

## Choctaw Nation of Oklahoma 2010 LIHEAP Integrity Plan

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### RECENT AUDIT FINDINGS

The Choctaw Nation of Oklahoma LIHEAP Program is subject to an annual single audit of its expenditures for amounts received to carry out program purposes.

A Certified Public Accountant has reviewed the accounting system and it has been determined that the system includes internal controls adequate to safeguard the assets of the Choctaw Nation.

BKD CPAs & Advisors have conducted an audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (a copy of the Auditor Report Letter is included as attachment to the LIHEAP Plan).

### COMPLIANCE MONITORING

In addition to the annual single audit of expenditures, monitoring of the Tribe's LIHEAP Program will be provided through diligent review and analysis of applications and applicant computer file data and supporting documentation. The LIHEAP Coordinator and LIHEAP Accountant are responsible for constant monitoring procedures performed throughout the duration of the program to assure consistent operation in compliance with the LIHEAP Plan and Program laws. Monitoring activities will include records management, meticulous assembly of client file supporting documentation, verification of eligibility determination and payment amount, and through quarterly reports to the Tribal Council.

### FRAUD REPORTING MECHANISMS

Title: TR-110, "MISUSE OF TRIBAL RESOURCES" of the Choctaw Nation Policies and Procedures, states: The Choctaw Nation will immediately address any suspected or known misuse, fraud, theft or other financial irregularities, of Choctaw resources. As known or suspected misuse of Choctaw resources either to their supervisor or Executive Director or directly to the Assistant Chief or the Executive Director of Finance.

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The responsibility for the investigating and external reporting of the misuse of Choctaw resources will be assigned to personnel best equipped to conduct these activities, Law Enforcement and/or the Federal Bureau of Investigations (FBI), as appropriate depending on the magnitude of the misuse.

Upon conclusion of the investigation: A determination whether prosecution is appropriate will be made and will proceed accordingly. Legal authorities will be consulted as deemed necessary, the assigned Investigator will issue a report which may include recommendations to improve operational procedures and internal controls.

Beginning in FY/2011, a toll-free phone # for reporting abuse or fraud of LIHEAP funds and/or services will be posted on all LIHEAP applications, Vendor Letters, and Client Notification Letters.

The LIHEAP data base software is programmed to detect duplication of various fields, including names, social security numbers, phone numbers, mailing addresses, services addresses, etc.

### **VERIFYING APPLICANT IDENTITIES**

Choctaw Nation LIHEAP has always required that all household members each year submit social security card copies and Tribal Membership or CDIB cards, as documented verification of identity. In the event that one is unable to provide a SS card copy, the LIHEAP office will accept documentation from the Social Security Administration providing the name, social security number, and status on the SSA's letterhead. All supporting documents must be included with the application before a payment can be processed through the LIHEAP Office.

As before, the routine practice of mailing applications to previous applicants over age 60 will continue. However, beginning in FY/2011, the applications will not contain any computer generated client file information. Applications will be left blank to help assure accurate, updated information in the interest of client confidentiality, privacy, and to curtail opportunity for fraud and abuse.

### **SOCIAL SECURITY NUMBER REQUESTS**

It has always been Choctaw Nation's policy that no payment can be processed by the LIHEAP Office until copies of social security cards (or other Social Security Administration documentation) for ALL household members is contained in client file.

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### **CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS & DATABASES**

The Choctaw Nation LIHEAP department is currently unable to access existing government systems and databases to verify the identities of applicant or household members.

### **VERIFYING APPLICANT INCOME**

The Choctaw Nation LIHEAP department is currently unable to access State Directories of new hires or similar systems to confirm income eligibility.

Choctaw Nation's current policy for verifying applicant income is to require every person in the household over 18 years of age provide a copy of a check or check stub, bank statement, or an income verification form filled out and signed by an employer.

If members of the household are between the ages of 18 and 60 and are unemployed, they must provide documentation from an employment agency proving they are registered for job search assistance, or a current school schedule. Also, if anyone in the household is under 60 and not employed because of disability, they must provide proof of disability (i.e. a copy of disability check, or a copy of Public Assistance letter, or a doctor's statement.)

This method of income verification will continue in FY/2011.

### **PRIVACY-PROTECTION AND CONFIDENTIALITY**

The Choctaw Nation Policies and Procedures, Standards of Conduct and Disciplinary Action, prohibits "releasing and/or discussing confidential clientele/employee information with unauthorized individuals". And in fact, all employees at time of initial employment are required to sign a "Statement of Confidentiality". Also, many individual departments, including LIHEAP, require each employee sign a "Confidentiality Agreement". Violation of the conditions of the agreements provide for immediate termination of employment.

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### **LIHEAP BENEFITS POLICY**

Choctaw Nation's finance department requires a completed W-9 Tax Form for every vendor paid; Finance then cross references the vendor's information with the IRS database.

Also, printed on every letter accompanying the check sent to a vendor is a "vendor agreement statement" advising vendors that acceptance of a Choctaw Nation LIHEAP payment implies agreement to certain conditions relative to ethical billing practices, prohibition of adverse treatment, and non-discrimination in goods or services. This practice will continue in 2011 and thereafter.

In FY-2011, Choctaw Nation LIHEAP Department will publish a toll free number for report of fraud or abuse of LIHEAP funds/services on each application, vendor letter, and client letter.

### **PROCEDURES FOR UNREGULATED ENERGY VENDORS**

Established utility companies are regulated by the State Corporation Commission.

The LIHEAP vendor agreement is printed on the vendor letter that is mailed with the check to each vendor.

We are an Indian Tribe whose boundaries encompass 10 ½ counties comprised of many small communities, a situation which offers the probability of exposure of unregulated utility vendor fraud, and we work very closely with our energy vendors to ensure that payments are credited properly.

Beginning In FY/2011, Choctaw Nation will require all unregulated energy utility sign and have on file in the LIHEAP office, a "Vendor Agreement: Terms & Conditions" document. No payment will be made to a non-regulated vendor until the LIHEAP Department is in receipt of an authorized signature on the Agreement.

Beginning In FY/2011, Choctaw Nation will require a physical services address as well as a mailing address on a utility bill.

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**VERIFYING THE AUTHENTICITY OF ENERGY VENDORS**

The Choctaw Nation Finance Department currently requires that each vendor have on file a completed W-9 that has been cross referenced with the IRS records before a payment can be made to that vendor.

**TRAINING AND TECHNICAL ASSISTANCE**

The Choctaw Nation Finance Department has provided training of its own staff and for the LIHEAP staff, on the matter of obtaining documentation for meeting Tribal and IRS requirements for vendor payments. The finance department will not process a LIHEAP payment until a completed W-9 Tax Form is on file for a vendor; the finance department then cross references the vendor's information with the IRS database.

**AUDITS OF LOCAL ADMINISTERING AGENCIES**

Choctaw Nation of Oklahoma LIHEAP Department located in the Tribal Headquarters building in Durant, Oklahoma, is the sole administering agency. The Choctaw Nation of Oklahoma LIHEAP Program is subject to an annual single audit of its expenditures for amounts received to carry out program purposes.