

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

State, Tribe or Territory (and grant official): Commonwealth of Massachusetts		Date/Fiscal Year: July 1, 2013/Fiscal Year 2014	
RECENT AUDIT FINDINGS			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2013 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.
<p>FY13 - KPMG auditors are currently conducting the FY 13 audit.</p> <p>FY12 - There were no findings of any kind for FY 12 audit. There were no fiscal findings from the Grantee monitoring assessment (HHS) or any other government agency for LIHEAP.</p> <p>FY11 - In FY 2011, the KPMG Auditors cited DHCD for not following Office of the Comptroller's (OCS) policies and procedures in reconciling weekly automated cash draws.</p>	<p>The deficiency identified in the FY11 audit was corrected in FY 12. DHCD's Office of Administration and Finance (OAF) has had a full-time cash accounting manager for the past year, whose responsibility includes reconciliation/compliance with the Comptroller's central draw process. The LIHEAP funds drawn via the Comptroller's Central-Draw process have been reconciled routinely during the prior year's audit period ending through 6/30/11. The reconciliation was updated through FY 2011.</p>	<p>Not applicable.</p>	<p>Continue to have no audit findings.</p> <p>Continue to utilize electronic budgeting and cash requesting process through the DHCD-E.Gov System.</p>

<b>COMPLIANCE MONITORING</b>			
<b>Describe the Grantee's FY 2014 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>The Division of Community Services' (DCS) Fiscal and Compliance Unit (FCU) and the Community Services Unit (CSU) perform annual onsite fiscal and program monitoring to ensure Local Administering Agencies' (LAAs') compliance with all state and federal laws, regulations, the LIHEAP Administrative Guidance, and overall operating procedures. LIHEAP program monitoring includes, but is not limited to, reviewing randomly (stratified) selected client files and certification documentation, LAA personnel structure, LIHEAP Related Party Transaction, Governor's Executive Order No. 504 confidentiality policies, staff training, planning, outreach strategies, timeliness of the application certification process, expenditures, sample vendor authentication and payments, requests for disbursement of funds, and other program-related activities. A Monitoring Review Report is issued documenting best practice examples, operational strengths, non-compliance, corrective actions, mitigation timeframes, and recommended areas of improvements. DHCD debriefs the respective LAA LIHEAP manager of the monitoring results during a follow-up conference call. LAAs are required to provide a written response within 30-days of the issuance of a DHCD Monitoring Review Report.</p> <p>Also there is a performance monitoring (or desk review) process in place. Subgrantee LAAs that completed an onsite assessment in FY 2014 need only to participate in a desk review in FY 2014, unless otherwise determined by DHCD. This entails an assessment of LAA operational procedures and remotely accessing the LAA LIHEAP software. Similar to onsite assessment, a follow-up conference call is held, a written report is issued and the LAA has 30 days to respond. The monitoring process usually concludes within 60-days of the initial monitoring date. DHCD reserves the right to conduct a follow-up onsite review.</p> <p>Furthermore, DHCD reserves the right to invoke a targeted file review process in Fiscal Year 2014, which is different from randomly selecting files from various certification groups, i.e., applicants with self-employment income, served, incomplete, and denied applications, appeal clients, and heat-included-in-rent tenants. The actual target methodology may vary from agency to agency depending on local trends. A group of files can be selected from:</p>		Not applicable.	Onsite monitoring or desk reviews of LAAs will reduce risks, decrease certification error rates, increase agency capacity, assert DHCD policies and procedures, and prevent inaccurate or improper payments.

