

PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT

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 OF GEORGIA Jeff Blankenship, Manager Community Based Programs 2 Peachtree Street, 21-276 Atlanta , Georgia 30303		Date/Fiscal Year: June 2010/FY 2011	
RECENT AUDIT FINDINGS			
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.	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.	If there is no plan in place, please explain why not.	Necessary outcomes from these systems and strategies
There are no audit findings or reportable conditions in any category.			<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>
COMPLIANCE MONITORING			
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.	Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY2011.	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.	Necessary outcomes from these systems and strategies

There is a multi-level monitoring review of sub-recipients. There is a state level on site review each program year for policy and program compliance such as intake procedures, application processing time frames, benefit issuance timeframes, separation of duties, client appeal process. The client application has a second level review before it is processed. Energy Assistance Coordinators at the local agencies perform internal monitoring by reviewing application samples at each intake site. If there are findings at the local agencies, technical assistance and training is immediately provided. If a corrective action plan is required, the agency must submit the plan within 30 days for approval. The state office will monitor the agency's plan and provide technical assistance as needed.

See excerpt from Energy Assistance Policy and Procedures Manual: Monitoring, Section II-H, page 30

A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.

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BACKGROUND	DHR is required by the Health and Human Services Administration (HHS) to administer the Low Income Home Energy Assistance Program in accordance with the provisions of LIHEAP federal statues and assurances .
REQUIREMENT	To provide local and state level monitoring and technical assistance to community action agency staff to assure implementation of the program in each service delivery area and compliance with administrative and fiscal LIHEAP regulations
STATE LEVEL REVIEWS	<p>The Department of Human Resources will monitor the activities of the CAA's at least yearly using on-site reviews. These reviews may be conducted during and/or after the program component operation period. Community Action Agency staff will be included in the interview.</p> <p>Monitoring of program activities will be conducted by reviewing all areas of the EAP component. (Programmatic and Fiscal).</p> <p>On site reviews may include the following:</p> <ul style="list-style-type: none"> • Entrance conference with the Executive Director, Board Chairperson and staff involved with the program. • Review of minimum standards and procedures for Program Administration. • Staff interviews • Site and/or Neighborhood Service Centers reviews • Case Record Reviews at designated sites. Observation of a service performed for one or more clients by staff. • Client Interview (with permission of clients) • Fiscal record review • Agency voids and transfers • Overpayment claim files • Exit interviews with the Executive Director, and/or their designee and the Board Chairperson to discuss preliminary findings. <p>EAP system monitoring will also be performed on a regular basis by State office staff.</p>

FRAUD REPORTING MECHANISMS

<p>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.</p>	<p>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY2011, and the timeline for that implementation.</p>	<p>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.</p>	<p>Necessary outcomes of these strategies and systems</p>
<p>There is a fraud hotline that is available to the public for reporting instances of suspected fraud.</p>	<p>See excerpt from Energy Assistance Policy and Procedures Manual: Program Integrity, Section II, page 14</p>		<p><i>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</i></p>

VERIFYING APPLICANT IDENTITIES

<p>Describe all FY2010 State policies continuing in FY2011 for how identities of applicants and household members are verified.</p>	<p>Please highlight any policy or strategy from your plan which will be newly implemented in FY2011.</p>	<p>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.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>Applicants are required to provide proof of social security numbers for all household members. If applicants provide social security cards, they are considered citizens.</p>	<p>See excerpt from Energy Assistance Policy and Procedures Manual: Application Processing, Section III-A, Page 44 under "Documentation".</p>		<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

<p>BACKGROUND</p>	<p>The Low Income Home Energy Assistance Program Federal Statute requires that regulations are in place to prevent waste, fraud, and abuse of the program. The LIHEAP Statute, section 96.87 revised October 1, 1996, adds to the Block Grant Regulations, a provision which requires grantees to establish appropriate systems and procedures to prevent waste, fraud, and abuse in activities funded through the Energy Assistance Program.</p>
<p>BASIC CONSIDERATIONS</p>	<p>In compliance with the regulation to prevent or detect overpayments, the Energy Assistance Subsystem provides statewide information by Federal Fiscal Year on the Approved Payment Inquiry Screen and the Multi-Key Search Screen to prevent a second benefit from being issued to an applicant. The EAP system also has programming coded into the system to prevent payments to duplicate social security numbers within the same Fiscal Program Year.</p> <p>If a person knowingly and willfully falsifies information, conceals a material fact or makes a fraudulent statement to obtain a benefit from the Program that the household is not eligible to receive, it is considered an overpayment. (Refer to Section 31 on the Application Form 6000).</p> <p>Types of Overpayments:</p> <ol style="list-style-type: none"> 1. A household receives more than one Energy Assistance Program Benefit from the same component within a program year; 2. A household receives a benefit amount for more than they are eligible to receive; 3. an ineligible household (example: over income because not all income was reported); 4. agency error <p>If any type of suspected overpayment is discovered; it must be reported within 10 calendar days in writing to a Project Administrator.</p> <p>Using internal Agency procedures, investigate the situation to find out if the overpayment is valid. If an overpayment exists, a claim must be established to recoup the funds.</p> <p>A claim is the payment of a debt that must be collected or recouped.</p>

