricane Katrina, will not be permitted to automatically return to their pre-disaster units, if available, when DVP ends for these families sometime in 2008. PHAs will have to determine, when DVP ends, whether each family should have received disaster assistance in the first place. Then, it is up to the PHA to determine whether it wants to accept the family into their regular voucher program or public housing program. A family would have to apply to be admitted into the voucher or public housing programs, which could include being placed on a PHA's waiting list for either of these programs.

Recommendation 1C. Perform a system review to ensure that all participants entered into the Disaster Information System are eligible to receive assistance and if other ineligible participants are *+-determined, take appropriate actions to remove them from the database.

Comment 3

Comments: OHVP does not agree with this recommendation. HUD already performed a system review to determine eligibility and only those families were entered in the DIS database. The instances leading to errors found by your office had already been identified and a decision made to not displace the families. Our policy decision was that HUD will not remove these families from DVP or its database prior to the end of DVP, which as stated above, is different for pre-disaster voucher and public housing families. However, HUD will not permit ineligible families that should never have been assisted in the first place to revert to either voucher or public housing assistance after DVP ends. PHAs will have to determine, when DVP ends, whether each family should have received disaster assistance in the first place. Then, it is up to the PHA to determine whether it wants to accept the family into their regular voucher program or public housing program. A family would have to apply to be admitted into the voucher or public housing programs, which could include being placed on a PHA's waiting list for either of these programs.

Recommendation 1D. Require public housing authorities administering the programs to determine whether the participants were HUD-assisted before August 29, 2005, or contact the pre-disaster (initial) housing authority to provide an accurate account of the participants' history.

Comments: OHVP agrees with this recommendation. As stated under the response to Recommendation 1C above, PHAs will have to determine, when DVP ends, whether each family should have received disaster assistance in the first place. This effort may entail contacting other PHAs to provide an accurate account of the family's assistance history prior to the disaster. Then, it is up to the PHA to determine whether it wants to accept the family into its regular voucher program or public housing program. A family would have to apply to be admitted into a PHA's regular voucher or public housing program, which could include being placed on a waiting list for either of these programs.

Technical Corrections

Our remaining comments address technical corrections in the report, as follows:

Page 1, Paragraph 1, and rest of draft report – In its program regulations, notices, and other policy documents, HUD uses the term “public housing agency” or PHA , rather than “housing authority”. Therefore, the end of the first sentence of this paragraph should be revised, as follows: “...administered by public housing agencies (PHAs).” Further, the terms “housing authority” or “housing authorities” should be replaced with “PHA” or “PHAs”, respectively, throughout the remainder of the draft report.

Page 1, Paragraph 3 – The statement in the third sentence “... participants with regular housing vouchers, who had not yet executed housing assistance payments contracts, ...” is incorrect. Participants in the Housing Choice Voucher Program do not “execute” Housing Assistance Payments (HAP) contracts. Rather, the owner and the PHA execute these contracts on behalf of the participant. Further, the sentence should be clarified regarding those families that were searching for housing with a regular voucher when Hurricane Katrina struck. Therefore, the sentence should be changed to: “...In addition, HUD did not specify in the family eligibility requirements for KDHAP/DVP that families with regular vouchers that were searching for housing in areas subsequently designated as disaster areas, but never had a housing assistance payments (HAP) contract executed on their behalf, were ineligible for these programs.”

Page 5, Paragraph 1 – See previous comment for Page 1, Paragraph 3. The third sentence should be changed to: “...In addition, HUD did not specify in the family eligibility requirements for KDHAP/DVP that families with regular vouchers that were searching for housing in areas subsequently designated as disaster areas, but never had a housing assistance payments (HAP) contract executed on their behalf, were ineligible for these programs.”