<ul style="list-style-type: none"> <li>• applicants whose monthly housing costs exceed monthly income;</li> <li>• applicants with no countable household income;</li> <li>• applicants whose household income exceeds 60% of the Estimated State Median Income for a family of four;</li> <li>• applicants with no reportable housing costs;</li> <li>• applicants whose eligible benefit amount exceeds prior years' heating costs;</li> <li>• applicants who are currently employed at LIHEAP administering agencies; and</li> <li>• the previous year's applicants with high housing costs, low income, or reported ownership of a second home.</li> <li>• Vendors with unusual billing and payment patterns, as determined by the LAA.</li> </ul> <p>This file review methodology may be used in other situations, but not limited to allegations of fraud, waste, abuse or improper payments.</p> <p>DHCD shall require LAAs to develop an online LIHEAP contract work plan. The FY 2014 workplans will be based on the LIHEAP Performance Measures. Each LAA will be required to set performance targets based on those measures. The performance targets will be monitored during onsite and desk reviews. Any variance of more than 20% between targets and actual results are identified and reviewed.</p> <p>LAA performance is also monitored by reviewing:</p> <ol style="list-style-type: none"> <li>(1) Weekly application certification data.</li> <li>(2) Monthly application certification data.</li> <li>(3) Cash Requests and Expenditure Reports.</li> </ol> <p>The Financial and Compliance Unit (FCU) will conduct fiscal monitoring of Community Action Agency's (CAA's) and Local Administering Agency's (LAA's) on the Risk-Based criteria. Risk criteria will be based on prior year Audit (A-133) findings and prior year fiscal report findings of each CAA/ LAA. FCU will at least perform on-site fiscal monitoring to one half of the CAAs/ LAA's in addition to in-depth program and fiscal assessment reviews required under the Coats Human Service Reauthorization Act of 1998, Public Law 105-285. FCU will conduct on-site fiscal monitoring for each CAA/ LAA every other year.</p> <p>The fiscal monitoring will be conducted in accordance with the standard fiscal monitoring questionnaire, which will be updated when changes occur with the program. The objective of the fiscal monitoring review is to ensure that all programs are operated in compliance with applicable State and Federal laws, regulations, contracts and budgets, including but not limited to Office of Budget and Management (OMB) circulars. A</p>	<p>During Fiscal Year 2014 CSU shall continue to use its online Benefit Enrollment and Coordination System (BECS) to refer HEATLINE and other callers to respective LAAs. (BECS is a secure web-based system created to conduct client assessment, check potential eligibility for program benefits, and send and receive both internal and external program-specific referrals, for the LAAs).</p>		
--	---	--	--

<p>representative sample of transactions and associated source documentation will be tested to ensure compliance. This is not an audit, and therefore all areas examined are only examined for the purposes of obtaining an assessment of fiscal compliance related to LIHEAP.</p> <p>DHCD has a HEATLINE that receives calls year-round from existing and potential new clients. Calls are screened and returned. All certification issues and complaints are immediately brought to the respective LAA's attention.</p>			
---	--	--	--

<b>FRAUD REPORTING MECHANISMS</b>			
<p><b>For FY 2014 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></p>	<p><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></p>	<p><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></p>	<p><b>Necessary outcomes of these strategies and systems</b></p>
<p>DHCD's Office of the Chief Counsel has developed and implemented an agency-wide procedure based upon the State Office of the Inspector General's Toolkit for Fraud, Waste and Abuse.</p> <p>The Commonwealth of Massachusetts has several Fraud, Waste and Abuse reporting hotlines:</p> <p>Inspector General's Office: 800-322-1323</p> <p>Attorney General's Office: 617-727-3465 (Fair Labor Intake)</p> <p>Division of Unemployment Assistance: 800-354-9927</p> <p>The Commonwealth's public employees shall report fraud, waste and abuse of public funds to the Inspector General pursuant to M.G.L. c.12A, and other violations of the law pursuant to Massachusetts Whistleblower Protection Act, M.G.L. c.149 section 185.</p> <p>The State Inspector General's Toolkit and Fraud reporting hotlines are provided to all LIHEAP LAAs during DHCD's annual LIHEAP Training Conference's Fraud, Waste, and Abuse prevention session. DHCD shall continue to train LAAs on fraud reporting procedures during FY 2014.</p> <p>LAAs are required to follow up on any instances or reports of suspected, credible fraud related to the LIHEAP. The purpose of follow-up actions is to verify facts that either prove or disprove the suspected fraud. Actions may include: investigating the circumstance(s), requesting additional information, contacting and interviewing clients or third parties for clarification, utilizing public documents or media accounts, etc. LAAs shall detail the circumstances of the fraud, their actions in investigating a potential fraud (determined real or unfounded), and conclusive actions/outcomes in the Comment Sheet for related</p>	<p>A newly developed Fraud Tracking Log shall be reviewed and updated on a monthly basis.</p>	<p>Not applicable.</p>	<p>The public including clients will have access to available fraud reporting procedures.</p> <p>LIHEAP staff, Program Managers, Fiscal Directors, and internal controls staff will be aware of a process for reporting alleged instances of fraud, waste, abuse, and improper payments.</p>

