

ATTACHMENT 1
PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT
Low Income Home Energy Assistance Program (LIHEAP)

ABSTRACT:

HHS is requiring further detail from Grantees on their FY2014 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2014 plan which represent improvements or changes to the Grantee's FY2013 plan for preventing and detecting fraud, abuse and improper payment prevention.

Instructions: Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.

State, Tribe or Territory (and grant official):

Maryland – Greg Sileo, Director, Office of Home Energy Programs, Maryland DHR
Date/Fiscal Year: 9/1/2013
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.

Several audits are covered within the period specified.

DHR Office of Inspector General

The Maryland Department of Human Resources' (DHR) Office of Inspector General (OIG) conducts audits of the nine DHR Local Departments of Social Services (LDSS). Audits conducted over the last three years identified two items in one LDSS, which have been corrected. OIG found that 1) documentation did not exist verifying that program supervisor authorized payments for invoices and 2) the LDSS OHEP unit does not complete a cash receipt register for the incoming cash receipts received from bulk fuel vendors.

Local Agency Independent Audits

The LIHEAP program administered in ten non-profit local Community Action Agencies are audited by independent CPA Accounting Firms in accordance with OMB Circular A-133. No material weakness, reportable conditions and questionable cost has been identified within the last three years.

Single Audits

In Baltimore City, the local government administers LIHEAP and is subject to the single audit for Baltimore City. No findings have been reported within the last three years.

The single audit of Federal programs conducted by an independent CPA company for the 2011 program year reported the following findings:

“During our testing, we noted four files were not properly maintained which prevented audit verification of supervisory approval. There were a total of five files without supervisory signature approval for eligibility. In addition, we noted the eligibility requirement for one applicant could not be properly determined, as income supporting documentation was missing.

Legislative Audits

The Maryland Office of Legislative Audits (OLA) conducted an audit of the Office of Home Energy Programs and issued a report in February 2012 with the following findings:

1. Matching procedures were not used to verify data required to ensure program eligibility and the proper calculation of energy assistance benefits.
2. Documentation to support certain required application data was not always obtained by LAAs.
3. FIA had not established adequate controls over the OHEP data management system used to process applications and energy assistance payments.
4. Controls over cash receipts, which consisted primarily of refunds from utility companies, were not sufficient.

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 FY2014.

DHR Office of Inspector General

All audit findings have been corrected by the LDSS by incorporating a change in procedures. 1) The program supervisor must sign requesting documents authorizing payments for invoices. 2) A cash receipt register for the incoming cash receipts is now completed for receipts from bulk fuel vendors.

Single Audits

DHR reviewed the auditor’s sample and concurred with the finding regarding documentation. We reached similar conclusions from our reviews and have cited local agencies in the past. OHEP presented these findings and concerns at the OHEP annual meeting and in regional meetings with the local administering agencies. The goal is to reinforce the significance of

maintaining the required documentation and signatures, as well as to ensure that the policies are clearly understood. The next DHR monitoring cycle will validate whether the policies are being followed.

The findings of the single audit were accurate except it should be noted that the four files identified as not properly maintained were, in fact, destroyed due to water damage the result of flooding in a file room caused by burst pipes. Extensive water damage required the disposal of the affected files. Therefore, the finding that "files were not properly maintained" does not apply to that office.

Legislative Audits

In response to the OLA audit findings, OHEP has resolved each issue.

1. OHEP has established procedures to verify data such as Social Security number, death records, and incarceration records. These processes are described in the section of this document pertaining to cross-checking Social Security numbers. Verifying SSNs started in September, 2011. Death and incarceration validation started in October, 2013.
2. OHEP currently obtains arrearage and usage information through a variety of methods depending upon the utility. This includes by phone, from the bill, account access via a designated website and fax. As of July 1, 2011, OHEP has issued instructions for local administering agencies and utilities to ensure that proper documentation is received and placed or referenced in each customer's file or within the database.
3. OHEP has strengthened the internal controls of its data system. These actions were completed by July 1, 2011.
 - a. Access to both modification and certification of applications has been separated.
 - b. System log-in IDs are assigned to specific, authorized individuals who perform critical functions. Generic logins already established have been removed from use or assigned for inquiry purposes only. No generic logins can be used to perform critical functions. These actions were implemented by July 1, 2011. Periodic reviews through system generated reports are being conducted to ensure the integrity of the login names. The validity of logins is reviewed during annual monitoring visits.
4. The State OHEP Office has strengthened the internal controls over cash receipts.
 - a. There was a temporary lapse in reporting due to an internal re-organization. Since July 1, 2011, the Daily Revenue/Receipts Transaction Register (DAFR 7200) is received and is checked against OHEP receipts eliminating the gap in the deposit verification process. OHEP has established additional procedures to ensure that deposit verifications are performed on a timely basis and that the verification is documented. The procedure is as follows:
 1. Energy vendors are requested to send checks and refund lists separately to DHR/OHEP in order to prevent loss or theft.
 2. OHEP Position 1(secretary) obtains the mail, open and records the check information in the log.

3. OHEP Position 2 (fiscal supervisor) reviews the independently sent list against the check log and document that the check was received is consistent with the refund list amount.
 4. OHEP Position 2 (fiscal supervisor) will prepare the money mail list listing each check and amount and sign the money mail list.
 5. OHEP Position 3 (program director) will review the money mail list for accuracy and completeness to ensure that all checks received are included on the money mail list. The money mail list is signed by this position.
 6. OHEP position 2 (fiscal supervisor) will take the checks to the DHR Fiscal Office. Receipt of the list and checks shall be verified by signature on the list by the DHR Financ Office.
 7. OHEP Position 4 (program specialist) reviews the DAFR 7200 – Daily Revenue/Receipts Transaction Register against the check log to verify that the checks listed on the check log were deposited.
- b. OHEP ensures that cash receipts are forwarded to the Office for deposit in a timely manner in accordance with the Comptroller of Maryland's *Accounting Procedures Manual*.
- c. OHEP issued refund procedure instructions to all energy suppliers requiring that refund checks and the list of customers for whom the refund is being sent be sent independently of each other. This ensures that all checks issued by the company are received.

If there is no plan in place, please explain why not.