Page 5, Paragraph 2 – This paragraph contains incomplete information regarding the operating requirements for KDHAP and DVP and revisions to these requirements that were issued by HUD. Prior to the issuance of the KDHAP Operating Requirements (Notice PIH 2005-36, December 1, 2005), HUD issued the KDHAP Interim Operating Requirements via the Internet on October 4, 2005. Further, subsequent to the issuance of the DVP Operating Requirements

Comment 4

(Notice PIH 2006-12, February 3, 2006), HUD issued Notice PIH 2006-37 on September 28, 2006, which contained changes to the DVP Operating Requirements related to family eligibility and initial lease terms. These changes are a result of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, Public Law 109-234, enacted on June 15, 2006. Therefore, the paragraph should be revised as follows:

“HUD, in accordance with the (1) Robert T. Stafford Disaster Relief and Emergency Assistance Act; (2) Department of Defense Appropriations Act, 2006, (Public Law 109-148, enacted December 30, 2005); and (3) Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, (Public Law 109-234, enacted June 15, 2006) developed policies and procedures for the administration of KDHAP and DVP. HUD issued the “Katrina Disaster Housing Assistance Program Interim Operating Requirements” via the Internet on October 4, 2005. Subsequently, HUD issued the final version of these requirements on December 1, 2005, as Notice PIH 2005-36 -- “Katrina Disaster Housing Assistance Program (KDHAP) Operating Requirements.” Subsequent to the passage of the Department of Defense Appropriations Act, 2006, HUD issued the “Disaster Voucher Program (DVP) Operating Requirements—Rental Assistance for HUD-Assisted Families and Special Needs Families Displaced by Hurricanes Katrina and Rita” (Notice PIH 2006-12, February 1, 2006) and “Changes to Disaster Voucher Program (DVP) Operating Requirements – Family Eligibility and Initial Lease Terms” (Notice PIH 2006-37, September 28, 2006). All of these operating requirements for KDHAP and DVP contained family eligibility criteria, which were determined by FEMA and HUD. For both programs, the eligibility criteria included a requirement that the individual or family must have resided in a HUD-assisted dwelling unit or be homeless immediately prior to their evacuation. (See appendices D and E for the complete family eligibility requirements for KDHAP and DVP, respectively.)”

Page 5, Paragraph 3 – The first sentence should be rewritten to more accurately reflect the wording in the KDHAP Operating Requirements, as follows: “According to HUD, the word “immediately” meant that when a participant evacuated the area as a result of the hurricane, the participant’s residence at the time of the evacuation was a HUD-assisted dwelling unit under a housing assistance payments contract or the participant was homeless.”

Page 6, Paragraph 1 – In the second sentence, the word “the” should be inserted before KDHAP Information System.

Page 6, First bullet under 1. – The first bullet should be rewritten to more accurately reflect what PIC contains, as follows: “The Public Housing Information Center (PIC), which contains information related to participants who are assisted under the Section 8 rental subsidy programs (rental voucher, rental certificate, and moderate rehabilitation programs) and the Public Housing program;”

Page 6, Fourth bullet under 1. – The 4th bullet should be rewritten to more accurately reflect what TRACS contains, as follows: “The Tenant Rental Assistance Certification System (TRACS), which contains information related to participants who are assisted by programs

administered by HUD’s Office of Multifamily Housing Programs.”

Page 6, Paragraph 2 – The first sentence should be rewritten to eliminate the redundancy of “transition”, “transitioned” in the same sentence, as follows: “During the transition from KDHAP to DVP, the KDHAP Information System became the Disaster Information System, a Web-based system that provides initial intake information.”

Page 7, Caption – The caption should be changed to “Families Not Assisted by HUD Prior to Hurricane Katrina”

Page 7, Paragraph 1 – The last sentence of this paragraph should be rewritten to eliminate the implication that families were residing at a PHA, as follows: “In addition, within the KDHAP Information System, these families were shown as being provided housing assistance by a PHA prior to the disaster and were, therefore, not determined to be homeless.”

Page 7, Paragraph 3 – The second sentence should be rewritten because of the misplaced modifier “as of August 2007”, and a date should be inserted, as follows: “As a result, as of August DATE, 2007, \$664,328 in federal funds had been misspent for 50 KDHAP/DVP participants who were ineligible for disaster assistance.”

