

**ATTACHMENT 1**  
**PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE**  
 Low Income Home Energy Assistance Program (LIHEAP)

**ABSTRACT:**

HHS is requiring further detail from States on their FY2011 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that States highlight and describe all elements of this FY2011 plan which represent improvements or changes to the State's FY2010 plan for preventing and detecting fraud, abuse and improper payment prevention.

State, Tribe or Territory (and grant official): DISTRICT OF COLUMBIA				Date/Fiscal Year: FY 2011
<b>RECENT AUDIT FINDINGS</b>				
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2010 or the prior three years, in annual audits, State monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.	Equipment and property purchased in FY 2008 were not properly included in the fixed asset inventory listings. -	The Government of the District of Columbia Schedule of Expenditures of Federal Awards and Reports Required by Government Auditing Standards and OMB A-133, Year Ended September 30, 2008, excerpted page 237 attached	Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2011.	DDOE and the Office of the Chief Financial Officer make monthly reconciliations between entries recorded in the equipment and property accounting system and the items recorded in the fixed assets inventory system.
			if there is no plan in place, please explain why not.	N/A
			Necessary outcomes from these systems and strategies	The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.

**COMPLIANCE MONITORING**

<p>Describe the State's FY2010 strategies that will continue in FY2011 for monitoring compliance with State and Federal LIHEAP policies and procedures by the State and local administering agencies.</p>	<p>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY2011.</p>	<p>If you don't have a firm compliance monitoring system in place for FY11, please describe how the State is verifying that LIHEAP policy and procedures are being followed.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>N/A</p>	<p>N/A</p>	<p>Grant policies are reviewed annually and budget plans are developed utilizing guidance as provided by DHHS.  Payments for energy assistance are made directly to approved, regulated energy vendors in the District of Columbia; exceptions are for Heating Oil and residents who do not receive a utility bill directly (Heat included in Rent).  The District utilizes 60% of the State Median Income to determine eligibility and requires sworn declaration of income, paycheck stubs, Social Security award letter, W-2s or other income verification such as a letter from the employer.</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

**FRAUD REPORTING MECHANISMS**

For FY2010 activities continuing in FY2011, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse? [These may include telephone hotlines, websites, email addresses, etc.] (b) strategies for advertising these resources.

When reporting waste, fraud, abuse, or mismanagement to the OIG, callers may remain anonymous if they wish. However, they are encouraged to identify themselves so that we may follow up on their call, if necessary, and obtain additional information that will aid us in our investigation. If callers give their names, their identities will be protected to the maximum extent allowed by law. It is impermissible for a government employer to retaliate against an employee for reporting information to the OIG. If callers believe that by making a report to the OIG they may be at risk of reprisal, callers are advised to inform the OIG of this fact.

When reporting information to the OIG, callers are encouraged to be specific and provide as much detail as possible – the who, what, where, when, and why of the matter. The

Please highlight any tools or mechanisms from your plan which will be newly implemented in FY2011, and the timeline for that implementation.

N/A

If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.

N/A

Necessary outcomes of these strategies and systems

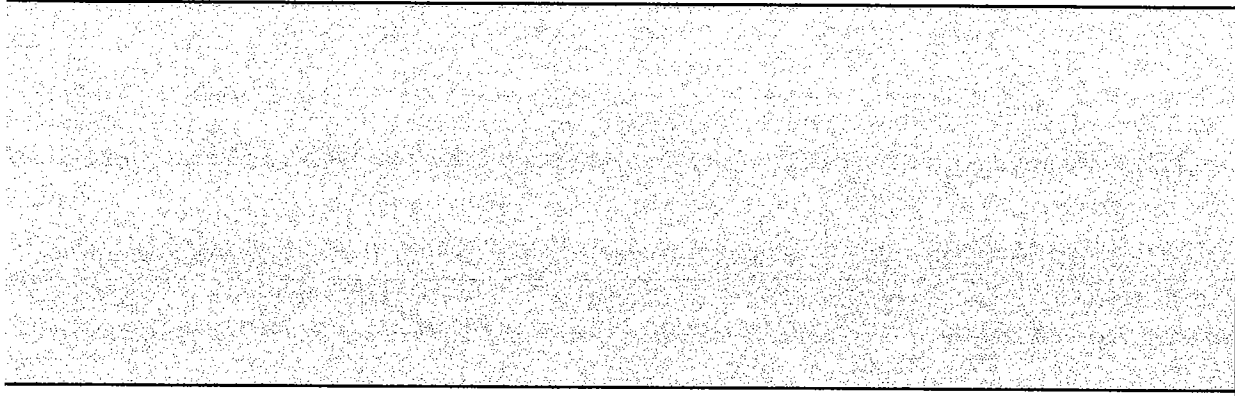
*Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.*