Not applicable

Necessary outcomes from these systems and strategies

The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.

COMPLIANCE MONITORING

Describe the Grantee's FY2013 strategies that will continue in FY2014 for monitoring compliance with Grantee and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.

The Office of Home Energy Programs (OHEP) monitors all of the local administering agencies (LAAs) every program year to assure implementation and adherence to regulations, policies and procedures as set forth in the Code of Maryland Regulations (COMAR), the Operations Manual and transmittals issued by the OHEP office. OHEP staff visit each LAA and reviews a random selection of program files from each LAA utilizing the attached monitoring tool found in Appendix G of OHEP's Operations Manual. A sample of direct payments to applicants is

specifically drawn and tested. The monitoring process tests for proper and complete documentation in client files and accuracy of calculations. Application data is compared against the computerized record. Monitoring also includes a review of data system logins to ensure that former employee logins are removed, training related activities, fraud-related items, performance data, and outreach activities. Upon completion of the review, the monitor has an exit meeting with the LAA program manager to discuss the findings. Significant findings require a corrective action plan and a follow-up monitoring visit.

The sample requires selection of records from all key categories of income and payments. The sample must include records that are: wage earners, fixed income, zero income, crisis assistance, subsidized housing, renters with heat included in the rent, renters where heat is not included in the rent, roomer/boarder, self-employed, benefit level 1 utility recipient and a direct payment to an applicant.

The monitoring document is reviewed annually both for its effectiveness and compliance with state regulations, laws and OHEP's policies. See Attachment 2 Chapter 13 of the OHEP Operations Manual describing the monitoring procedures and form.

Verification of the display of anti-fraud information/posters in local offices is also incorporated into the monitoring process.

Monitoring includes a review to ensure the regular generation of two reports, a Duplicate Payment Report and a Duplicate Application Report.

Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY2014.

Not Applicable

If you don't have a firm compliance monitoring system in place for FY12, please describe how the Grantee is verifying that LIHEAP policy and procedures are being followed.

Not Applicable

Necessary outcomes from these systems and strategies

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

FRAUD REPORTING MECHANISMS

For FY2013 activities continuing in FY2014, 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.

Several mechanisms exist for the public to report cases of suspected fraud.

- Calls may be made to the Fraud Referral Hotline (1-800-332-6347)
- Online at: www.dhr.state.md.us
- Email to: oigmail@dhr.state.md.us
- Fax to: 443-378-4070
- Mail to:
Office of the Inspector General
100 S. Charles Street
16th Floor
Baltimore, MD 21201

OHEP refers all suspected fraud cases to the Department of Human Resources Office of Inspector General (OIG) for investigation. In 2006, OHEP and OIG conducted a joint training on fraud for local administering agency program managers and reevaluated the fraud investigation procedures. After that training, OHEP developed a fraud referral procedure that was made available to all local OHEP offices and was implemented at that time.

At the 2007 OHEP conference, officials from OIG were invited to conduct a statewide training on fraud and OHEP reiterated to the locals the importance of reporting MEAP and EUSP suspected fraud cases to OIG. Local offices of OHEP were provided posters (Attachment 3) on fraud to display in the public viewing areas of their offices as a preventative measures to combat potential fraud. The actual poster size on display is 24 inches x 36 inches. A new poster addressing known fraud tactics is in development and is expected to be available by the September.

In FY 2011, all suspected fraud cases on the MEAP and EUSP programs were reported to the OIG for follow-up and investigation. All referrals were made using the OIG fraud referral form (Attachment 4) and OIG notified OHEP local office on the findings of the investigation. If the findings suggested that fraud was committed, OIG determined the next cause of action which included prosecution, calculation of overpayment, and/or restitution.

Suspected fraud, particularly employee fraud, may also be reported to the Maryland Office of Legislative Audits at 1-877-372-8311 or 1-443-378-4000. The fraud referral hotline telephone number is displayed in the OHEP program brochure.

OHEP conducts a periodic conference call (about every other month) with local administering agencies and will incorporate fraud topics to the extent possible.

OHEP fraud referral procedures (see attached) were revised to improve the understanding of the process and to make sure all local agencies are familiar with the process.

Please highlight any tools or mechanisms from your plan which will be newly implemented in FY2014, and the timeline for that implementation.

OHEP is in the process of seeking approval for an Administrative Penalty to all verified fraud cases as determined by the OIG where criminal prosecution is not pursued in the courts. Such penalties must be placed in regulation. This penalty requires changes to the Code of Maryland Regulations. The regulation is currently moving through the State approval process with the hopes of becoming policy in Fall 2013.

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.

Not Applicable

Necessary outcomes of these strategies and systems

Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to Grantee administrators.

VERIFYING APPLICANT IDENTITIES

Describe all FY2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.

Applicants are required to provide picture identification as part of the application process. Household members do not have to provide picture identification. See Attachment 5 pages 3-6 and 3-7 for a detailed description of allowable documentation.

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.

DHR is working to implement a document imaging system that will create a database of imaged documents which will improve client identification as well as improve the application process. This system will allow cross checking between the various programs such as TANF, SNAP and LIHEAP. This is a multi-year project with the expectation the OHEP phase will be implemented by the end of 2014.

Necessary outcomes from these systems and strategies

Income and energy supplier data that allow program benefits to be provided to eligible individuals.

SOCIAL SECURITY NUMBER REQUESTS

Describe the Grantee's FY2013 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.

Applicants are required to present Social Security numbers as the applicant and for household members. A Social Security card or government document displaying the Social Security number is required as proof of the Social Security number. See Attachment 5 pages 3-4 to 3-6 for detailed description.

Current policy provides procedures for those applicants without a Social Security number as long as there is a member of the household with a Social Security number. An Individual taxpayer identification number (ITIN), work only number or OHEP created pseudo-number is used to enter the applicant in the OHEP database or household data table. Non-qualified aliens are entered this way and have their income counted towards the benefit calculation, but the individual is not counted as a household member in the benefit calculation. This allows households with children of aliens with Social Security numbers to receive benefit although a reduced one. See page 4-19 of Attachment 6. During FY 2011, a process was implemented within the OHEP Data System to automatically categorize household members based upon Social Security number format. If the SSN does not match the current criteria for SSN then the person is categorized as an alien and the income is counted towards the benefit calculation but the person is not.