Page 8, Paragraph 1 – See page 5, paragraph 1 comment. The first sentence should be rewritten, as follows: “HUD did not specify in the family eligibility requirements for KDHAP/DVP that families with regular vouchers that were searching for housing in areas subsequently designated as disaster areas, but never had a housing assistance payments (HAP) contract executed on their behalf, were ineligible for these programs.”

Page 8, Paragraph 1 – See page 5, paragraph 1 comment. So as not to be redundant with the first sentence of Paragraph 1 on this page, the third sentence should be rewritten as follows: “Although these KHAP/DVP participants were searching for housing with a regular housing voucher at the time of the disasters, they were not yet receiving HUD voucher assistance because a HAP contract had not yet been executed by the PHA and the landlord on their behalf.”

Page 8, Paragraph 2 – This paragraph should be rewritten to more clearly reflect HUD’s November 16, 2005, directive concerning eligibility for KDHAP, as follows:

“To clarify the uncertainty, HUD issued a directive concerning this issue on November 16, 2005. In the directive, HUD informed PHAs that those families, who were in search of housing with a regular voucher, but never had a voucher HAP contract executed on their behalf, were not eligible for KDHAP. However, the family may receive assistance under the regular voucher program in the issuing PHA’s jurisdiction or in another location if the initial PHA permits the family to move under portability. The PHA in the disaster area may extend the term of the family’s current voucher in accordance with PHA policy as described in the PHA’s administrative plan. If the family is moving to another jurisdiction, the family must be income eligible in the receiving PHA’s jurisdiction. In the case of nonresident applicants only, the receiving PHA must also agree to the portability move.”

Page 8, Paragraph 3 -- The second sentence should be rewritten because of the misplaced modifier “as of August 2007”, and a date should be inserted, as follows: “As a result, as of August DATE, 2007, \$19,066 in federal funds had been misspent for two KDHAP/DVP participants who were ineligible for disaster assistance.”

The fourth sentence of this paragraph should read as follows: “For the other participant, his participation has ended, and therefore, HUD no longer incurs any additional misspent funds.”

Page 9, First full paragraph – In the first sentence of the paragraph and throughout the rest of the report, the Housing Authority of New Orleans is being referred to as “Authority”. We suggest that the acronym “HANO” be used throughout the rest of the report instead of “Authority” since “HANO” is the generally recognized acronym that is used for this housing agency.

In the last sentence of the paragraph, the word “a” should be inserted before “file review.”

Appendix D – The title of this appendix should be “KDHAP Family Eligibility Requirements” which would more correctly match the caption title “Family Eligibility” in HUD’s “Katrina Disaster Housing Assistance Program (KDHAP) Operating Requirements” (Notice PIH 2005-36).

The definition of “HUD-assisted dwelling” in this appendix does not include all of the HUD-assisted rental programs that are stated in the definition provided on page 4 of HUD’s “Katrina Disaster Housing Assistance Program (KDHAP) Operating Requirements” (Notice PIH 2005-36). Therefore, after “Section 236 housing;”, the following wording should be inserted:

“units in FHA-insured and non-insured projects with Rental Assistance Payments (RAP) assistance or Rent Supplement Assistance; Section 221(d)(3) Below Market Interest Rate (BMIR) housing; and non-insured Section 236(b) housing.”

Appendix E -- The title of this appendix should be “DVP Family Eligibility Requirements,” which would more correctly match the caption title “Family Eligibility for the DVP” in HUD’s “Disaster Voucher Program (DVP) Operating Requirements—Rental Assistance for HUD-Assisted Families and Special Needs Families Displaced by Hurricanes Katrina and Rita” (Notice PIH 2006-12).

Further, the definition of “HUD-assisted dwelling unit” in this appendix does not include the changes made to this definition as a result of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery (Public Law 109-234, enacted on June 15, 2006). Pursuant to this Act, HUD issued Notice PIH 2006-37 on September 28, 2006, which revised the DVP Operating Requirements set forth in Notice PIH 2006-12. Among other revisions, the definition of “HUD-assisted dwelling unit” was expanded to include other HUD assistance programs. Therefore, after “Section 811 housing,” the following wording should be added:

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“non-section 8 units in Section 236 housing; non-section 8 units in non-insured Section 236(b) housing; non-Section 8 units in Section 221(d)(3) Below Market Interest Rate (BMIR) housing; and units in FHA-insured and non-insured projects with Rental Assistance Payments (RAP) assistance or Rent Supplement Assistance.”

