

APPENDIX C

Program Integrity Supplement

ATTACHMENT 1
SAMPLE 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): State of Ohio	Date/Fiscal Year: 08/16/2010/ FY2011
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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
The State of Ohio has not had any material weaknesses, findings or questioned costs in its annual audits over the past three years. However, Ohio did have four cases of potential fraud reported in the GAO Report to congress on LIHEAP.	Although Ohio was not informed of the actual details of the cases found, the Ohio Department of Development, Office of Community Services (OCS) responded to the draft report (response attached) outlining measures that are already taken to prevent fraud as well as additional measures to be taken in the future. Also, OCS has since obtained death records from the Ohio Department of Health/Vital Statistics. We plan to update client records as deceased on a regular basis to prevent benefits going to deceased individuals. OCS is also working to obtain access to incarcerated individuals through the Ohio Department of Rehabilitation and Corrections, the State of Ohio employee database and the Social Security Administration's State Verification and Exchange System (SVES).	NA	<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
<p>The Ohio Department of Development/Office of Community Services provides guidelines (see the attached 2010-2011 Energy Assistance Guidelines) to its local administering agencies which contain policies and procedures for administering the crisis components of the program as well as what is considered countable income, what is acceptable documentation etc. Also, OCS provides a policy and procedure manual to all in-house staff on application screening and review requirements. In addition to the manuals, applications are reviewed for accuracy on a regular basis. Local agencies are monitored for compliance at least annually; samples of applications are reviewed in the process as well as monitoring other compliance issues. (See attached Agency Review tool)</p>	<p>In FY 2011, Ohio will continue its practice of monitoring both in-house staff as well as local agencies for compliance with program policies and procedures.</p>	<p>NA</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.	Please highlight any tools or mechanisms from your plan which will be newly implemented in FY2011, and the timeline for that implementation.	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.	Necessary outcomes of these strategies and systems
Ohio currently has a toll-free statewide hotline which is available for any callers regarding LIHEAP, weatherization and/or the Percentage of Income Payment Plan (PIPP). Ohio also has a web inquiry system where complaints or inquires can be logged. This number and website are publicized on all documents produced and distributed but are not specifically for reporting fraud, waste and abuse.	Ohio plans to implement a dedicated e-mail address for reporting fraud waste and abuse. This email will be listed on all printed material and there will be a link to it on the program website	Ohio currently works with its agency partners as well as vendors and utility companies to try to detect fraud cases; however in the future, OCS plans to announce at public hearings its intentions of preventing fraud, waste and abuse through public involvement. While OCS currently receives inquiries, complaints and suspicions of fraud through our hotline, website and direct contact with staff members, in the future, the email will be publicized as a dedicated forum for reporting suspected cases of fraud.	<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>

VERIFYING APPLICANT IDENTITIES

Describe all FY2010 State policies continuing in FY2011 for how identities of applicants and household members are verified.	Please highlight any policy or strategy from your plan which will be newly implemented in FY2011.	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.	Necessary outcomes from these systems and strategies
Proof of citizenship or qualified alien status is required of all primary applicants. The State of Ohio required Social Security numbers for all household members over the age of 2 although they were not validated. If there is a question of identity or income, Ohio has had access to the Ohio Department of Job and Family Services' Client Registry Information System-Enhanced (CRIS-E) System to verify applicants on a case by case basis. Some local agencies collect birth certificates, Social Security cards and/or drivers' licenses for all	Ohio is going to require Social Security Numbers for all household members beginning in FY2011.	Ohio is in the process of gaining access to the Social Security Administration's SVES system in order to be able to verify the identities of all household members. OCS has had preliminary discussions with the SSA to gain this access.	<i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i>