Please describe whether the Grantee's policy for requiring or not requiring Social Security numbers is new as of FY2013, or remaining the same.

As of July 1, 2012, a change in policy was implemented where a Social Security number is being required for the applicant. This requirement is used in the determination of eligibility.

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.

Not Applicable

Necessary outcomes from these systems and strategies

All valid household members are reported for correct benefit determination.

CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY2013 and continuing in FY2014. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)

During FY 2012 and continuing into FY 2013 & FY2014, Social Security numbers are verified by the presentation of a Social Security Administration issued card or document issued by another governmental agency displaying the Social Security number. On a limited basis, verification may be achieved through DHR's CARES system where Social Security numbers have been verified through SVES.

Upon data entry, OHEP's data system includes a check for duplicate Social Security numbers within the database from among all applicants and household members, thus preventing improper issuance of benefits to applicants.

Implemented during FY 2011 were system guidelines to improve data entry of Social Security numbers leading to fewer errors. This included checking for the established range of Social Security numbers as designated by the Social Security Administration.

Currently in use is a system report that generates a list of applications with the same address. It is primarily used to identify potentially duplicate applications where there are different Social Security numbers for the same person. Duplicates found are reviewed and resolved. This report is generated weekly by the local administering agencies and at the State OHEP office.

Beginning in September, 2011, a process to identify invalid Social Security numbers was implemented. The process involves data (name, SSN, gender and date of birth) for all household members being sent to the Social Security Administration on a weekly for validation. Data for invalid entries is returned identifying the reason for being invalid. A report listing all applicants and household members whose Social Security numbers are considered invalid is generated weekly at both the local and state level. Local administering agencies make necessary corrections based upon the data in the report. Information determined to be incorrect due applicant entries will requires contact with the applicant to provide correct information.

Maryland's VINElink system at VINElink.com provides immediate verification of incarcerated persons on an individualized basis and is used as needed. See Attachment 8.

A process to match Social Security numbers against the database of incarcerated persons and the State's death records has been established and is to be implemented beginning October 1, 2013. The process includes the generation of a report which is then sent to DHR's Office of the Inspector General. The data is matched against the death and incarceration databases with the

results being returned to OHEP. OHEP has implemented a process to investigate these matches in partnership with local agencies.

Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY2014.

Not Applicable

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.

Not Applicable

Necessary outcomes from these systems and strategies

Use of all available database systems to make sound eligibility determination.

VERIFYING APPLICANT INCOME

Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY2013 and continuing in FY2014.

OHEP has not utilized the State directory for new hires but has policies addressing acceptable income documentation of income/resources received by the applicant and members of the household during the thirty day period immediately preceding the application date. Attachment 6, pages 4-1 through 4-18, contains a full description of OHEP's policies regarding income documentation.

Some LAAs have access to DHR's CARES system, MABS and The Work Number to verify income. For those local agencies without access, the State OHEP office has access to MABS and is conducting research upon request. Employment income is verified by contacting employers and having them complete a form verifying recent income. DHR has a contract for access to the New Hires Directory, but only in the LAAs that are located in a Department of Social Services.

Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2014.

OHEP plans to research the requirements and costs using the New Hires directory and similar systems for use in the verification of employment and income in FY 2014.

OHEP has obtained approval for access for all intake workers to DHR's CARES system to verify assistance income and to MABS to verify employment income. This strategy will be fully implemented in FY 2014.

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?

OHEP will continue to use the same procedures for income documentation for FY 2014.

Necessary outcomes from these systems and strategies

Effective income determination achieved through coordination across program lines.

PRIVACY-PROTECTION AND CONFIDENTIALITY

Describe the financial and operating controls in place in FY2013 that will continue in FY2014 to protect client information against improper use or disclosure.

From a physical layout perspective local administering agencies are to store client files in locked file cabinets. Most agencies have a physical layout which has staff and file areas behind locked doors with separate interview areas.

As stated in the DHR Employee Handbook "employees must maintain the privacy and confidentiality of a customer's records. They may not disclose any information learned about a customer, licensee, or contractor in the course of their employment to anyone other than their supervisory chain of command or other employees who are authorized and have a need to know the information communicated in order to perform their job duties, or as permitted by applicable State or Federal law."

All local agencies under contract are required to adhere to confidentiality as included in the standard services contract with DHR (Attachment 9). Grantee employees are required to sign an Employee Security Advisory form (Attachment 10) outlining the requirements related to computers and computerized data.

Regulations are in place regarding confidentiality and disclosure of information. See Attachments 15, 16 and 17.

The OHEP Data System requires user names and passwords assigned through the State OHEP to access the data. System users are assigned roles specific to their job function which limits access within the data system.

The OHEP Data System has a timeout function which disconnects logged in users after of period of time with no user activity. This prevents unauthorized use when a worker steps away from their computer and forgets to log out.

Currently, during monitoring visits, the OHEP monitor reviews the current list of login names with the program manager and performs updates when employees are identified as no longer requiring access due to no longer being on the job or has a change in responsibilities.

Contracting agencies that are not connected to the DHR network are required to access the OHEP Data System via DHR's Virtual Private Network (VPN). The VPN requires a user name and password assigned by the DHR Office of Technology for the Human Services (OTHS). Connecting through the VPN allows a secure internet connection to the DHR network.

In situations where the transfer of client payment data to utility companies is performed, the data is transferred via DHR's secure File Transfer Protocol (FTP) Server. Access to download files requires a user name and password assigned through the FTP hosting organization.

OHEP, as part of DHR's Family Investment Administration (FIA) follows the policy of FIA regarding the protection of personally identifiable information. See Attachment 11.

Requests for information from third party entities not directly involved with the program requires a written consent from the applicant to release information to the third party.

Please highlight any controls or strategies from your plan which will be newly implemented as of FY2014.

No additional controls or strategies.

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.

Not Applicable

Necessary outcomes from these systems and strategies

Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.

LIHEAP BENEFITS POLICY

Describe FY2013 Grantee policies continuing in FY2014 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.

The OHEP Database System has several built in features to assure proper payment to vendors.

