

**FFY 2013-2014  
PROGRAM INTEGRITY  
ASSESSMENT**

KENTUCKY  
**PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT**  
 Low Income Home Energy Assistance Program (LIHEAP)  
 FY 2014

**State, Tribe or Territory (and grant official):** Kentucky **Date/Fiscal Year:** FY 2013-2014

1. RECENT AUDIT FINDINGS	Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY 2013 or the prior three years, in annual audits, Grantee 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 FY 2014.	If there is no plan in place, please explain why not.	Necessary outcomes from these systems and strategies  <i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>
<p>Kentucky's Auditor of Public Accounts (APA) performed audits of the LIHEAP program for FY 2011 and FY 2012. The LIHEAP program did not have any findings as a result of these audits.</p> <p>Kentucky's Office of Inspector General (OIG) completed an investigation regarding Holston Gas Company discriminating in the cost of propane gas between customers that receive LIHEAP benefits and general household customers.</p>		<p>The Holston Gas investigation was deferred to Kentucky's Office of Attorney General for further investigation and litigation.</p>	<p style="text-align: center;">N/A</p>	

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<b>2. COMPLIANCE MONITORING</b>			
<b>Describe the Grantee's FY 2013 strategies that will continue in FY 2014 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.</b>	<b>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.</b>	<b>If you don't have a firm compliance monitoring system in place for FY 2014, please describe how the State is verifying that LIHEAP policy and procedures are being followed.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>CHFS, Division of Administration and Financial Management (DAFM), Contract Performance Branch, monitors Community Action Kentucky (CAK) and Kentucky Housing Corporation (KHC) during the year to assure that the operation of the program is in compliance with all contract requirements and the federal statute, including issuance of a monitoring report and request for corrective action planning for any requirements found to be out of compliance.</p> <p>By contractual agreement with DCBS (Attachment 1 pg. 18, item 17.), CAK, monitors each Community Action Agency (CAA) at least once a year to assure the appropriate delivery of services and documentation of case actions and billing. All monitoring is performed within the timeframe of November – May of each fiscal year. CAK provides to the Cabinet a written monitoring report, within four weeks of monitoring the CAAs which includes a description of any problems identified and the corrective actions to be taken.</p>	<p>In FFY 2013 Kentucky elected to transfer 15% of LIHEAP funds to the Kentucky Housing Corporation (KHC) for the Weatherization Program. Therefore, CHFS, Division of Administration and Financial Management will be responsible for monitoring CAK and KHC.</p>	<p>N/A</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

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<b>2. COMPLIANCE MONITORING</b> (Continued)	
<p>CAK follows up on all corrective actions and reports the resolution to the Cabinet.</p> <p>Additionally, monitoring procedures performed by CAK include a process of desktop monitoring. The CASTINET system gives a status report of households served and benefit dollars expended which are reviewed on a daily basis. CAK staff reviews the report for anomalies or deviations from expectations such as an unusually high or low household benefit which would alert staff that something is out of the ordinary. A finding results in follow-up with the agency to learn what change occurred that caused the deviation.</p> <p>By contractual agreement with DCBS, Kentucky Housing Corporation (Attachment 12) will monitor CAK and the community action agencies to assure the appropriate delivery of services and documentation of case actions and billing for weatherization activities is in compliance with federal and state laws.</p>	

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<b>3. FRAUD REPORTING MECHANISMS</b>			
<b>For FY 2013 activities continuing in FY 2014, 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.</b>	<b>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.</b>	<b>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.</b>	<b>Necessary outcomes of these strategies and systems</b>
<p>CHFS contracts with the Office of Inspector General (OIG) to investigate and prosecute fraud. OIG maintains a fraud hotline through which the public can report fraud. Posters from Office of Inspector General (OIG) which include the OIG's Fraud Hotline (1-800-372-2970) number are posted in every community action agency.</p> <p>Per our LIHEAP manual (Attachment 2) all CAA's are to conduct outreach activities and provide outreach material. The outreach material is made available to the public to ensure that eligible households, especially those with persons who are elderly or disabled, or those with children under the age of six years old are made aware of the assistance available. The outreach material i.e. poster and flyers are posted in Senior Citizen Centers, Head Start Centers, state and county offices, public</p>	<p>Kentucky will maintain current procedures for FY 2014.</p>	<p>N/A</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>