Should you have any questions about this document, please contact me at extension 6192.

OIG Evaluation of Auditee Comments

- Comment 1** We thank HUD for its positive response and agreeing with the finding. We commend HUD’s efforts to develop disaster programs to aid the hurricane victims. KDHAP was implemented in less than two months and had a less than 1 percent eligibility error rate. Both KDHAP and DVP served as aid for disaster victims to find safe and sanitary dwellings after Hurricanes Katrina and Rita.
- Comment 2** HUD generally agreed with the finding, however disagreed with three of the four recommendations. In regard to recommendations 1A and 1B concerning funding for ineligible participants, HUD contends that it accepts the risk of program implementation and would not recover the misspent funds. We respectfully ask that HUD reconsider its position. The Department of Defense Emergency Supplemental, which funded this program, stated that the disaster funding “shall be limited to those which, prior to Hurricane Katrina or Rita received assistance under Section 8 or 9 of the United States Housing Act of 1937.” The Supplemental also allows funding for participants who were “homeless or resided in an emergency shelter, prior to Hurricane Katrina or Rita.” The Supplemental does not allow for disaster funding to be expended on ineligible participants. Further, no federal waiver was provided that would allow HUD to provide funding to participants ineligible for the program. Thus, HUD should write off and/or recover the misspent funds and not make any other payments for ineligible participants.
- Comment 3** HUD disagreed with recommendation 1C, stating that it had already evaluated the Disaster Information System and located the ineligible participants. HUD made the policy decision not to cease payments for ineligible participants. We commend HUD for taking the initiative to perform the system review. However, we respectfully ask that HUD reconsider removing these ineligible participants and ceasing further payments, since federal regulations do not allow funding for ineligible participants.
- Comment 4** HUD also provided technical comments for OIG to consider adding to the report. We reviewed HUD’s comments and generally agreed with the suggestions. We added verbiage that more closely relates to the language within criteria relevant to KDHAP and/or DVP. However, we did not change some comments due to OIG guidelines.

Appendix C

INELIGIBLE PARTICIPANT FUNDING CALCULATIONS

Description of samples	Ineligible participants	Ineligible funding for KDHAP (\$)	Ineligible funding for DVP (\$)	Total ineligible funding (\$)
Section 8 program	13	21,126	130,125	151,251
Public housing program	2	8,526	20,378	28,904
Multifamily program	37	104,685	398,554	503,239
Authority data analysis	32	76,923	Not Calculated	76,923
Total	84	\$211,260	\$549,057	\$760,317

Appendix D

KDHAP FAMILY ELIGIBILITY REQUIREMENTS

To receive KDHAP assistance, all of the following criteria must be met:

1. The individual or family must have evacuated from a Hurricane Katrina federally declared disaster area within Louisiana, Mississippi, or Alabama;
2. The individual's or family's residence must have been destroyed or be uninhabitable, as determined by FEMA;
3. The individual or family must register with FEMA by December 31, 2005; and
4. The individual or family, immediately before the evacuation, must have either
 - a. Resided in a HUD-assisted dwelling unit;
 - b. Received rental or facility-based assistance through a special needs housing program (Supportive Housing Program, Shelter Plus Care, or Housing Opportunities for Persons with AIDS); or
 - c. Been homeless immediately before Hurricane Katrina.

A HUD-assisted dwelling unit is defined as a unit receiving a rental subsidy under one of the following HUD-assisted rental programs: rental public housing, units receiving tenant-based or project-based Section 8 assistance (including vouchers and Moderate Rehabilitation Single Room Occupancy projects but excluding homeownership voucher units), rental Indian housing, Section 202 housing, Section 811 housing, Section 236 housing, units in FHA-insured and noninsured projects with rental assistance payments assistance or rent supplement assistance, Section 221(d)(3) below market interest rate (BMIR) housing, and noninsured Section 236(b) housing.