- In order for a vendor to receive a payment they must be a participating vendor which is based upon signing an agreement with the State office. The Supplier Agreement includes an information sheet consisting of company contact information, license numbers, employer identification number, etc.
- Verification of vendor's business status is performed prior to the acceptance of the agreement by reviewing online records at the Maryland Department of Assessments and Taxation

- Participating vendors are entered into the database only at the state level. Energy Suppliers or vendors are pre-entered by State staff. System users must pick from a list of vendors who have signed the agreement with the State. No unauthorized vendor can be entered by a worker.
- The Database System requires that the person who enters an applicant record and the person who approves it for a benefit are different.
- A report to identify multiple payments on behalf of an applicant is generated each week prior to the issuance of payments. Local agencies are notified of payments suspected of being duplicate for appropriate review and action.
- Vendors identified as not living up to the signed agreement are removed from the vendor database, thereby, preventing selection of that vendor.
- Account numbers for the majority of major utility companies in the Maryland are subject to a "check digit" review within the OHEP Data System. The check digit routines were programmed in the OHEP Data System in 2005. While the routine does not verify specific account numbers as belonging to the customer, it does verify that it is an account number format used by the respective utility.
- Notice of the benefit is sent to the applicant, which includes the name of the vendor who received the payment.

Payments to utilities are processed at the State level. Requests for payment are generated in the OHEP office with one staff member creating the payment transmittal and another person approving it. It is then taken to the DHR Accounts Payable office where it is entered into Maryland's Financial Management Information (FMIS) system. The payment is processed by the Office of the Comptroller and sent by the State Treasurer. Customer data is electronically sent to the utilities via secure FTP file transfer. A reconciliation summary transmittal is faxed to the utility to ensure receipt and accuracy of the payment. If payment is not received the utility notifies OHEP.

Information used in the calculation of utility benefits is obtained either from the submission of a utility bill by the applicant or by access to a secure website provided by the utility.

Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY2014.

The current policies will continue.

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.

Not Applicable

Necessary outcomes from these systems and strategies

Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients

PROCEDURES FOR UNREGULATED ENERGY VENDORS

Describe the Grantee's FY2013 procedures continuing in FY2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.

Payments to deliverable fuel vendors are processed through the local administering agencies. For those agencies that are local departments of social services the payment is processed through FMIS. For contracting agencies, the payment is through their finance office upon submission of a payment request.

Each company designated to receive a benefit payment is required to sign an agreement with DHR/OHEP outlining the terms of participating in LIHEAP. As part of the agreement, information is collected about the company including Tax Identification Numbers, location and contact persons. See Attachment 13.

At the conclusion of the program year, a report called the Energy Delivery Record (EDR) is sent to each non-utility energy supplier to verify the receipt and delivery of fuel. The EDR is returned to the local agency with any unexpended benefits resulting from closed accounts.

OHEP verifies energy suppliers as a true business by researching companies through the Maryland Department of Assessments and Taxation web portal (www.dat.state.md.us) business search function, by the company's web site or through the Dun & Bradstreet website (www.dnb.com).

When necessary, OHEP staff or local administering agency staff will visit the physical location of the business to verify its existence.

Direct payments to applicants are currently issued in situations where the heat is sub-metered. A bill from a sub-metering company is required as part of the application documentation. Verification of the sub-metering company performed by contacting the company or by internet search.

A report identifying potential duplicate payments is generated on a weekly basis prior to issuing payments. This report flags a customer who is scheduled to receive a payment more than once and provides the opportunity to prevent the payment if established that the payment is incorrect.

Each local agency is to submit a list of non-participating vendors where an applicant has received a direct payment which will be verified by existing processes. An attempt is made to have the company participate in the program.

Please highlight any strategies policy in this area which will be newly implemented in FY2014.

Not Applicable

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.

Not Applicable

Necessary outcomes from these systems and strategies

Participating vendors are thoroughly researched and inspected before benefits are issued.

VERIFYING THE AUTHENTICITY OF ENERGY VENDORS

Describe Grantee FY2013 policies continuing in FY2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.

Each energy vendor enters into an agreement (Attachment 13) with DHR/OHEP and completes a data sheet as part of the process for participating in LIHEAP. As part of the agreement a tax identification number is required as are license numbers in the case of fuel vendors and wood vendors.

Requests for participation must come directly to the State office.

Landlords who receive benefit payments must sign a Landlord Agreement (Attachment 14) in order to receive the benefit. The agreement includes provision of the tax identification number.

A search of the Maryland Department of Assessments and Taxation business database will be performed on each new energy vendor to verify them as a registered business entity.

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?

Not Applicable

Necessary outcomes from these systems and strategies

An effective process that effectively confirms the existence of entities receiving federal funds.

TRAINING AND TECHNICAL ASSISTANCE

In regards to fraud prevention, please describe elements of your FY2013 plan continuing in FY2014 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors

Fraud prevention training and technical assistance is provided to employees and non-governmental staff through:

1. Presentation and discussion of fraud policy and procedures at OHEP's annual meeting.
2. Designation of a State OHEP staff member to respond to questions regarding fraud.
3. Utilizing staff from the Office of Inspector General as the occasion arises to address specific questions or training needs.
4. Information and discussion during bi-monthly conference calls with local administering agencies.

For clients:

5. Fraud prevention posters are provided for display in local offices.
6. As part of the application form, the client signs a statement that informs them about fraudulent applications.

Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY2013.

Planned for FY 2014 is:

For employees and non-governmental staff:

1. Development of a brochure for employees providing information on what to look for in an application in order to prevent fraud.

For clients

2. Development of a brochure for distribution to applicants to encourage fraud prevention.
3. A revised and more detailed statement on the application form regarding fraud.

For vendors:

4. Notification to energy vendors regarding fraud prevention.

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.

Not Applicable

Necessary outcomes from these systems and strategies

The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.

AUDITS OF LOCAL ADMINISTERING AGENCIES

Please describe the annual audit requirements in place for local administering agencies in FY2013 that will continue into FY 2014.

Each non-governmental local administering agency is required to have an audit conducted annually by an independent Certified Public Accountant. The audit report is submitted to the State OHEP Office for review. The reports are used to flag any issues and depending upon the nature of the finding could be subject to specific monitoring or investigation.