more information callers provide, the more thorough any OIG investigation can be. If possible, indicate:

- the specific nature of the wrongful or inappropriate act (give as many details as possible);
- the name of person(s) who committed the act;
- the place where the person works;
- the date and time the act occurred;
- the place where the act occurred;
- the reason you believe the act is wrongful or inappropriate; and
- the name, telephone number, and address of any person who can corroborate or supplement your information.

Any relevant information or knowledge acquired after making a report to the OIG should also be reported in follow-up calls.

To ensure the privacy and confidentiality of all those involved, callers may not be notified about how their information is used. However, all information will be reviewed and fully investigated to



detect waste, fraud, and abuse.

The Office of the Inspector General  
Email: [hotline.oig@dc.gov](mailto:hotline.oig@dc.gov)  
Hotline: (202) 724-TIPS (202) 724-8477 and (800) 521-1639

### VERIFYING APPLICANT IDENTITIES

Describe all FY2010 State policies continuing in FY2011 for how identities of applicants and household members are verified.

During the intake process, the applicant's social security number is required as a unique identifier. This unique identifier is used in DDOE's LIHEAP database. The applicant's photo, household utility bills and lease or rent receipt in the event the heating source is Heat Included in Rent (HIR). DDOE accepts not only face-to-face interviews but processes mailed applications from District residents. In the event the social security number or additional information have not been provided, the application is returned with a self addressed stamped envelope to

Please highlight any policy or strategy from your plan which will be newly implemented in FY2011.

N/A

If you don't have a system in place for verifying applicant's identities, please explain why and how the State is ensuring that only authentic and eligible applicants are receiving benefits.

N/A

Necessary outcomes from these systems and strategies

*Income and energy supplier data that allow program benefits to be provided to eligible individuals.*

<p>return the missing information.</p> <p>Government issued ID must be presented during application. If someone is applying on behalf of or in the absence of an applicant, a signed letter must be submitted from proxy along with an ID from applicant. This can happen in the event of an applicant's illness, disability or age.</p>			
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**SOCIAL SECURITY NUMBER REQUESTS**

<p>Describe the State's FY2011 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</p> <p>N/A</p>	<p>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2011, or remaining the same.</p> <p>During the intake process, the applicant social security numbers is required as a unique identifier. This unique identifier is used in DDOE's LIHEAP database. If the applicant is unable to provide a valid social security number he/she is unable to receive the LIHEAP benefit.</p> <p>The applicants social security number is a unique identifier and will remain a requirement will continue to be enforced in FY2011.</p>	<p>If the State is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.</p> <p>N/A</p>	<p>Necessary outcomes from these systems and strategies</p> <p>All valid household members are reported for correct benefit determination.</p>
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**CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES**

<p>Describe if and how the State used existing government systems and databases to verify applicant or household member identities in FY2010 and continuing in FY2011. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)</p>	<p>Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY2011.</p>	<p>If the State won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the State will supplement this fraud prevention strategy.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>The District of Columbia Department of Human Services (DHS) Automated Client Eligibility Determination System (ACEDS) is utilized to verify applicant identity and income when available. ACEDS does not provide data for applicants who have not applied for other assistance from DHS.</p>	<p>N/A</p>	<p>N/A</p>	<p>Use of all available database systems to make sound eligibility determination.</p>
<p>The social security number is a requirement and place holder in DDOE's LIHEAP data base. If a number is duplicated, the system will generate an error and the processor will be unable to continue. DDOE will begin an internal investigation to determine the validity of the applicant's social security number. The applicant must verify proof of social security number (social security card, government issued ID, military ID, social security administration or any government issued document reflection the applicants name and</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