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<b>3. FRAUD REPORTING MECHANISMS (Continued)</b>		
<p>libraries, community centers, local vendors and other places in the community i.e. Red Cross, Salvation Army, Legal Aid, etc., if permissible. Community Action Kentucky's toll free number is included on the poster. The public may call the toll free number if they have any complaints or to report fraud. In FY 2011 all outreach material was revised to include information on reporting fraud. The LIHEAP application was revised to include a statement that information provided by the applicant maybe cross checked for authenticity and the OIG Fraud Hotline number was added to the CAK website.</p> <p>Also, during the CAK Annual Training, guest speakers from the Office of Inspector General advise CAAs of procedures on reporting fraud.</p> <p>In FY 2012, Kentucky revised the client denial notification to address fraud and any penalties associated with committing fraud.</p>		

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<b>4. VERIFYING APPLICANT IDENTITIES</b>			
<b>Describe all FY 2013 Grantee policies continuing in FY 2014 for how identities of applicants and household members are verified.</b>	<b>Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.</b>	<b>If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Per state regulation 921 KAR 4:116 (Attachment 3), each household is required to verify household demographics. This is defined as: Address, Household size, Age group, Relationship to applicant, Source of income, Liquid Assets, Type of housing, and Heat source.</p> <p>In order to be eligible for LIHEAP benefits, applicants must provide a current utility bill that verifies their name/address or documentation that verifies they are responsible for utilities.</p> <p>If an authorized representative applies for the applicant, they are required to have a written statement signed by applicant or head of household or spouse of the head of household authorizing that person to apply on the household's behalf.</p>	<p>Kentucky will maintain current procedures for FY 2014 LIHEAP season.</p>	<p>N/A</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

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<b>5. SOCIAL SECURITY NUMBER REQUESTS</b>			
Describe the Grantee's FY 2013 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 FY 2014, or remaining the same.	If the Grantee 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
<p>Per state regulation 921 KAR 4:116 and the LIHEAP manual (Attachment 4) Kentucky requires a Social Security Number or Permanent Resident Card to be provided for each household member. Kentucky implemented the following requirements in FY 2011:</p> <ul style="list-style-type: none"> <li>• Applicants are to provide documentation of Social Security numbers for each household member.</li> <li>• The following may be used to document an individual's Social Security number (SSN) provided they list the individual's name and SSN:               <ul style="list-style-type: none"> <li>○ Social Security Card</li> <li>○ SSA Award letters</li> <li>○ SSA Benefit Check</li> <li>○ HUD forms</li> <li>○ Medicare Card, if client is primary beneficiary</li> <li>○ Military ID Card</li> <li>○ Bank Statement</li> <li>○ School ID or School Records</li> <li>○ Social Security Administration (SSA) printout</li> </ul> </li> </ul>	<p>Kentucky will maintain current procedures for the FY 2014 LIHEAP season.</p>	<p>N/A</p>	<p>All valid household members are reported for correct benefit determination.</p>



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5. SOCIAL SECURITY NUMBER REQUESTS (cont)			
<ul style="list-style-type: none"> <li>○ Work or State ID card</li> <li>○ Wage Stubs</li> <li>○ ID card from health benefits</li> <li>○ Other reasonable written resources</li> </ul> <p>The Community Action Agencies have computer software for taking LIHEAP applications called CASTINET. CASTINET has safeguards in place to ensure that applications are processed within the guidelines of the LIHEAP manual and regulation.</p> <p>These safeguards include :</p> <ul style="list-style-type: none"> <li>● Intake workers cannot take a LIHEAP application without the required SSN, Permanent Resident Card or indication that an individual is a child under the age of two being entered into the system.</li> <li>● The social security numbers and permanent resident card numbers are to be entered in a valid format with the accurate number of digits.</li> <li>● CAK is alerted when a Social Security number is used to apply for benefits from multiple households.</li> </ul>			