Appendix E

DVP FAMILY ELIGIBILITY REQUIREMENTS

According to Notice PIH 2006-12, to be determined eligible for DVP, all of the following criteria must be met:

1. The individual or family must have evacuated from a Hurricane Katrina federally declared disaster area within Louisiana, Mississippi, or Alabama or a Hurricane Rita federally declared disaster area within Louisiana or Texas;
2. Except in cases in which a predisaster voucher participant will receive DVP assistance from his or her predisaster public housing agency in the most heavily impacted areas of Louisiana and Mississippi, the individual's or family's residence must have been destroyed or be uninhabitable or lack essential services, as determined by HUD or a HUD-designated entity; and
3. The individual or family, immediately before evacuation, must have either
 - a. Resided in a HUD-assisted dwelling unit as defined below;
 - b. Resided in an emergency shelter, transitional housing, or housing assisted through a special needs housing program (Supportive Housing Program, Shelter Plus Care, or Housing Opportunities for Persons with AIDS); or
 - c. Been homeless (i.e., sleeping on the streets or in other places not meant for human habitation) immediately before Hurricane Katrina or Rita.

A HUD-assisted dwelling unit is defined as a unit receiving a rental subsidy under one of the following HUD-assisted rental programs: rental public housing, units receiving tenant-based or project-based Section 8 assistance (including vouchers and Moderate Rehabilitation Single Room Occupancy projects but excluding homeownership voucher units), Section 202 housing, and Section 811 housing.⁶

⁶ After Congress passed the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery on June 15, 2006, HUD expanded the definition of "HUD-assisted dwelling unit." Therefore HUD issued Notice PIH 2006-37, which included non-Section 8 units in Section 236 housing, non-Section 8 units in noninsured Section 236(b) housing, non-Section 8 units in Section 221(d)(3) below market interest rate housing, and units in FHA-insured and noninsured projects with rental assistance payments assistance or rent supplement assistance as HUD-assisted dwelling units.

Appendix F

FUNDING PROVIDED TO INELIGIBLE PARTICIPANTS (NON-HUD-ASSISTED BEFORE HURRICANE KATRINA)

Count	Total rental assistance under KDHAP (\$)	Total rental assistance under DVP (\$)	Total (\$)	Projections for future rental assistance (\$)	Total rental assistance including projections (\$)	Inactive effective date
1	2,635.00	5,744.00	8,379.00	N/A	8,379.00	July 1, 2005
2	3,236.00	5,551.00	8,787.00	N/A	8,787.00	April 3, 2003
3	165.00	19,719.00	19,884.00	3,944.00	23,828.00	March 1, 2005
4	N/A	14,296.00	14,296.00	N/A	14,296.00	August 1, 2005
5	3,436.00	20,953.00	24,389.00	4,980.00	29,369.00	August 1, 2005
6	2,080.00	10,906.00	12,986.00	2,296.00	15,282.00	July 1, 2004
7	2,363.00	6,010.00	8,373.00	N/A	8,373.00	June 1, 2005
8	1,560.00	7,430.00	8,990.00	N/A	8,990.00	May 1, 2005
9	2,476.00	11,872.00	14,348.00	N/A	14,348.00	July 1, 2005
10	N/A	4,901.00	4,901.00	N/A	4,901.00	May 1, 2004
11	750.00	12,766.00	13,516.00	2,972.00	16,488.00	February 1, 2005
12	Unable to determine	Unable to determine	0.00	0.00	0.00	Unable to determine
13	5,002.00	17,238.00	22,240.00	4,056.00	26,296.00	February 5, 2005
14	2,098.00	12,160.00	14,258.00	6,400.00	20,658.00	No record
15	2,966.00	8,399.00	11,365.00	2,240.00	13,605.00	No record
16	N/A	7,120.00	7,120.00	N/A	7,120.00	No record
17	6,855.00	13,310.00	20,165.00	N/A	20,165.00	No record
18	N/A	12,711.00	12,711.00	7,770.00	20,481.00	No record
19	113.00	12,742.00	12,855.00	7,430.00	20,285.00	No record
20	1,639.00	13,160.00	14,799.00	9,400.00	24,199.00	No record
21	1,755.00	8,797.00	10,552.00	N/A	10,552.00	No record
22	1,365.00	10,902.00	12,267.00	7,490.00	19,757.00	July 31, 2005
23	519.00	335.00	854.00	N/A	854.00	August 17, 2005
24	617.00	1,552.00	2,169.00	N/A	2,169.00	May 30, 2005
25	1,540.00	7,756.00	9,296.00	N/A	9,296.00	August 25, 2005
26	1,448.00	7,106.00	8,554.00	N/A	8,554.00	July 5, 2005
27	2,222.00	11,728.00	13,950.00	2,972.00	16,922.00	August 23, 2005
28	1,725.00	7,080.00	8,805.00	N/A	8,805.00	July 5, 2005
29	2,466.00	9,590.00	12,056.00	6,165.00	18,221.00	No record
30	2,525.00	18,330.00	20,855.00	10,440.00	31,295.00	March 31, 2005
31	2,295.00	12,825.00	15,120.00	2,700.00	17,820.00	No record
32	1,600.00	14,616.00	16,216.00	818.00	17,034.00	February 28, 2005
33	3,785.00	18,252.00	22,037.00	10,140.00	32,177.00	May 3, 2005