household members to verify identities.			
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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
Ohio is going to require Social Security Numbers for all household members beginning in FY2011.	Ohio's policy is changing somewhat in that Social Security Numbers will be required of all household members, including those under the age of two.	NA	<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
The State of Ohio currently (FY2010) has access to the Ohio Department of Job and Family Services' CRIS-E database to verify household member information on a case by case basis. Their CRIS-E system provides data such as public assistance, addresses, household member information and information obtained from SVES. This process will continue in FY2011.	Ohio has gained access to the Ohio Department of Health Vital Statistics database to verify deceased applicants. Ohio is in the process of obtaining access to the prisoner database through the Department of Rehabilitation and Corrections for FY2011.	NA	<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
The Ohio Department of Development has not had access to new hire directories in FY2010.	The Ohio Department of Development is working with the Ohio Department of Administrative Services to obtain state employee salary/income information. Ohio is also looking at ways to access other employment information such as the "Work Number" to verify income information.	NA	<i>Effective income determination achieved through coordination across program lines.</i>
PRIVACY-PROTECTION AND CONFIDENTIALITY			
Describe the financial and operating controls in place in FY2010 that will continue in FY2011 to protect client information against improper use or disclosure.	Please highlight any controls or strategies from your plan which will be newly implemented as of FY2011.	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.	Necessary outcomes from these systems and strategies
The Ohio Department of Development limits access to all confidential information by the use of confidentiality agreements which are signed by all system users and contractors of the Department. Additionally, all users of the web-based application system (OCEAN) must log on to authenticate with a unique account. Security limits a user's access based on the needs of the position. Auditing tracks changes to critical data and client records that are accessed are tracked according to the user.	The actual applications are being locked in a secure area and data is being entered from a scanned document to avoid handling by multiple persons. Applications are assigned in groups of 50 to screeners and tracked by the system. Once they are completed, the system will assign a file number and the paper application will be boxed and sent to a secure offsite Record Retention location until scheduled for destruction. Ohio has the capability of requesting original documents as needed.	NA	<i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i>

LIHEAP BENEFITS POLICY			
Describe FY2010 State policies continuing in FY2011 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.	Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY2011.	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.	Necessary outcomes from these systems and strategies
Ohio requires vendor agreements including tax id number of all energy vendors who receive payments on behalf of eligible clients. Ohio has a "Case Review" system in place to detect duplicate benefits to the same household. This system will prevent processing of applications with similar addresses, names and vendor account numbers until they are reviewed for fraud.	Regulated companies will be signing a new data confidentiality agreement for FY2011 which instructs them on how credits are to be applied to customers' accounts, how shared data is to be used and how refunds should be handled. Companies will be reporting on a monthly basis when payments are accepted or rejected and the reason why.	NA	<i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i>
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 unregulated energy utilities.	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
Ohio requires vendor agreements (see attached vendor agreement) including tax id number of all energy vendors who receive payments on behalf of eligible clients. Ohio has "Case Review" system in place to detect duplicate benefits to the same household. This system will prevent processing of applications with similar addresses, names and vendor account numbers until they are reviewed for fraud.	Vendors must log in to a secure website to either accept or reject payments on behalf of their customers. By accepting the client as their customer, the vendor is certifying that the LIHEAP benefit will be properly applied to the customer's account or that fuel has been or will be delivered.	NA	<i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i>
VERIFYING THE AUTHENTICITY OF ENERGY VENDORS			
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.	Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY2011.	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?	Necessary outcomes from these systems and strategies

<p>Ohio renews vendor agreements on an annual basis to ensure that vendors are still in business and not debarred or suspended. In addition to completing and signing the agreement, vendors must also complete a Data confidentiality Agreement, a Homeland Security DMA form and an IRS W-9 form.</p>	<p>Ohio plans to verify with the Ohio Secretary of State's Office periodically that vendors have not been debarred or suspended.</p>	<p>NA</p>	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>
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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>
<p>Ohio holds annual 2-day Energy Assistance Trainings (see attached agenda and workshop descriptions) and requires all State LIHEAP staff and agency HEAP Coordinators and intake workers to attend. The workshops cover topics such as the Energy Assistance Program Guidelines, the Percentage of Income Payment Plan (PIPP) Changes, Procedures for Regulated companies, Ohio's web-based application (OCEAN) and required Financial Reporting. Training is also held annually for all employees handling and screening HEAP applications and employees who answer the HEAP call center. Additionally, on-site training is available for new agency staff or as a refresher for existing staff. Webinars are also used to provide updated training and information to agency staff as needed. The Office of Community Services provides Information Updates and Transmittals to agencies and staff regarding procedural or policy changes. Updates and reminders are also posted on the welcome page of OCEAN (Ohio's web-based application).</p>	<p>The Ohio Department of Development is in the discussion stages of planning to implement procedures for handling fraud cases, including a fraud unit dedicated to researching reported cases and coordination of recovery/prosecution efforts. As part of the annual training, Ohio plans to highlight additional measures that are being implemented to prevent, detect and prosecute confirmed fraud cases.</p>	<p>NA</p>	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>

AUDITS OF LOCAL ADMINISTERING AGENCIES			
Please describe the annual audit requirements in place for local administering agencies in FY2010 that will continue into FY 2011.	Please describe new policies or strategies to be implemented in FY2011.	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.	Necessary outcomes from these systems and strategies
Program audits are performed every two to three years unless an agency is considered high-risk. Audits for high-risk agencies are required annually. Single agency A-133 audits are required annually.	With the additional CSBG and HWAP ARRA funding, all agencies will receive annual program audits.	NA	<i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i>

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.