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<b>6. CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b>			
<p>Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2013 and continuing in FY 2014. (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 FY 2014.</p>	<p>If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>At this time the Community Action Agencies do not have access to existing government systems or databases. Information using government databases is only verified for applicants and household members who are receiving Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) benefits. This information is verified by the Department of Community Based Services during the eligibility determination for these programs. The community action agencies (CAA) do not have access to existing government databases because agreements in place with SSA, etc., do not allow Kentucky to share access with other agencies.</p> <p>During FY2012, CAK and CHFS collaborated on an electronic exchange of data that allowed intake staff within the Community Action Network to view a modified version of the KAMES data related to household composition and income for LIHEAP applicants at the time of intake. This exchange was</p>	<p>Kentucky will maintain current procedures for FY 2014. However, CHFS is currently negotiating with SSA to allow CAK and the CAAs access to SSA information/data.</p>	<p>Kentucky does not have the capability to cross check SSN or ID information with existing government databases because of confidentiality and cost related issues.</p> <p>Kentucky cannot allow the CAAs the capability to utilize existing government systems or databases due to the agreements with the Social Security Administration (SSA) and Internal Revenue Service (IRS) regarding the exchange of information.</p> <p>Per the agreement with SSA, the Cabinet is required to comply with the Computer Matching and Privacy Protection Act (CMPPA) of 1988. The Cabinet cannot</p>	<p>Use of all available database systems to make sound eligibility determination.</p>

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<b>6. CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b> (Continued)	
<p>incorporated into the application intake software CASTINET that enabled users to view selected data prior to approving or denying the LIHEAP application. This data exchange made it less likely that someone who was already enrolled in services administered by CHFS to misrepresent their household composition or income when applying for LIHEAP. It also saved CAA staff time, local DCBS staff time and client time, because CAA staff were able to look up data at time of intake instead of sending the client to the local DCBS office to retrieve documentation.</p>	<p>transfer or disclose data to any other agency or entity.</p> <p>The Cabinet also has a Computer Matching Agreement (CMA) with IRS to comply with the Privacy Act of 1974 amended by the CMPPA of 1988 and the Office of Management and Budget Final Guidance. IRS agrees to disclose to the Cabinet certain information for use in verifying eligibility for individuals applying for certain benefit payments. The Cabinet agrees to comply with safeguarding requirements mandated by the Internal Revenue Code, I.R.C. Section 6103(4) as described in the IRS Publication 1075, Tax Information Security Guidelines for Federal, State, Local Agencies and Entities.</p> <p>Per the agreement the Cabinet may not use or share the information in any manner or for any purpose not consistent with that authorized under I.R. C Section 6103(l)(7). Any secondary use is prohibited maybe subject to criminal and/or civil penalties.</p>

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<b>7. VERIFYING APPLICANT INCOME</b>			
<b>Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2013 and continuing in FY 2014.</b>	<b>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.</b>	<b>If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Kentucky does not use State Directories of new hires to confirm income eligibility for LIHEAP recipients.</p> <p>Applicants are to provide proof of all household income from the preceding month. Income for categorically eligible individuals is verified by DCBS.</p> <p>Per regulation, 921 KAR 4:116, applicants are to provide proof of income and a statement of liquid resources for the preceding month.</p> <p>Household are required to provide documentation of their earned income by one or more of the following :</p> <ul style="list-style-type: none"> <li>• Pay stubs;</li> <li>• Employer statement or contract;</li> <li>• Records maintained by individual on self-employment income;</li> <li>• Contracts;</li> <li>• Current income tax return; and</li> <li>• Records of income and expenses on farm and /or rental income</li> </ul>	<p>Kentucky will maintain current procedures for the FY 2014 LIHEAP season.</p>	<p>Title IV-D of the Social Security Act, which governs the National Directory of New Hires (NDNH) grants statutory authority to those entities authorized to request NDNH information. Only those entities listed within the statute may access this information for the specific programs and purposes listed. LIHEAP is not listed as one of these programs. Therefore, Kentucky will not implement the use of new hire directories in FY 2013.</p>	<p><i>Effective income determination achieved through coordination across program lines.</i></p>