Local administering agencies which are part of DHR are subject to an audit which is conducted by DHR's Office of Inspector General. Any findings by the OIG are reported to OHEP. Depending upon the nature of the finding the LAA could be subject to specific monitoring or investigation.

Local government administering agencies are subject to the Single Audit required for programs administered with Federal funds.

The State OHEP Office is subject to the Single Audit conducted for DHR for the programs utilizing Federal Funds. Under the Single Audit process, auditors may sample local agency records.

OHEP also administers the State-funded Electric Universal Service Program (EUSP) which, by statute, requires a legislative audit every three years. EUSP is operated in coordination with Maryland's LIHEAP program with the same local administering agencies.

Please describe new policies or strategies to be implemented in FY2014.

The existing audit policies will continue through 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.

Not Applicable

Necessary outcomes from these systems and strategies

Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.

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.

Attachment 1-1 – Audit Findings

Audit Report

**Department of Human Resources
Family Investment Administration**

February 2011



**OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY**

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- This report and any related follow-up correspondence are available to the public through the Office of Legislative Audits at 301 West Preston Street, Room 1202, Baltimore, Maryland 21201. The Office may be contacted by telephone at 410-946-5900, 301-970-5900, or 1-877-486-9964.
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Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

February 9, 2011

Bruce A. Myers, CPA
Legislative Auditor

Delegate Guy J. Guzzone, Co-Chair, Joint Audit Committee
Senator James C. Rosapepe, Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Family Investment Administration (FIA) of the Department of Human Resources (DHR) for the period beginning April 1, 2007 and ending June 30, 2010. FIA oversees a number of public assistance programs that are administered statewide by the 24 local departments of social services, including Temporary Cash Assistance and the home energy assistance programs which are State and federally funded, and the Supplemental Nutrition Assistance Program (formerly food stamp program) which is entirely federally funded.

Our audit disclosed a number of deficiencies related to FIA's administration of these assistance programs. For example, FIA did not ensure that the results of computer matches performed to help verify applicant and recipient eligibility for benefits such as Temporary Cash Assistance, which totaled approximately \$141 million during fiscal year 2010, were investigated and resolved by the local departments of social services in a timely and adequate manner. Also, FIA lacked assurance that local departments were meeting all requirements of quality assurance programs established, in part, to assess their performance in processing benefit assistance cases, and to help ensure the accuracy and propriety of benefits paid.

Furthermore, we found that FIA did not use available matching procedures to help verify critical applicant information, such as social security numbers, used to determine eligibility for home energy assistance program benefits which totaled approximately \$150 million in fiscal year 2010. Our audit also disclosed that FIA was not ensuring that all recipients of temporary disability assistance, which is entirely State funded, were pursuing federal benefits as required. In addition, steps taken to monitor significant contracts administered by FIA and the local departments of social services were not sufficient.

An executive summary of our findings can be found on page 5. DHR's response to this audit, on behalf of FIA, is included as an appendix to this report. We wish to acknowledge the cooperation extended to us during our audit by FIA.

Respectfully submitted,

Bruce A. Myers, CPA
Legislative Auditor

Table of Contents

Executive Summary	5
Background Information	7
Agency Responsibilities	7
Organizational Change	8
Litigation	8
Status of Findings From Preceding Audit Report	8
Findings and Recommendations	11
Computer Matches and Data Verification	
* Finding 1 – Results of Computer Matches and System Alerts Were Not Always Investigated and Resolved in a Timely and Adequate Manner	11
Quality Assurance Programs	
Finding 2 – FIA Reduced Its Efforts to Monitor Local Department Compliance With Quality Assurance Program Requirements	13
Energy Assistance Programs	
Finding 3 – Matching Procedures Were Not Used to Verify Data Required for Eligibility and Benefit Determinations	16
Finding 4 – Documentation Was Not Always Obtained to Support Required Application Data	17
Finding 5 – Adequate Controls Were Not in Place Over the Automated Data Management System	18
Finding 6 – Controls Over Refunds From Utility Companies Were Not Sufficient	19
Temporary Disability Assistance Program	
Finding 7 – FIA Lacked a Process to Ensure That Extended Benefits Were Paid Only to Qualified Recipients	20
Contract Monitoring	
* Finding 8 – FIA Lacked Adequate Documentation to Support Billings and the Receipt of Certain Contract Deliverables	21
Audit Scope, Objectives, and Methodology	23
Agency Response	Appendix

* Denotes item repeated in full or part from preceding audit report

Executive Summary

Legislative Audit Report on the Department of Human Resources Family Investment Administration (FIA) February 2011

- **The results of computer matches and related data verification procedures performed for assistance programs, such as Temporary Cash Assistance, were not always investigated and resolved in a timely and adequate manner. For example, as of May 2010, FIA had identified through such procedures approximately 28,700 instances of a missing or unverified social security number relating to active or pending public assistance cases, 6,700 of which had remained unresolved for over six months.**

FIA should ensure that the results of computer matches are investigated and resolved by the local department of social services in a timely and adequate manner.

- **FIA reduced its efforts to ensure that local departments of social services complied with quality assurance program requirements in a timely and complete manner. These requirements were implemented, in part, to assess local department performance and to identify and address errors that may have occurred when processing applications. In this regard, sanctions of \$423,563 were imposed by the federal government due to the State's error rates exceeding national performance measures.**

FIA should ensure that local departments complete required quality assurance reviews and effectively address errors identified within the required timeframes.

- **FIA did not use available matching procedures to help verify critical information submitted by applicants for energy assistance program benefits, which totaled approximately \$150 million during fiscal year 2010. Furthermore, adequate documentation of data used to help determine the amount of benefits due an applicant was not always obtained.**

FIA should use available matching procedures (similar to those used for other public assistance programs) to independently verify critical data, such as income and social security numbers, submitted by individuals applying for energy assistance program benefits, and should obtain and maintain all critical supporting documentation.

- **FIA had not established adequate controls over the automated data management system used to process applications for energy assistance and to calculate benefit amounts due. Also, controls over refunds of energy assistance benefits received from utility companies were not sufficient.**

FIA should ensure that critical system access is adequately monitored and controlled, and that all refunds paid by utility companies are processed for deposit on a complete and timely basis.