<p>client. All cases of alleged or suspected fraud shall be reported to DHCD on the LIHEAP Fraud Reporting Form.</p> <p>As a safeguard, DHCD requires that agencies more frequently invoke a “Stop Payment” feature, currently available on their LIHEAP software. This feature allows an LAA to suspend payments until a household satisfactorily addresses all certification related questions</p> <p>All validated incidences of fraud will be brought to the Office of Chief Counsel’s attention pursuant to DHCD’s Fraud Policy, effective January 27, 2010.</p> <p>DHCD shall continue to enforce the existing Fraud, Waste and Abuse Prevention and improper payment reporting structure involving intake workers, fiscal staff, LIHEAP directors, and State officials.</p> <p>All reported fraud cases shall be reviewed with assistance from the Office of Chief Counsel for final resolution, such as reporting to law enforcement authority, Attorney General’s Office, Inspector General’s Office, Internal Revenue Service and/or Massachusetts Department of Revenue and recouping the value of LIHEAP or heating system assistance benefit through the court system.</p> <p>Reported fraud cases shall be reviewed by DHCD during onsite monitoring of Local Administering Agencies.</p> <p>To the extent feasible, DHCD will rely on the LIHEAP Program Integrity Work Group recommendations to further enhance its current fraud reporting and resolution policies.</p> <p><i>Attachments: Fraud, Waste, Abuse Prevention Tool Kit; Fraud, Waste, Abuse Prevention Brochure, LIHEAP Program Integrity, Fraud, Waste, and Abuse prevention document.</i></p>			
--	--	--	--

<b>VERIFYING APPLICANT IDENTITIES</b>			
<b>Describe all FY 2013 Grantee policies continuing in FY2014 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><b>Documentation Process (Identity)</b></p> <p>DHCD shall continue to enforce its current policy and require picture identification for all members of a LIHEAP applicant household with questionable household composition and/or non-traditional living arrangements. DHCD will review the feasibility of requesting proof of picture identification for all household members.</p> <p>Picture identification for the applicant is required when a proxy is used to apply for LIHEAP. Documentation of a client's address and identification is required to be on file for all LIHEAP applicants as part of the certification requirements. New applicants must provide identity documents for all household members.</p> <p>The following forms of documents are used to document identity:</p> <p>Valid Driver's License or State I.D. Card; Student Identification Card; U.S. Military Card; United States Passport; Current USCIS (formerly known as INS) Employment Authorization Card; Current Foreign Passport with Attached Employment Authorization; Certificate of U.S. Citizenship; Certification of Naturalization; Alien Registration Card (<i>Green Card</i>); or Employee identification card.</p> <p>If an applicant is unable to provide picture identification, the LAAs are required to note the type of identification provided on the application Comment Sheet. Furthermore, recertified households with a new household member must provide further identification, e.g., a birth certificate. Households with a deceased member are required to provide a copy of death certificate of the person deceased. Household members who have deserted their residences must prove their whereabouts before they are removed from a recertified LIHEAP application.</p>	<p>DHCD is developing a <i>Performance Verification System</i> that will match Applicant and other members of the LIHEAP households' Social Security Number and other application certification related information, e.g., name, date of birth, fixed income sources and information about deceased individuals through the Social Security Administration's (SSA) SVES IV database.</p> <p>An Information Exchange Agreement and a Computer Matching and a Computer Matching and Privacy Protection Act Agreement between DHCD and SSA are currently in effect. Contingent upon SSA providing access to its database, verification is slated to begin during FY 2014.</p> <p>A Service Agreement between DHCD the Department of Transitional Assistance (DTA) is being negotiated for the purposes of verifying income, household composition, and the identity of the applicant and other household members. During the Fiscal Year 2014, this verification process shall be limited to zero-income and TANF-recipient LIHEAP household members.</p>	<p>Not applicable.</p>	<p>Establish positive identification of applicants and other members of LIHEAP households with questionable identification, household composition, or non-traditional living arrangements.</p> <p>Normalize address through DHCD's E.Gov system.</p>