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<b>7. VERIFYING APPLICANT INCOME</b>			
<p>In October 2012, DCBS provided CAK an electronic file of information regarding individuals who are receiving Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) benefits. These individuals have income confirmed through a third party as DCBS uses a third party verifier "The Work Number" as needed to verify earnings for applicant/recipients of TANF, and SNAP Benefits.</p>			

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<b>8. PRIVACY-PROTECTION AND CONFIDENTIALITY</b>			
Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 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 FY 2014.	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 and from these systems and strategies
<p>Per contractual agreement (Attachment 1, pg. 54, Section 4.55), CAA and the CAA's are required to maintain confidential information acquired from the applicants or provided by the Cabinet consistent with the requirements of KRS 194A.060, Confidentiality of Records and Reports, KRS 205.175 Confidential treatment of information and records, and KRS 205.177 Information may be shared by state and local governmental agencies. (Attachments 5, 6, &amp; 7)</p> <p>CAK agrees not to release such information to any person, partnership, corporation or association without the written approval of the Cabinet.</p> <p>As part of the monitoring process each CAA is required to have written policy and procedures in place regarding confidentiality. Each agency must comply with KRS 45A.340 (Attachment 8) Conflicts</p>	<p>Kentucky will maintain current policy for FY 2014.</p>	<p>N/A</p>	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

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<b>8. PRIVACY-PROTECTION AND CONFIDENTIALITY (Continued)</b>	
<p>of Interest of Public Officers and Employees, and KRS 45A.455 (Attachment 9) Gratuities and Kickbacks – Use of Confidential Information.</p> <p>Each CAA is required to develop a Crowd Control Policy that assures applicants are served on a first come, first served basis and to assure consumer confidentiality is considered. Crowd control is necessary to provide ample space for applicants to be assured of audible and visual privacy during the intake process when sensitive information is exchanged between the customer and the community action staff.</p> <p>The CASTINET system is the automated system used to determine eligibility and has the following safeguards in place:</p> <ul style="list-style-type: none"> <li>• Only users that have a valid login/password have access to the system.</li> <li>• Multiple levels of user access, allowing the ability to limit functions which a user may perform.</li> <li>• Prevents duplication of applications to prevent duplicate payments.</li> <li>• System requires a user to receive approval from a superior in the event that the user may need to void/modify an application already submitted to the vendors.</li> <li>• Limited display of applicant’s social security number on documents i.e. transmittals to vendors.</li> </ul> <p>In 2010, training was provided by the Cabinet to all the community action agencies to ensure safeguarding and confidentiality procedures are in compliance with federal and state laws.</p> <p>In September 2013, a guest speaker from the Kentucky State Police spoke at the LIHEAP Annual Training. He provided information on crowd control and how to handle difficult situations.</p>	

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<b>9. LIHEAP BENEFITS POLICY</b>			
<p>Describe FY 2013 Grantee policies continuing in FY 2014 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 FY 2014.</p>	<p>If the Grantee 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 Grantee taking to ensure program integrity.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>By contractual agreement (Attachment 1, pg. 38, Section 4.18), CAK and the CAAs provide services and benefits in accordance with all federal and state statutes and regulations.</p> <p>Per state regulation, 921 KAR 4:116, during the Subsidy component payments are made to the energy provider or to the landlord, if the cost of heating is included in the rent. During the Crisis component payments are made to the 1) energy provider, upon delivery of fuel, restoration, or continuation of services 2) vendor who supplies heaters, blankets or emergency lodging, or 3) landlord, if heating cost is included in the rent.</p> <p>The CASTINET system has safeguards in place to ensure applications are processed based on information i.e. demographics, income, liquid</p>	<p>Kentucky will maintain current procedures for the FY 2014 LIHEAP season.</p>	<p>N/A</p>	<p>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients</p>