			<p>social security number).</p> <p>If the applicant is unable to provide supporting documentation to he/she is unable to receive the LIHEAP benefit.</p>
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**VERIFYING APPLICANT INCOME**

<p>Describe how the State or designee used State Directories of new hires or similar systems to confirm income eligibility in FY2010 and continuing in FY2011.</p> <p>N/A</p>	<p>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2011.</p> <p>N/A</p>	<p>If the State won't be using new hire directories to verify applicant and household member incomes how will the State be verifying the that information?</p> <p>Applicants are required to provide a sworn declaration of income, paycheck stubs, Social Security award letter, W-2s or other income verification such as a letter from the employer.</p> <p>Also, ACEDS is consulted wherever possible to verify income as reported to DHS.</p>	<p>Necessary outcomes from these systems and strategies</p> <p><i>Effective income determination achieved through coordination across program lines.</i></p>
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**PRIVACY-PROTECTION AND CONFIDENTIALITY**

<p>Describe the financial and operating controls in place in FY2010 that will continue in FY2011 to protect client information against improper use or disclosure.</p>	<p>Please highlight any controls or strategies from your plan which will be newly implemented as of FY2011.</p>	<p>If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.</p>	<p>Necessary outcomes from these systems and strategies</p>
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The applicant's signature on the applicant grants DDOE permission to share applicant's file to utility companies for rate classification purposes and to other agencies and organizations from whom they seek financial assistance and for purposes of research, evaluation and analysis. for the purpose of

Shared data that contains social security numbers are only shared with utility companies that enter into a confidentiality agreement.

Applicant information is kept in locked in a secure file room when not in use, to prevent unauthorized use of private and personally identifiable information.

N/A

N/A

*Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.*

**LIHEAP BENEFITS POLICY**

<p>Describe FY2010 State policies continuing in FY2011 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.</p>	<p>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY2011.</p>	<p>If the State doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the State taking to ensure program integrity.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>All completed applications are reviewed and monitored daily by LIHEAP staff.</p> <p>On-site and/or telephone monitoring is conducted with each vendor whereby a customer benefit amount is cross checked by name, address, and account number.</p> <p>Through oversight and in cooperation with the Office of the Chief Financial Officer (OCFO), using federally accepted accounting principles; DDOE maintains complete and accurate books and records on all financial activities.</p> <p>The "End of Day" report (signed by the supervisor) is submitted to OCFO and original documentation is sent by carrier.</p> <p>OCFO reviews and prepares documentation; then, submits payment to vendors (Peppco,</p>	<p>N/A</p>	<p>N/A</p>	<p>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</p>

Washington Gas, Home Heating Oil Supplier or District resident)

**PROCEDURES FOR UNREGULATED ENERGY VENDORS**

Describe the State's FY2010 procedures continuing in FY2011 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.

Vendor agreements are generated annually with home heating oil vendors operating within the District of Columbia.

A standard home heating oil benefit is provided using the "End of Day" report (signed by the supervisor) is submitted to OCFO and original documentation is sent by carrier.

OCFO reviews and prepares documentation; then, submits payment to the appropriate and approved vendors.

Please highlight any strategies policy in this area which will be newly implemented in FY2011.

If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the State is ensuring program integrity.

Necessary outcomes from these systems and strategies

*Participating vendors are thoroughly researched and inspected before benefits are issued.*

**VERIFYING THE AUTHENTICITY OF ENERGY VENDORS**

<p>Describe State FY2010 policies continuing in FY2011 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the State's procedure for averting fraud.</p>	<p>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY2011.</p>	<p>If you don't have a system in place for verifying vendor authenticity, please describe how the State can ensure that funds are being distributed through valid intermediaries?</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>The District of Columbia generates vendor agreement with the DC Public Service Commission approved utilities (or vendors) and home heating oil suppliers operating with the District only.</p>			<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