- **FIA did not verify that individuals receiving Temporary Disability Assistance Program (TDAP) benefits for an extended period were pursuing federal benefits as required. TDAP benefits, which are entirely State funded and totaled approximately \$41.6 million during fiscal year 2010, are discontinued once federal benefits are approved and initiated by the Social Security Administration.**

FIA should verify that individuals receiving TDAP benefits for an extended period are pursuing specified federal benefits as required.

- **FIA lacked adequate documentation that billings and deliverables associated with certain contracts were adequately reviewed and monitored.**

FIA should obtain and maintain adequate documentation supporting the review and monitoring of contract billings and deliverables.

Background Information

Agency Responsibilities

The Family Investment Administration (FIA) is a unit of the Department of Human Resources (DHR) and oversees a number of public assistance programs that are administered statewide by the 24 local departments of social services.¹ The three major programs FIA administers are the Temporary Cash Assistance Program (TCA) and home energy assistance programs which are funded by both State and federal funds, and the Supplemental Nutrition Assistance Program (SNAP, formerly the food stamp program), which is entirely federally funded.

Local departments of social services are responsible for recording certain data in DHR's automated benefits system, the Clients' Automated Resource and Eligibility System (CARES). In addition to TCA and SNAP recipient and benefit data, CARES includes data for several smaller assistance programs, as well as a database of Medicaid recipients, which serves as the basis for Medicaid benefits processed on a separate automated benefits systems (MMIS II) maintained by the Department of Health and Mental Hygiene. CARES includes Medicaid recipient data because most Medicaid recipients originally apply for those benefits at a local department of social services where the eligibility determination is made. According to DHR's records, during fiscal year 2010, CARES included, on average each month, approximately 1,040,000 recipient records, including 535,000 for SNAP, 414,000 for Medicaid, 67,000 for TCA, and 24,000 in other assistance programs.²

Local Administering Agencies, consisting of community action agencies and local departments of social services, are responsible for processing energy assistant program benefits in a separate data management system. According to DHR records, during fiscal year 2010, this system included a monthly average of approximately 270,000 recipients.

According to DHR's records, payments during fiscal year 2010 for TCA, home energy assistance programs and SNAP totaled approximately \$141 million, \$150 million, and \$837 million, respectively.

¹ Local departments of social services administer a number of programs for FIA and other units of DHR. The local departments are audited separately during our audits of DHR – Local Department Operations.

² Note that some recipients receive more than one type of benefit.

Organizational Change

Chapter 116, Laws of Maryland 2008, effective April 8, 2008, repealed DHR's Community Services Administration (CSA) and transferred CSA's Office of Home Energy Programs (OHEP) to FIA. We had previously audited the activities of OHEP as part of our audit of CSA. In April 2007, we issued a report on our audit of CSA for the period November 24, 2003 to July 31, 2006. Because OHEP has now been transferred to FIA, our current audit of FIA included the activities of OHEP for the period August 1, 2006 to June 30, 2010.

Litigation

In December 2009, the Circuit Court for Baltimore City found, in part, that DHR had engaged in a pattern and practice of violating federal and State time requirements for processing applications and determining eligibility for certain benefit programs it administers. The ruling originated from a case brought by certain plaintiffs against DHR regarding such time delays. In a declaratory judgment and permanent injunction, the court ordered, in part, that within 12 months DHR shall be in full compliance with all federal and State time requirements for processing applications for the programs at issue (SNAP, TCA, Medicaid for Families and Children, and Maryland Children's Health Program). The court allowed for a 4 percent margin of error from full compliance.

FIA prepares and uses a monthly timeliness compliance report, which indicates individual program compliance rates to monitor and report its progress in achieving full compliance with the court order. According to FIA's records, as of November 2010, the Statewide timeliness compliance rates for the programs at issue ranged between 96.7 percent and 98.4 percent.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the seven findings contained in our preceding audit report dated November 30, 2007. We determined that FIA satisfactorily addressed five of these findings. The remaining two findings are repeated in this report.

Our audit also included, as a result of the aforementioned organizational change, a review to determine the status of one of the findings in our preceding audit report, dated April 25, 2007, on the former CSA. The finding is included in this report.

Furthermore, we reviewed the status of three of the findings in our performance audit report dated November 5, 2007 on the Electric Universal Service Program which is administered by OHEP. We determined that FIA satisfactorily addressed two of the three findings. The remaining finding is included in this report.

Findings and Recommendations

Computer Matches

Background

The Family Investment Administration (FIA), with the assistance of the Department of Human Resources' (DHR) Office of the Inspector General and the Office of Technology for Human Services, periodically performs certain computer matches and related data verification procedures to help ensure recipient eligibility for public assistance and medical assistance benefits and to help detect potential fraud. Computer matches are performed comparing assistance recipient data in the Client's Automated Resource and Eligibility System (CARES) to outside data sources, such as Social Security Administration (SSA) records, prisoner records from the State's Department of Public Safety and Correctional Services (DPSCS), new hire registry data from the National Directory of New Hires, and data regarding benefits or income received from another state or from other federal government agencies via the Public Assistance Reporting Information System. Furthermore, in the case of social security numbers, periodic system "alerts" are generated when a recipient's social security number has not been verified to SSA records through the matching process, or has not been obtained. Payments for public assistance programs associated with these matching and verification procedures totaled approximately \$978 million in fiscal year 2010 for DHR programs, while medical assistance expenditures of the Department of Health and Mental Hygiene (DHMH) - Medical Care Programs Administration totaled approximately \$6.8 billion.

Finding 1

FIA did not ensure that the results of computer matches and system alerts were always investigated and resolved in a timely and adequate manner.

Analysis

Although computer match results and system alerts were provided to the applicable local departments of social services for investigation and resolution, FIA did not always follow up to ensure that the local departments investigated and resolved them in a timely and adequate manner. For example, we noted the following conditions:

- As of May 2010, there were approximately 28,700 unresolved system alerts identifying an active or pending case³ with an unverified or missing social security number. Although the majority of these alerts had been outstanding for less than six months, approximately 6,700 exceeded six months in age, with 2,600 outstanding for more than a year without resolution. At our request, FIA prepared an estimate of fiscal year 2010 benefit payments to the individuals to whom these 2,600 alerts applied. FIA's estimate totaled approximately \$3.4 million (excluding payments for medical assistance). In addition, FIA had not established a requirement that public assistance recipients who do not provide a valid social security number within a certain period of time (for example within six months after their case was entered into CARES) and who do not have a valid, documented justification, be considered ineligible for benefits. This condition was commented upon in our preceding audit report.