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<b>9. LIHEAP BENEFITS POLICY</b> (Continued)			
<p>resources and energy type. The benefit amount is automatically calculated through the CASTINET database. The system only allows approved users to enter eligibility information or modify benefit amounts. Intake workers cannot void or modify an application without a supervisor's approval.</p> <p>The CAAs utilize a transmittal that is produced by the CASTINET software system. The transmittal may be sent via fax or electronically to the vendor. On a daily basis, each vendor is sent a transmittal that contains a list of applicants that are eligible to receive LIHEAP benefits. For security reasons, by default the transmittal does not display the applicant's SSN. Also, the CAAs compare the transmittal against the vendor's invoice for discrepancies before a payment is made to the vendor.</p>			

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<b>10. PROCEDURES FOR UNREGULATED ENERGY VENDORS</b>			
<b>Describe the Grantee's FY 2013 procedures continuing in FY 2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.</b>	<b>Please highlight any strategies policy in this area which will be newly implemented in FY 2014.</b>	<b>If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Per 921 KAR 4:116, the CAAs solicit vendors by placing advertisements in local newspapers. By contractual agreement (Attachment 1, pg. 14-15), each CAA establishes a vendor listing.</p> <p>Vendors are required to complete and sign an application/vendor agreement prior to being accepted as vendor for the program.</p> <p>In FY 2011, the vendor agreement form was revised to reference procedures regarding confidentiality and fraud.</p> <p>Vendors are required to provide a fixed price for bulk fuels. Vendors are required to maintain records of financial transactions for a period of three years. Company records must be made available for inspection by CAK or CHFS upon request.</p> <p>Every effort is made by the CAAs to use vendors from previous seasons. New vendors are required to attend orientation with each CAA's management staff prior to the beginning of the program. During the orientation, vendors are made aware that any complaint</p>	<p>Kentucky has revised the Vendor Agreement plus established additional requirements for monitoring and monthly reporting to ensure that vendors are treating LIHEAP customers the same as non-LIHEAP customers.</p>	<p style="text-align: center;">N/A</p>	<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>

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<b>10. PROCEDURES FOR UNREGULATED ENERGY VENDORS</b> (Continued)		
<p>calls regarding their product or services will be investigated.</p> <p>For unregulated fuel sources (wood, coal, propane, fuel oil, kerosene) payment will not be made until the fuel has been delivered or provided and the vendor has submitted documentation that the consumer accepted the fuel.</p> <p>The CASTINET database has restrictions in place for averting fraud. A LIHEAP application cannot be approved without the appropriate vendor and fuel information recorded in the system. Only selected levels of users can enter or create a new vendor record in the CASTINET database. Once a vendor has been created it cannot be renamed or deleted.</p> <p>CASTINET has additional protection against fraud by restricting certain vendors and certain types of fuel to be used. If the vendor or fuel type is not in the system, it cannot be chosen for a LIHEAP application.</p>		

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<b>11. VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
<p>Describe Grantee FY 2013 policies continuing in FY 2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.</p>	<p>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.</p>	<p>If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>Vendors are required to sign a vendor agreement. Upon signing the agreement, a vendor must accept the responsibilities/requirements according to 921 KAR 4:116. The vendor must comply with the following provisions:</p> <ul style="list-style-type: none"> <li>• Charge the LIHEAP household, in the normal billing process, the difference between the actual cost of home energy and the amount of the payment approved from the program;</li> <li>• Not treat households adversely because of the receipt of LIHEAP benefits;</li> <li>• Not discriminate, either in the cost of the goods supplied or the services provided against the eligible household for whom payment is being made;</li> <li>• Reconnect utilities and/or deliver fuel upon certification of payment; and</li> <li>• Not increase the household's rent on the basis of the receipt of the payment.</li> </ul>	<p>Kentucky will maintain current procedures for FY 2014.</p>	<p>N/A</p>	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