<p><b>Documentation Process (Address)</b></p> <p>LIHEAP applicants must have a Massachusetts address as their primary residence to become eligible for program benefits. Households must demonstrate that the unit at the given address (e.g., house, condo, rental unit, etc.) is their primary eligible residence.</p> <p>Household members must reside at the address stated on their LIHEAP application. All heads of household must provide address verification. The address and identification verification obtained from prior year LIHEAP recipients does not need to be updated unless the client has moved or there is a new head of household.</p> <p>Acceptable forms of address verification include: copies of bills (e.g., gas, electric, telephone, cable) with service address; most recent Massachusetts income tax form (no older than previous year); Driver's License, only if address on license matches address on application; "Tenant/Landlord Form" (sent by agency to landlord and signed by landlord); copy of current lease; or fixed income documentation, with current address.</p> <p>Although applicants must reside at their Massachusetts address in order to be eligible for LIHEAP assistance, all applicants must continue to certify on their Application that they currently occupy and/or will occupy the service address during the heating season for which assistance is sought.</p> <p>During Fiscal Year 2013, DHCD's online E.Gov system was enhanced to allow address normalization for each LIHEAP applicant household. This practice shall continue in Fiscal Year 2014.</p>			
---	--	--	--



<b>SOCIAL SECURITY NUMBER REQUESTS</b>			
<b>Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</b>	<b>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.</b>	<b>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.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>DHCD requests Social Security Numbers (SSNs) from applicants and other adult household members on their application for LIHEAP assistance. This is accomplished by issuing a Standardized LIHEAP Application and Authorization Language document, which is then implemented in its entirety by all LAA agencies.</p> <p>Although almost all applicants and other household members provide SSNs during the LIHEAP application process, in certain situations, a Social Security Number may not be available.</p> <p>Non-profit charitable organizations (e.g., LAAs) are specifically exempt from any of the requirements to determine, verify, or otherwise require proof of alien eligibility or status. (Sec 432(d)). A state may not require that such organizations verify the citizenship or immigration status of individuals applying for or receiving benefits. The requirement of a SSN runs counter to this federal prohibition. Therefore, until this federal policy is amended, DHCD shall continue its current practice of not denying benefit if an applicant refuses to provide an SSN or if the applicant and/or other household members do not have such a number.</p> <p>If an SSN is not available, the LAA may use a unique Application Identification Number (AIN) to establish identity.</p> <p><i>FY 2014 Standardized LIHEAP Application and Authorization Language</i>  <a href="http://www.mass.gov/hed/docs/dhcd/cd/liheap/fy14liheap-standardizedapp.pdf">http://www.mass.gov/hed/docs/dhcd/cd/liheap/fy14liheap-standardizedapp.pdf</a></p>	<p>DHCD's policy of requesting Social Security Numbers shall remain the same in FY 2014.</p>	<p>Non-profit charitable organizations (e.g., LAAs) are specifically exempt from any of the requirements to determine, verify, or otherwise require proof of alien eligibility or status. (Sec 432(d)) A state may not require that such organizations verify the citizenship or immigration status of individuals applying for or receiving benefits</p>	<p>Continue to provide assistance to LIHEAP eligible households.</p>

<b>CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b>			
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.)	Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
<p>DHCD has executed an Information Exchange Agreement and a Computer Matching and Privacy Protection Act Agreement with the U.S. Social Security Administration (SSA) for the purpose of:</p> <ol style="list-style-type: none"> <li>1) Securely transmitting Social Security Numbers and other required information to SSA.</li> <li>2) Verifying applicant information against SSA's SVES IV database.</li> <li>3) Determining the accuracy of household composition, including information about deceased individuals.</li> <li>4) Determining LIHEAP eligibility based on SSA and other follow-up verifications (if needed) within 40 working days in non-crisis situations.</li> <li>5) Preventing fraud during the application certification phase and terminate potential improper payments, if any, during and after certification.</li> <li>6) Identifying and referring individuals committing fraud, identity theft, or other such acts to appropriate authorities.</li> </ol> <p>Relevant operational procedures shall be developed during FY 2013. The following clauses were added to the FY 2013 and FY 2014 LIHEAP Applications:</p> <p>"I understand that any data I provide on this application form will be subject to verification through computer matching with the records on file at the federal Social Security Administration (SSA), and the Massachusetts Department of Transitional Assistance. I understand that before the AGENCY or DHCD terminates, suspends, reduces, denies or takes other adverse action against me because of information gained from the computer data matching process with the SSA, I will be notified in writing of the potential adverse action and provided an opportunity to contest the planned action and information on how to do so."</p>	<p>DHCD's <i>Performance Verification System</i> shall verify Applicant and other members of the LIHEAP households' Social Security Number and other application certification related information, e.g., name, date of birth, fixed income sources and information about deceased individuals through the Social Security Administration's SVES IV database. DHCD has developed and submitted a security plan to SSA. Contingent upon SSA providing access to its database, verification shall begin in FY 2014.</p> <p>DHCD shall continue to mandate the use of its DHCD-E.Gov system and a LIHEAP software that meet program integrity standards, including but not limited to privacy, client confidentiality, and security requirements, record retention, and auditing process as determined by DHCD and SSA from time to time.</p>	<p>Not applicable.</p>	<p>All Social Security Numbers and other pertaining application information provided by LIHEAP applicant household members are verified against the SSA database.</p>