Count	Total rental assistance under KDHAP (\$)	Total rental assistance under DVP (\$)	Total (\$)	Projections for future rental assistance (\$)	Total rental assistance including projections (\$)	Inactive effective date
34	13,452.00	N/A	13,452.00	N/A	13,452.00	September 20, 2004
35	24,137.00	N/A	24,137.00	4,400.00	28,537.00	March 31, 2005
36	1,949.00	8,844.00	10,793.00	N/A	10,793.00	No record
37	3,832.00	16,614.00	20,446.00	N/A	20,446.00	July 22, 2004
38	2,124.00	12,024.00	14,148.00	6,680.00	20,828.00	July 28, 2005
39	1,145.00	8,010.00	9,155.00	N/A	9,155.00	July 5, 2005
40	780.00	12,346.00	13,126.00	6,780.00	19,906.00	June 24, 2005
41	2,183.00	14,117.00	16,300.00		16,300.00	No record
42	3,388.00	10,482.00	13,870.00	727.00	14,597.00	No record
43	N/A	11,004.00	11,004.00	9,750.00	20,754.00	June 6, 2005
44	3,007.00	19,766.00	22,773.00	1,014.00	23,787.00	July 30, 2005
45	1,836.00	12,240.00	14,076.00	N/A	14,076.00	February 1, 2005
46	835.00	14,195.00	15,030.00	8,350.00	23,380.00	January 25, 2005
47	N/A	9,851.00	9,851.00	N/A	9,851.00	March 18, 2005
48	4,184.00	14,900.00	19,084.00	12,000.00	31,084.00	April 8, 2005
49	2,432.00	18,018.00	20,450.00	10,010.00	30,460.00	June 26, 1905
50	1,868.00	7,672.00	9,540.00	N/A	9,540.00	August 1, 2005
Totals	\$ 128,388.00	\$ 535,940.00	\$ 664,328.00	\$ 151,924.00	\$ 816,252.00	

Appendix G

FUNDING PROVIDED TO INELIGIBLE PARTICIPANTS (WITHOUT A HOUSING ASSISTANCE PAYMENTS CONTRACT)

Count	Total rental assistance under KDHAP (\$)	Total rental assistance under DVP (\$)	Total (\$)	Projections for future rental assistance (\$)	Total rental assistance including projections (\$)
1	2,425.00	9,977.00	12,402.00	1,884.00	14,286.00
2	3,524.00	3,140.00	6,664.00	N/A	6,664.00
Totals	\$ 5,949.00	\$ 13,117.00	\$ 19,066.00	\$ 1,884.00	\$ 20,950.00