<p>PROCEDURES FOR PROCESSING CLAIMS</p>	<p>The Community Action Agency that issued the overpayment is responsible for establishing claims and recouping funds by following the procedures below:</p> <ol style="list-style-type: none"> 1. Notify the applicant within 10 calendar days of the finding. 0. Maintain a separate file for each claim. 0. Document the steps taken to validate that a claim exists such as the date and method of discovery. 0. Contact the applicant by sending written notification clearly explaining the agency's findings; including a Repayment Agreement Option and/or providing an opportunity for the applicant to discuss a payment plan. 0. If the applicant does not respond within 10 calendar days to the first notification letter, or fails to keep an appointment, a second letter must be sent. A third letter is only necessary if the applicant is responsive, but cannot keep the second appointment. 0. If the applicant is not responsive or does not keep any appointments, a notation must be made in the claims file documenting that the applicant did not respond. 0. If the applicant keeps the appointment the EAP Coordinator will take the following steps: <ul style="list-style-type: none"> -assist the applicant in completing a Repayment Agreement. A copy must be in the claims file. -Applicants must be given specific instructions for making payments. The applicant must make payments in the form of a check or money order identifying the funds as an "Energy Assistance Program Repayment" -Payments can be made in either a lump sum or in monthly installments. 8. The agency must maintain a log of all repayments received; the log will be reviewed during monitoring. 9. Funds recouped must be deposited into the Energy Assistance Program account and documented in the general ledger and reported at the end of each program year. 10. Contact the state office when claims are paid in full. Authorization can be given to use recouped funds as client benefits.
<p>EMPLOYEE SEPARATION OF DUTIES</p>	<p>The Community Action Agency must maintain a separation of duties among employees who perform certain functions for the Energy Assistance Program. Separation of duties helps ensure that legitimate applications are created, keyed, approved and paid. At a minimum procedures must be put in place to ensure that:</p> <p>Intake Workers will not key applications, review reports for</p>

	<p>approval or sign checks.</p> <p>Data Entry Operators will not take applications, review reports for approval or sign checks.</p> <p>Energy Coordinators will not sign checks.</p>
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DOCUMENTATION	Households will be responsible for providing the following:	
	IF APPLICANT APPLIES FOR	THEN HOUSEHOLD MUST PROVIDE PROOF OF
	Regular LIHEAP or PSC Energy Assistance	Income, Social Security cards or accepted proof of numbers for household members, utility bill
	CRISIS 48 Hours	Same as above and disconnection notice or proof of service termination
	CRISIS Life Threatening	Same as above, and proof of life threatening medical situation
	PSC SENIOR MATCH	Same as Regular LIHEAP/PSC and proof of age
APPLICATION INTAKE	All applications must be completed by permanent/temporary or volunteer staff who have completed a local training session.	
	Employee applications must be accepted by the EAP coordinator and approved by the executive director or designee.	
	<p>CAA Responsibilities</p> <ul style="list-style-type: none"> • Maintain adequate phone lines for clients to contact agency for information and setting up appointments (do not accept calls to set up appointments prior to the 1st day of intake.) • Establish and maintain intake logs tracking applicants from point of initial contact through approval or denial • Screen applicant household's for eligibility criteria • Serve clients in a timely manner • Serve crisis applicants in a timely manner • Adhere to the first come first served policy, • Set up appointments only for the amount of money allocated. Accept only the number of applications that agency funding will allow to be processed. • Establish timely routing of applications from intake locations to the main office. • Accept list of APS clients from DFCS caseworkers • Maintain a waiting list when funds are exhausted. It should include the following information: Applicant/households name, age 	