<b>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>Other than verifying income of households claiming no/zero income, currently there is no such electronic verification system in place. The program documents income by using the following methods:</p> <p>Consecutive pay checks, employment letter, IRS Tax Forms, W-2s, Unemployment Benefit statement, Child Support letter, Odd Job verification form, etc.</p> <p>The LIHEAP software prompts the user to verify the accuracy of each required document. All zero income households must complete the No Income/Low-Income Verification Form. Furthermore, all households must provide additional information about how they are meeting their expenses when the total household income exceeds total housing costs by less than \$200 per month. In cases of self-prepared taxes, Form 4506T is required to obtain the tax transcripts from the IRS. Until the tax transcript is received by the agency, notarized copies of the required tax forms for any category may be substituted.</p> <p>Massachusetts does not conduct asset testing of LIHEAP applicants except in second home situations. An applicant who owns a real estate property (such as a vacation home) other than the primary residence is usually not eligible for LIHEAP assistance. Furthermore, each applicant is required to submit proof of lump sum income, which includes but is not limited to capital gains, profits from liquidation of stocks and bonds, inheritances, royalties, severance pay, pension or IRA withdrawals for certain age group, lottery winnings, one-time child support payment, insurance payments (excluding death benefits or third party payments), etc. Lump sum income is countable if received within the 12 months prior to the application date. Receipts from a specific lump sum item are only counted once. Households reporting zero income for two years in a row must be reported to DHCD in the form of a Wage Match request. Names and SSNs of all adult members of zero income households are then matched against the Massachusetts Department of Revenue (DOR) Wage Match Reporting System. The system verifies wages, if any. Results reported through the Wage Match process are then shared with LAAs for follow-up and recoupment of LIHEAP benefit, if applicable.</p>	<p>In addition to enforcing its current income verification policy and procedures, DHCD will encourage LAA subgrantees conducting Wage Matches on all adult household members claiming zero income during the year they apply for assistance. Income anomalies detected during the Wage Matching process shall be verified using existing documentation process. DHCD shall explore the possibility of securely transmitting wage results to LAAs in a software readable format for the purpose of reducing findings identified during</p> <p>DHCD's <i>Performance Verification System</i> will verify the receipt of fixed income amounts from the Social Security Administration. Meanwhile all recertified households with fixed income shall be required to provide a copy of their benefit statement or a letter from the originating agency confirming their benefit payment amount with a goal of rescinding this policy in FY 2014.</p> <p>An online data look-up system is being facilitated for Subgrantee LAAs through the Massachusetts Department of Transitional Assistance that will verify the receipt/non-receipt of TANF benefits. This verification process will be limited to zero income and TANF-recipient LIHEAP households.</p> <p>If there are discrepancies between an income source document and electronic verification, the electronic verification shall prevail, unless otherwise determined by a Subgrantee LAA.</p>	<p>Existing procedures of documenting and verifying income through source documents shall continue until the <i>Performance Verification System</i> becomes fully functional.</p>	<p>Electronic verification of data from certain fixed income sources.</p> <p>Increased participation in the Wage Match process for households claiming zero income.</p>