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<b>11. VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b> (Continued)		
<p>Additionally, vendors must provide the following information:</p> <ul style="list-style-type: none"> <li>● Federal Tax ID Number</li> <li>● Business name and address</li> <li>● Business telephone/FAX numbers</li> <li>● Contact Name</li> <li>● Email Address</li> <li>● Mailing Address</li> </ul>		

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<b>12. TRAINING AND TECHNICAL ASSISTANCE</b>			
<p>In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 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 FY 2014.</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>The Cabinet provides guidance to CAK and the CAAs regarding state and federal laws pertaining to LIHEAP. Per contractual agreement, (Attachment 1, page 12) each CAA is required to perform reasonable and allowable administrative activities related to planning, training, technical assistance.</p> <p>Each year Community Action Kentucky conducts training prior to the heating season to train staff on the application process and to discuss all aspects of the program including fraud prevention.</p> <p>In September 2012, CAK provided annual training for staff. The following areas were covered in the training:</p> <ul style="list-style-type: none"> <li>• Changes in the procedures/program</li> <li>• Communications with the media</li> </ul>	<p>Community Action Kentucky will conduct their annual training in September 2013. Various topics will be discussed similar to last year's training.</p>	<p>N/A</p>	<p>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</p>

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<b>12. TRAINING AND TECHNICAL ASSISTANCE</b> (Continued)		
<ul style="list-style-type: none"> <li>• Computer process/updates</li> <li>• Fraud procedures</li> <li>• Crowd control and difficult situations</li> <li>• Confidentiality and Safeguarding client information</li> <li>• Social Security information</li> </ul> <p>As needed, staff is given guidance and technical support by CAK throughout the year via webinars, meetings or phone conferences.</p> <p>Vendors are required to attend an orientation, during which they are trained on the requirements/responsibilities of the LIHEAP program, which includes fraud prevention.</p> <p>During the applications process, training is provided to applicants on what constitutes fraud and the penalties for committing fraud. Applicants are given the Fraud Hotline number for reporting fraud.</p>		

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<b>13. AUDITS OF LOCAL ADMINISTERING AGENCIES</b>			
	<b>Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.</b>	<b>Please describe new policies or strategies to be implemented in FY 2014.</b>	<b>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.</b>
	<b>Necessary outcomes from these systems and strategies</b>	<b>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households</b>	
		<b>N/A</b>	
	<p>Each CAA is required by contractual agreement (Attachment 1, page 42) to have a single audit conducted in accordance with Government Auditing Standards (GAS), Generally Accepted Auditing Standards (GAAS), and OMB Circular A-133, <i>Audits of States, Local Governments and Non-Profit Organizations</i> issued by the Comptroller General of the United States and the Office of Management and Budget as amended.</p> <p>The audit report's accompanying financial statements are issued in accordance with Generally Accepted Accounting Principles (GAAP) and reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited.</p> <p>The audit covers each fiscal year period, and a copy of each audit report(s), federal schedule of expenditures, supplemental information by cost center and/or program and audit findings with corrective</p>	<p>Kentucky will continue to maintain current policy and procedures for FY 2014.</p>	



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<p>action plan are submitted to DCBS for review, no later than six (6) months after the fiscal year end.</p> <p>CHFS, Division of Administration and Financial Management (DAFM), completes a desk review of CAK's OMB A-133 Audit to ensure it meets applicable standards and OMB A-133 reporting requirements, and to identify deficiencies that require correction and issues that may require further Cabinet attention.</p> <p>During CAK's individual agency field monitoring, the agencies administrative expenditures are reviewed and a copy of the audit engagement letter is obtained confirming the agency has an audit process in place.</p>		

**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.

In addition to the policies and procedures described in this document, the state also has statutory language (Attachments 10 and 11) regarding identification and recovery of improper benefit payments.