Attachment -- page 4

**TRAINING AND TECHNICAL ASSISTANCE**

<p>In regards to fraud prevention, please describe elements of your FY2010 plan continuing in FY2011 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors</p>	<p>Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY2011.</p>	<p>If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.</p>	<p>Necessary outcomes from these systems and strategies</p>
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<p>DDOE employees receive training and updated information on the requirements, rules and regulations of the LIHEAP intake process (such as determining valid income verification documents). New DDOE hires are also given a training manual that includes forms that are used for intake and samples of utility bills. Staff receives refresher courses as requested. Staff receives training on updates to the LIHEAP database.</p>	<p>N/A</p>	<p>N/A</p>
<p><i>Identification and prevention of waste, fraud and abuse.</i></p>	<p>District Government employees have the opportunity to receive values and ethics training courses that provide information on employee conduct regulations, ethics laws, acceptable behavior and potential ethical pitfalls for District Government employees.</p>	<p>N/A</p>

**AUDITS OF LOCAL ADMINISTERING AGENCIES**

<p>Please describe the annual audit requirements in place for local administering agencies in FY2010 that will continue into FY 2011.</p>	<p>Please describe new policies or strategies to be implemented in FY2011.</p>	<p>If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.</p>	<p>Necessary outcomes from these systems and strategies</p>
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N/A	N/A	The District of Columbia Office of the Chief Financial Officer conducts annual A-133 Audits of received grants including LIHEAP.	Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.
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**Additional Information**

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.

- The Government of the District of Columbia Schedule of Expenditures of Federal Awards and Reports Required by Government Auditing Standards and OMB A-133, Year Ended September 30, 2008, excerpted page 237 attached

**Correction:** The public hearing was held July 27, 2010 for the LIHEAP and Weatherization Assistance Program (WAP).

Attendees included senior residents of the District, community based organizations, and a landlord for several multi-family buildings in the District. An example of the feedback presented was a suggestion to partner with DC Habitat for Humanity in order to successfully improve the energy efficiency of homes deemed "weatherization 911," or in need of such improvement that the restrictions of the LIHEAP weatherization component and WAP would provide little to no impact. The District is still in the beginning phase of exploring this option.

In addition, the District intends to hold a roundtable this fiscal quarter with the utility companies, including home heating oil providers, as well as other local charities and programs that serve the LIHEAP eligible population in order to discuss ways to improve service and outreach.

- **Give at least one specific example of possible steps to be taken to target assistance to households with high home energy burdens (*see pg 19 and statutory reference 2605(c)(1)(E)*).**

The District is relocating the LIHEAP service center to co-locate with two (2) of the Income Maintenance Administration service centers: 1207 Taylor Street, NW and 2100 Martin Luther King, Jr. Avenue, SE. Residents are served at these centers for Burial Assistance, Child Care Subsidy, Emergency Rental Assistance, Interim Disability Assistance, Medical Assistance, Supplemental Nutrition Assistance Program (SNAP), and Temporary Cash Assistance for Needy Families (TANF). The populations served by these programs are identified as most in need because of their limited resources.

#### **Program Integrity Assessment**

- **Describe specific monitoring procedures (e.g., review of a sample of client applications to determine compliance). How does DC ensure that weatherization funds are used properly by the administering agency? (*See pg 2 under Compliance.*)**

The monitoring and inspection protocols are as follows:

No dwelling unit may be reported to DDOE as completed until all weatherization materials have been installed and the sub-grantee or its authorized representative has performed final inspection(s), including any certified mechanical work performed and completed in a workmanlike manner in accordance with priority determined by approved audit procedures.

Sub-grantees will conduct final inspections on 100% of all dwelling units weatherized before reporting them as "completed units." A signature by a sub-grantee staff member is required to certify that work for reported units was completed in accordance with the requirements of the sub-grantee agreement.

DDOE will inspect at least 10% per year of completed units to ensure that reported completions are in compliance with these standards. A Client Satisfaction Survey and signature is required from the client by the sub-grantee before seeking reimbursement.

- **Is Social Security Numbers (SSN) required of all members of the household? What are the policies for people that are citizens but may not have SSNs (e.g., infants)?** *(See pg 6 under Social Security Number.)*

Currently social security numbers are only required for the applicant on behalf of the household.

The District is in the process of amending its process to require SSN or other verifying documentation (i.e., birth certificates) for all household members in order to accommodate children who may not have an SSN. This may not be implemented this program year to allow for public comment/engagement in this policy change.