<b>PRIVACY-PROTECTION AND CONFIDENTIALITY</b>			
<b>Describe the financial and operating controls in place in FY 2014 that will continue in FY 2014 to protect client information against improper use or disclosure.</b>	<b>Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.</b>		<b>Necessary Outcomes from these systems and strategies</b>
<p>The LAA and all the LAA subcontractors hold all personal data under LIHEAP Contract in accordance with Section 6 of the Commonwealth Terms and Conditions and any applicable State privacy and confidentiality regulations, including, without limitation, 801 CMR 3.00 (Fair Information Practices), M.G.L. c. 66A, 201 CMR 17.00 (Security Breaches), M.G.L. c. 93H, and Executive Order No. No. 504 (Security and Confidentiality of Personal Information). Specifically, all LIHEAP program staff with access to personal information are to read these regulations and the Executive Order No. 504, and certify that they have read the Executive Order. They should review the presentation on personal information posted on DHCD website at <a href="http://mass.gov/dhcd">mass.gov/dhcd</a></p> <p>An LAA has to deliver to the Department, within 14 days of a written request by the Department following the termination of the LIHEAP Contract, such personal data relating to the LIHEAP Contract as the Department may request; provided that the Subgrantee may keep copies of any personal data delivered to the Department; and provided further, that for purposes of this sentence, the term, “personal data”, shall not include the Subgrantee’s personnel records.</p> <p>Furthermore each year, Massachusetts issues Standardized LIHEAP Application Items and Authorization Language that contains specific provisions pertaining to: client confidentiality and privacy of information collected. Additional written client authorization is required for sharing of information not allowed under the Application Authorization Language.</p> <p>Subgrantees are required to design their intake sites in such a way so that they can ensure the privacy of their clients during the application interview. Subgrantees are encouraged to use separate offices or partitioned areas for application intake. These areas are to be clearly isolated from the client waiting area, the reception desk, and the staff work area. Subgrantees shall ensure that privacy for clients and compliance with the rules of confidentiality shall be adhered to at every site, whether staffed by the Subgrantee’s staff or volunteers.</p> <p>The Governor’s Executive Order No. 504 mandates the LIHEAP Subgrantees and the Massachusetts Department of Housing and Community Development to implement certain</p>	<p>DHCD has executed its data exchange and security agreements with SSA. A Security Plan has been submitted to comply with privacy-protection, confidentiality, data security, and auditing standards, as determined by DHCD and SSA from time to time.</p> <p>Access to the Massachusetts Department of Transitional Assistance data look up system may be limited to one or two Subgrantee LAA staff. Based on system design, no such restrictions may be needed for the SSA data exchange process. However, access to the LIHEAP software shall be limited to authorized staff only.</p> <p>During both onsite assessment and desk reviews, each LIHEAP Subgrantee will be reviewed to understand their privacy-protection, client confidentiality, and security procedures. Each LIHEAP staff is required to review and acknowledge receipt of the Governor’s E.O 504 privacy and confidentiality document. Once signed, each acknowledgement document is incorporated into their personnel file.</p> <p>The subgrantee LIHEAP software must meet or exceed current privacy-protection and client confidentiality standards as required by SSA and DTA.</p> <p>During FY 2014, DHCD shall facilitate an Information Security training for all assigned LIHEAP staff conducted by a certified trainer</p>	<p>Not applicable.</p>	<p>Continue to safeguard Personally Identifiable Information both at Subgrantee and at the State level.</p> <p>Report any personal data breach, following procedures outlined in information security plans.</p>

<p>privacy and client confidentiality procedures.</p> <p>Both aggregated and non-aggregated client data is transferred to and from the State through a secure online system. Only authorized employees are granted access. Subgrantees are required to cross out Personally Identifiable Information (PIP) on LIHEAP applications when they are submitted to the State for review. After review, all PIPs are shredded, stored in a locked file cabinet, or saved electronically in a secured directory.</p> <p>Each year, during the LIHEAP Training Conference, DHCD hosts a session on Confidentiality, Privacy, and Information Security including safeguarding Personal Identifiable Information. This practice will continue in FY 2014.</p> <p>References:</p> <p><a href="http://www.mass.gov/anf/research-and-tech/it-pols-stnds-and-guidance/legal-guidance/privacy-and-security/exec-order-504/">http://www.mass.gov/anf/research-and-tech/it-pols-stnds-and-guidance/legal-guidance/privacy-and-security/exec-order-504/</a></p> <p><a href="http://www.mass.gov/ocabr/docs/idtheft/eo504.pdf">http://www.mass.gov/ocabr/docs/idtheft/eo504.pdf</a></p>			
---	--	--	--