Federal and State regulations require the disclosure of social security numbers by recipients during the benefits eligibility determination process. If a recipient does not have a social security number, State regulations allow the recipient to provide evidence that one has been applied for in order to begin receiving benefits. However, as noted here, FIA was not ensuring that a valid number was subsequently obtained.

- We found that cases identified by matching recipient data to DPSCS inmate records were often closed by the local departments, either because the match results were valid (evidence that recipient was incarcerated) or because the recipient failed to obtain recertification. However, FIA did not always ensure that additional action was taken when warranted, such as recoupment of overpayments or addressing questionable transactions. Matches performed in February 2010 for all local departments disclosed approximately 280 "hits" (instances in which a recipient was found to have been incarcerated for a period of time during which benefits were received). Our examination of 11 of these cases at one local department disclosed overpayments of \$14,400. In 8 of these 11 cases totaling \$9,300, the overpayment had been cashed, and in one case for \$1,000, the individual was inappropriately recertified while incarcerated. However, as of July 2010, FIA had not addressed these overpayments and questionable transactions with the local department. We determined that no action had been taken to recoup the overpayments as of August 9, 2010.

³ Multiple system alerts may be generated for one recipient, if the recipient is eligible for benefits from more than one public assistance program. The number of alerts excludes cases for which DHMH was solely responsible because the applicable recipient applications were processed by local health departments for only medical-related benefit programs.

Recommendation 1

We recommend that FIA ensure that match results and system alerts are addressed in a timely and adequate manner. In particular, we recommend that FIA

- a. ensure that local departments investigate and resolve unverified or missing recipient social security numbers, including those noted above, on a timely basis (repeat);**
- b. establish a requirement that public assistance recipients who do not provide valid social security numbers within a certain period (for example within six months of being entered in CARES) without a valid, documented justification, be considered ineligible for benefits (repeat); and**
- c. ensure that local departments take action to resolve inmate match results, including recoupment of overpayments and investigation of questionable payments, including those noted in this finding.**

Quality Assurance Programs

Finding 2

FIA reduced its efforts to monitor local departments of social services to ensure compliance with quality assurance program requirements in a timely and complete manner.

Analysis

FIA did not ensure compliance by local departments of social services with the requirements of quality assurance programs established to help ensure the accuracy and propriety of assistance benefits paid. FIA used certain quality assurance processes to monitor compliance by local departments of social services with various requirements of critical laws and regulations over which FIA has responsibility or accountability, such as eligibility criteria for assistance programs. The processes are the monthly Supervisory Review System (SRS) and Quality Control (QC) reviews, which are designed, through an examination of selected benefit assistance cases, to assess the performance of local department case workers, and to help reduce or eliminate program errors. SRS reviews are performed by local department supervisory personnel, with all results reported to FIA. Conversely, QC reviews are performed directly by FIA personnel, and are also used to determine and report the Supplemental Nutrition Assistance Program (SNAP, formerly the food stamp program) error rates as required by federal law. Local department personnel are generally responsible for investigating and correcting any errors or deficiencies noted. Our review disclosed the following conditions:

- In January 2010, FIA discontinued certain longstanding follow-up processes to obtain corrective actions from the local departments and hold them accountable for noncompliance. For example, FIA ceased notifying local departments in writing of their noncompliance with SRS requirements, including failure to perform the required number of reviews and/or failure to correct errors noted within the required timeframe. In this regard, FIA's June 2010 SRS summary report indicated that 10 out of 45 district offices had not performed supervisory reviews of the required number of cases in that month. In addition, as of that date, this report indicated that 74 errors identified during supervisory reviews remained unresolved for more than the 21-day timeframe required for correction. (It was not readily possible to determine how long each error had remained unresolved.)

FIA also discontinued the practice of requiring local departments determined to be in noncompliance for three consecutive months to prepare and submit a corrective action plan as required by its written procedures. Although FIA performed periodic site visits to evaluate compliance with SRS requirements, these reviews were conducted no more frequently than annually and, therefore, did not serve to address noncompliance with SRS requirements on a timely basis.

- According to DHR's records, local departments took between 107 and 256 days to correct 37 of 150 case errors identified through the QC process for certain SNAP cases during federal fiscal year 2009. FIA's written policy is that corrections are overdue if not completed within 30 days of initial notice to the local department. Furthermore, FIA did not follow up on these cases for 108 to 291 days after the initial notice was sent. Failure to address errors on a timely basis increases the risk of additional errors occurring and reduces the likelihood of recovering any overpayments. In addition, federal financial sanctions may be imposed when error rates for SNAP exceed established national performance measures (rates) in two consecutive years. In this regard, in a June 24, 2010 letter from the United States Department of Agriculture (USDA), DHR was notified that Maryland's error rate had exceeded the national performance measure for fiscal years 2008 and 2009 (see chart on the next page) and that a sanction totaling \$742,238 had been imposed as provided by federal law. After appeal by DHR, in November 2010 the sanction amount was reduced to \$423,563.

Maryland's SNAP Payment Error Rate and National Performance Measure for Fiscal Years 2008 and 2009		
	2008	2009
Maryland's SNAP Payment Error Rate	6.94%	7.11%
National Performance Measure	5.01%	4.36%

Source: USDA

Recommendation 2

We recommend that FIA establish procedures to help ensure that local departments of social services improve compliance with established quality assurance program requirements and implement more timely correction of case errors noted. For example, FIA could reinstate the aforementioned follow-up processes used to monitor and address required program reviews.