- **What are the plans for cross-checking the validity of SSNs (e.g., cross-checking with the Social Security Administration Verification Enumeration System or prison database)? Cross-checking is done in addition to verifying proof of SSN and monitoring for duplication of SSNs among applicants.** *(See pg 7 under Cross-checking SSN.)*

Applicants are required to present their valid social security cards at the time of application.

- **How does DC advertise to clients, employees, and vendors about the reporting of waste, fraud, and abuse?** *(See pg 3 under Fraud Reporting.)*

The District provides information about how to report waste, fraud, and abuse through the Office of the Inspector General website: [oig.dc.gov](http://oig.dc.gov).

- **Provide an explanation about how access to confidential information is controlled. How is confidential information protected by contracting entities/sub-recipients that administer weatherization?** *(See pg 8 under Privacy-protection.)*

LIHEAP applicant electronic information is stored in the Energy Assistance Database application. Access is limited to required personnel who are assigned a user name and password by the agency information technology department. The database is deployed on the user's District assigned and controlled workstation only. Hard copies of the Energy Assistance/Utility Discount application are stored in a locked file room when not in use.

All Weatherization Assistance Program customer information is kept in Hancock Software's Weatherization Assistance Program Online database system. Access to all information in the WAP Online system uses a role based security system. DDOE defines

and manages user roles and rights. In this way, the District managers have full control over who has access to the data.

In addition, DDOE will be using HEAT on the iPad soon. The security features for that transfer of data are: HEAT uses the same security model as WAP Online. A user must provide login credentials which limit the scope of information available to them and downloaded data is limited to only what is required to complete the audit. Uploads are similarly controlled and will upload all data from the field device (PC, iPod, iPhone or iPad) into WAP Online and then remove it from the device. This protects against loss of the device. All transfers of data to or from the field device is encrypted using Secure Sockets Layer (SSL).

- **How does DC verify the legitimacy of unregulated energy vendors (e.g., verification with taxation databases, performing sit visits if feasible, etc.)? (See pg 11 under Procedures for Unregulated Energy Vendors.)**

The District verifies the legitimacy of the oil companies through official online portals where business license checks are performed. The home heating oil companies are the only unregulated energy vendors. These vendors are identified by the client and must have entered into a vendor agreement with the Grantee. Existing agreements with historic home heating oil suppliers are issued based on historic performance. New home heating oil suppliers will be subject to verification via Tax Identification Numbers and business license verification.

- **Provide a brief description of the Public Service Commission's approval process for utilities and home heating oil suppliers. How does DC ensure authenticity beyond the signed agreements (e.g., verification with taxation databases, site visits if feasible), especially for unregulated vendors? (See pg 12 under Verifying the Authenticity of Energy Vendors.)**

**Correction:** The District of Columbia generates vendor agreement with the DC Public Service Commission **recognized** utilities. There is one (1) electric Local Distribution Company (LDC) and one (1) natural gas LDC. Although the District has deregulated utilities and customers may choose their energy supplier, the PSC has not authorized dual billing. Therefore customers receive their bill from the LDC. No payments are made to third-party suppliers for electric or natural gas. Payments are made to the LDC for electric and gas only, Pepco and Washington Gas, respectively.

The home heating oil companies are the only unregulated energy vendors. These vendors are identified by the client and must have entered into a vendor agreement with the Grantee. Existing agreements with historic home heating oil suppliers are issued based on historic performance and subject to verification through business license check. New home heating oil suppliers will be subject to verification via Tax Identification Numbers and business license verification.

- **Are the ethics trainings mandatory or optional? How frequent are they offered? Is there a staff available to answer questions by employees, clients, or vendors regarding fraud issues? (See pg 12 under Training and Technical.)**

Ethics training is being provided on a mandatory basis this program year. In prior years it was optional but strongly encouraged. New guidance is shared with the Staff on a regular basis. Legal staff is available to answer questions by employees, clients, or vendors regarding fraud issues.

If you have any questions regarding this response, please contact Sylvia Y. Jones, Acting Associate Director – Energy Affordability Division, at (202) 673-6715 or via email: [Sylvia.jones@dc.gov](mailto:Sylvia.jones@dc.gov).