	<p style="text-align: center;">Address, phone #, Utility company</p> <ul style="list-style-type: none"> • Daily review and document number of applications accepted, appointments set, applications dispositioned. <p>Intake staff will: Enter data on EAP application as questions are asked of the applicant</p> <ul style="list-style-type: none"> • Make copies of all verification documents. • Determine eligibility and notify applicant of status of • Application within the standard of promptness. • Sign the application and worksheet. • Give each applicant household an information notice • Forward the application to the central office after eligibility determination. <p>Data Entry Staff will: Key only what is on the application or initial any fields that are changed by data entry staff.</p> <p>EAP Coordinator or designee will :</p> <ul style="list-style-type: none"> • Review and sign all approved and denied applications after receiving the application from intake staff • Verify the weekly approval print • Verify daily crisis print • Have payments mailed within appropriate standard of promptness for the application type and review of the approved payment print • Review error files daily • Ensure separation of duties/program integrity • Coordinate with fiscal officer on expenditure reports • Monitor all intake locations • Update, maintain and monitor waiting lists • Monitor fund balances • Authorize Voids • Authorize Transfers
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SOCIAL SECURITY NUMBER REQUESTS			
Describe the State's FY2011 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.	Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2011, or remaining the same.	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.	Necessary outcomes from these systems and strategies
Applicants are required to provide proof of social security numbers for all household members.	This is not a new policy. This policy has been in place since the inception of the program.		<i>All valid household members are reported for correct benefit determination</i>
CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES			
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.)	Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY2011.	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.	Necessary outcomes from these systems and strategies
Georgia currently does not have a policy in place to cross check social security numbers against other verification systems. However, the Energy Assistance Program computer system cross references social security numbers of applicants who apply for assistance to prevent duplication of benefit issuance.		The state will research various systems and databases to determine what will be feasible for all entities administering the LIHEAP.	<i>Use of all available database systems to make sound eligibility determination</i>
VERIFYING APPLICANT INCOME			
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.	Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2011.	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?	Necessary outcomes from these systems and strategies

<p>All applicants are required to submit verification of income such as check stubs, award letters, bank statements, statement from the employer. For applicants who receive public assistance, their income is verified through the SUCCESS inquiry system.</p>	<p>See excerpt from Energy Assistance Policy and Procedures Manual: Income Verification, Section III-B, Page 49</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>
<p>Operational controls in place include confidential agreements signed by staff and separation of duties among staff. The same staff that completes the application cannot key the application or approve a check voucher. Financial controls also include System security: staff have different levels of system authorization to perform specific functions.</p>	<p>See excerpt from Energy Assistance Policy and Procedures Manual: Application Processing, Section III-A, Page 44 and 45 under "Application Intake".</p>		<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

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>
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	<p>If there is an agreement between the parties that specifies how they will divide the income, this agreement is used to determine the amount of income to consider.</p> <p>If there is no agreement, a pro rata share of the income is counted to the member whose income is being considered.</p>
<p>Bankruptcy</p>	<p>Bankruptcy is a condition whereas a debtor, either voluntarily or invoked by a creditor, is judged legally insolvent, and the debtor's remaining debt(s) is administered and distributed to his/her creditors.</p> <p>Income directed to pay creditors in a bankruptcy is not deducted from gross income in the I/E budget, unless the income is otherwise exempt by policy.</p>
<p>Garnishment</p>	<p>Garnishment is a condition whereas a debtor has wages/monies withheld by an employer/entity to pay a debt owed to a third party.</p> <p>Income directed to pay creditors via garnishment is not deducted from gross income in the I/E budget, unless the income is otherwise exempt by policy.</p>
<p>Verification</p>	<p>Verification of income is obtained in the following order:</p> <ul style="list-style-type: none"> • The customer should provide verification from the payment source. • If the customer cannot obtain the verification, the agency may request it directly from the payment source. • Verification can be obtained from a collateral source, a person who has knowledge of the income, if verification cannot be provided by the payment source. • The statement of the customer may be accepted if all other attempts to verify income are unsuccessful and the customer has cooperated with previous attempts to obtain verification.

<p>Applications are entered into a state-wide computer system by staff that are authorized to access the system with different authorization tiers. The payment process goes through several levels of verification by staff and the computer system before payments are issued.</p>	<p>See excerpt from Energy Assistance Policy and Procedures Manual: Benefit Payments, Section III-C Pages 55-59</p>		<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>
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PROCEDURES FOR UNREGULATED ENERGY VENDORS

<p>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.</p>	<p>Please highlight any strategies policy in this area which will be newly implemented in FY2011.</p>	<p>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.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>All vendors who receive direct payments from LIHEAP have signed a vendor agreement to comply with the regulations and requirements of the Program. Each vendor is assigned a vendor code that is keyed into the Energy statewide computer system that is cross referenced with the vendor file when applications are keyed into the system. The applicant is required to provide a copy of their most recent bill at the time of application intake. The system produces Approval reports that are verified against the paper application before a check is issued to the vendor.</p>	<p>See excerpt from Energy Assistance Policy and Procedures Manual: Benefit Payments, Section III-C Pages 55-59</p>		<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>

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>
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