<b>LIHEAP BENEFITS POLICY</b>			
<b>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.</b>	<b>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.</b>	<b>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.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Massachusetts is a vendor-pay program where payments are issued directly to an applicant's heating vendor, minimizing the risk of fraud or misuse of LIHEAP funds. Each heating vendor is bound by a Vendor Agreement that specifies their billing, receivable, and reporting requirements. (See client eligibility, billing and payment provisions included under Unregulated Vendor section). For regulated Utility vendors, there is an electronic eligibility, billing, and payment process in place. A standard file format is used to transmit client data and payments. Unregulated deliverable fuel vendors are required to submit delivery slips along with their payment requests to Subgrantee agencies. Eligible applicants whose home heating costs are included in rent receive direct payments from LIHEAP Subgrantees. However payments cannot exceed 30% of the monthly rent amount. The landlord must provide a written verification before payments are issued. The Heat Included in Rent list is reviewed by DHCD staff for accuracy and follows up payment anomalies, prior to and during the onsite assessment.</p> <p><b>Procedures and controls to mitigate the risk:</b> Each Subgrantee submits an electronic monthly cash request/report via the online E.Gov system to the Fiscal Compliance Unit (FCU). The cash request and supporting documents are reviewed by the Fiscal Representative upon submission. The review is based upon the reasonableness of funds drawn for approved activities, whether the grantee is in compliance with reporting requirements, there are approved amendments on file, there are no outstanding audit and/or monitoring compliance issues. The Fiscal Representative generates the document, and forwards to the Director of Finance. Then the Payment Request Forms are forwarded to OAF for MMARS processing.</p> <p>During Fiscal Year 2013, the monthly cash request/report to the Fiscal Compliance Unit was fully automated, using DHCD's existing E-Gov. system. Capabilities were recently added to separately track state and federal funds.</p>	<p>Furthermore, DHCD shall update its online E.Gov system to ensure statewide non-duplication of client benefits.</p> <p>A vendor management module, which is currently under development, will be fully operational before December 31, 2013. This is part of DHCD's ongoing effort to securely access key vendor information including, but not limited to, payments processed by each sub-grantee within a standard reporting timeframe. At present, each sub-grantee is required to submit weekly and monthly reports through the E.Gov System. These reports, however, currently do not provide access to sub-grantee processed vendor payments.</p>	<p>Not Applicable.</p>	<p>Continue to process payments only to LIHEAP authorized energy vendors.</p>

<b>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>The Massachusetts LIHEAP is primarily a vendor-pay program. The goal of averting fraud and improper payments is accomplished by maintaining the following checks and balances: Standard Vendor Agreement – each year, DHCD issues boilerplate standard agreement language that is then converted into a contract between a Subgrantee and an individual unregulated energy vendor. The contract, at minimum, stipulates provisions in the following areas: (1) billing, and payments; (2) non-discrimination of low-income customers; (3) privacy and client confidentiality; (4) proof of delivery; (5) access to records. LIHEAP heating oil delivery prices are set by DHCD, therefore, the heating oil contract also includes a provision on Margin-Over-Rack (MOR) pricing system. Each vendor must sign the contract, provide their Employer Identification Number, legal name and Doing Business As (DBA) name and attach a copy of their business certificate/ permit in order to be recognized as a vendor. Vendors delivering heating fuel in more than one LAA's service area must sign an individual Vendor Agreement for each service area. To establish a list of LIHEAP eligible clients, each Subgrantee notifies their contracted vendors of client eligibility. In order to receive payment, vendors have to submit delivery tickets and/or computer invoices for services provided. Tickets for oil, propane (not canisters), and kerosene include a meter reading indicating the number of gallons delivered. Tickets for wood deliveries specify the age, log size, and cut of the delivered wood. The client signs a statement indicating the delivery is satisfactory. Pellets must be of good quality. The Subgrantee requests from the client a Delivery Ticket or Store Receipt showing the purchase of pellets by the client. During DHCD onsite monitoring a sample of unregulated vendor payments are drawn and tested.</p>	<p>A vendor management module, which is currently under development will be fully operational before December 31, 2013. This is part of DHCD's ongoing effort to securely access key vendor information including but not limited to payments processed by each sub-grantee within a standard reporting timeframe. DHCD currently mandates submission of weekly and monthly reports through its E.Gov System.</p> <p>If instances of inaccurate or improper payments are detected, a Subgrantee must notify DHCD in writing with seven days of such discovery.</p>	<p>Not applicable.</p>	<p>All participating vendors are authenticated and representative samples of unregulated energy vendors are verified.</p> <p>Vendor and heat-included-in-rent payments will only occur after a client has fully established his/her eligibility for LIHEAP assistance.</p>

<b>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
<b>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.</b>	<b>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.</b>	<b>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?</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>A standard vendor agreement outlining responsibilities for the LIHEAP Subgrantee and the energy vendor is currently in place. The contract, at minimum, stipulates provisions in the following areas: (a) billing, and payments; (2) non-discrimination of low-income customers; (3) privacy and client confidentiality; (4) proof of delivery; (5) access to records. LIHEAP heating oil delivery prices are set by DHCD, therefore, the heating oil contract also includes a provision on Margin-Over-Rack (MOR) pricing system. Each vendor must sign the contract, provide their Employer Identification Number, legal name and Doing Business As (DBA) name and attach a copy of their business certificate/permit in order to be recognized as a vendor. Vendors delivering heating fuel in more than one LAA's service area must sign individual Vendor Agreement. To establish a list of LIHEAP eligible clients, each Subgrantee notifies their contracted vendors of client eligibility.</p> <p>Once a year, the State receives a list of all energy vendors receiving LIHEAP funds. The list is reviewed periodically for accuracy and payment trends. All LIHEAP energy vendors are required to use their legal and Doing Business As name, Employer Identification Number, and attach a copy of their Business Certificate, License, or Certificate of Good Standing with the signed contract.</p>	<p>The vendor management module will include a statewide unduplicated list for purpose of among others, verifying the list against the state's business registry maintained by the Secretary of State's Office. Vendor data collected during FY 2013 will be utilized to develop a statewide unduplicated vendor list.</p> <p>DHCD will continue to verify vendor set up process during onsite review of LIHEAP Subgrantee agencies.</p>	<p>Not applicable.</p>	<p>All participating vendors are authenticated.</p>



<b>TRAINING AND TECHNICAL ASSISTANCE</b>			
<p><b>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.</b></p>	<p><b>Please highlight specific elements of your training regiment and technical assistance resources from your plan which will represent newly implemented in FY 2014.</b></p>	<p><b>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.</b></p>	<p><b>Necessary outcomes from these systems and strategies.</b></p>
<p><b>Employees, non-governmental staff, and energy vendors</b></p> <p>The Annual LIHEAP Training Conference includes more than 12 hours of training on the following topics: Fraud, Waste, and Abuse Prevention; LIHEAP Program Integrity Measures; LIHEAP Fiscal Policy and Procedures; Application Certification Process; guidance changes; Implementation of LIHEAP Performance Measures; Utility Rights; and Arrearage Management Programs. Each year, the training is attended by LIHEAP managers, intake and certification staff, and fiscal managers. Representatives of investor-owned utility companies usually offer training on discounts and programs offered by individual company.</p> <p>Subgrantee agencies provide follow-up training to their staff using materials made available during and after the LIHEAP Training Conference. DHCD provides technical assistance to Subgrantees on a regular basis and conducts onsite training, as requested. DHCD or the Subgrantees are not required to provide training to clients or vendors. However, there are instances when certain unregulated vendors are provided information about how to meet DHCD's vendor contracting requirements.</p> <p>Furthermore, DHCD employees are offered mandatory Fraud Awareness Training from time to time. When offered, all DHCD LIHEAP staff will complete such a training.</p>	<p>The FY 2014 LIHEAP Training Conference for Subgrantee and State staff will be held in September 2013. A pre-selected group of members from the Massachusetts Oil Heat Council will be invited.</p> <p>Among others, the following topics shall be covered:</p> <ul style="list-style-type: none"> <li>• Fraud Reporting and Resolution Process.</li> <li>• Performance Measures Tracking and Reporting</li> <li>• Vendor Management System</li> <li>• Income Documentation</li> <li>• Utility Rights and Bill Management</li> <li>• SSA Data Exchange procedures</li> <li>• Information Security Training</li> </ul>	<p>Not applicable.</p>	<p>DHCD and Subgrantee staff members are aware of all LIHEAP programmatic and fiscal requirements.</p>

<b>AUDITS OF LOCAL ADMINISTERING AGENCIES</b>			
Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.	Please describe new policies or strategies to be implemented in FY 2014.	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.
<p>Audits of Local Administering Agencies (Subgrantees). A-133 Single Audits are required of Local administering agencies (Subgrantees) if the agency's total federal financial assistance received during the audit period exceeds \$500,000. DCS' Audit Coordinator is responsible for tracking audits, reviewing corrective action plans if findings are cited, and determining the management disposition of the finding. If the agency is below the A-133 Single Audit threshold, a letter from the agency CEO or CFO is required to be on file.</p> <p>The Massachusetts LIHEAP is administered locally by 19 Community Action Agencies (CAAs), two (2) other non-profit organizations, and one City government department. The current audit requirements will remain in place for FY 2014, until new OMB guidance is issued.</p>	<p>None.</p>	<p>Not applicable.</p>	<p>Local Administering Agencies' Audit show no material findings or reportable conditions.</p>