Energy Assistance Programs

Background

The Electric Universal Service Program (EUSP) was established in January 2000 to assist low-income Marylanders with payment of their electric bills (current and past due), and with home weatherization. FIA's Office of Home Energy Programs (OHEP) is responsible for administering the program, except for the home weatherization function, which is the responsibility of the State's Department of Housing and Community Development. According to DHR records, EUSP benefit payments (excluding home weatherization payments), totaled approximately \$110 million during fiscal year 2010, and were funded with both State and federal funds. In addition, the State established the Maryland Energy Assistance Program (MEAP), which is entirely federally funded. MEAP is also administered by OHEP and, similar to EUSP, provides eligible recipients with help paying certain home energy costs. Unlike EUSP, the MEAP program includes assistance with energy sources other than just electricity. According to DHR's records, MEAP benefit payments totaled approximately \$40 million during fiscal year 2010. Federal funds for both programs were received through the United States Department of Health and Human Services' (HHS) Low-Income Home Energy Assistance Program.

The application process, including contacting the applicant, obtaining and reviewing all required forms and documents, and entering data into an automated data management system used to determine eligibility and calculate benefit amounts is the same for both EUSP and MEAP. Applications are processed by 20 Local Administering Agencies (LAA), 11 of which are Community Action Agencies contracted by OHEP and 9 of which are local departments of social services. Program benefits for eligible individuals are based primarily on income level and energy usage, and are disbursed directly to utility companies for approved applicants.

Finding 3

Matching procedures were not used to verify data required to ensure program eligibility and the proper calculation of energy assistance benefits.

Analysis

FIA did not use available computer matching procedures to independently verify required data, such as income and social security numbers, submitted by individuals applying for energy assistance, or to identify recipients who fail to continue to meet established eligibility requirements for such assistance. As previously mentioned, matching procedures, such as comparisons of applicant data to records maintained by SSA as well as certain State agencies, are used for other public assistance programs administered by FIA. The failure to perform computer matches increases the risk that ineligible individuals may receive home energy assistance.

Furthermore, in a June 2010 report on the aforementioned federal Low-Income Home Energy Assistance Program, the United States Government Accountability Office (GAO) reported on the results of its analysis of benefit files for this program in seven states, including Maryland. As previously noted, funding from this federal program is administered in Maryland through MEAP. In its report, the GAO commented on the failure of the states examined to establish an effective fraud prevention system for program funds. For example, the report noted that for the states examined there were thousands of cases in which the names of deceased or incarcerated individuals were used to apply for program benefits, and applications often showed blank or obviously invalid social security numbers. The report specifically noted that Maryland does not have a procedure to

- validate applicant and household information with SSA,
- check death record files,
- check for incarcerated individuals, and
- verify reported income with outside sources.

The report recommended that the Secretary of HHS issue guidance to states to address the issues noted. As a result, HHS required all grantees to submit, as part of their application for fiscal year 2011 funding, a program integrity assessment and plan, including procedures in place or to be implemented for addressing fraud prevention, detection, correction, and prosecution. FIA advised us that it submitted the required information before the September 1, 2010 deadline, and that certain related action had been initiated. For example, according to FIA, initial steps have been taken to implement a verification of applicant social security data to records of the SSA, as well as to certain death and incarceration records.

Recommendation 3

We recommend that FIA

- a. use available matching procedures, similar to those used for other benefit programs, to independently verify required data, such as income and social security numbers, submitted by individuals applying for energy assistance; and**
- b. more effectively identify recipients who fail to meet established eligibility requirements for such assistance on an ongoing basis.**

Finding 4

Documentation to support certain required application data was not always obtained by LAAs.

Analysis

Several energy assistance cases we examined lacked adequate documentation to support certain critical, required application data, and FIA did not have a process in place to ensure that LAAs obtained and retained such documentation for the related assistance payment. Specifically, our test of 25 applications processed by one LAA for energy assistance totaling \$70,000 disclosed a lack of required documentation in several cases to substantiate the propriety of the amounts paid. For example, billing statements from the utility company were not obtained to support arrearage or current bill payments totaling \$20,900 for 12 recipients. Without this required documentation, the LAA could not support the past due balance for the arrearage payments or current energy usage, which is necessary to calculate amounts for bill payment assistance.

State regulations and written application requirements established by FIA require LAAs to obtain electric arrearage data and electric usage data to support an individual's application for assistance. Although we were advised that an LAA may contact a utility to obtain such data if not provided by the applicant, FIA

should ensure that documentation from the utility is maintained to support this critical application data.

A similar condition was commented upon in our three prior performance audit reports on EUSP.

Recommendation 4

We recommend that FIA develop a process to ensure that LAAs obtain and maintain adequate documentation, such as utility company billings, to support arrearage and usage data used to calculate assistance payments.

Finding 5

FIA had not established adequate controls over the OHEP data management system used to process applications and energy assistance payments.

Analysis

FIA had not established adequate controls over access to the automated data management system used to process applications for energy assistance and to calculate benefit amounts due. Consequently, errors or other discrepancies ultimately impacting the propriety of payments could occur without timely detection. Specifically, our review 450 individual system accesses revealed the following conditions:

- One hundred seventeen individuals at LAAs and DHR headquarters were assigned system capabilities that enabled them to modify energy assistance applications and certify (approve) the adjusted applications for payment without independent review and approval. In addition, 88 of these employees could modify existing case files, such as a change in name, address, and benefit amount, then certify the modified case for payment, without review or approval.
- Nine system logon ids were not assigned to specific individuals. These ids would allow users to anonymously perform critical functions, including creating applications and/or certifying applications for payment. The State's Department of Information Technology *Information Security Policy* requires that system users must be uniquely identified and group or shared ids are prohibited except in certain restricted circumstances.

Recommendation 5

We recommend that FIA

- a. adequately separate system access capabilities by not permitting individuals to both modify and certify (approve) program applications and changes to existing case files; and**
- b. assign system logon ids only to specific, authorized individuals.**

Finding 6

Controls over cash receipts, which consisted primarily of refunds from utility companies, were not sufficient.

Analysis

FIA had not established adequate controls over collections received by OHEP staff, which according to DHR's records totaled approximately \$5.3 million during fiscal year 2010, and related primarily to refunds from utility companies resulting from overpayments of energy assistance benefits. These collections were first received and recorded by FIA, then forwarded to DHR's Office of Budget and Finance (Office) for processing and deposit. Our review disclosed the following conditions:

- Verifications that collections received by FIA were forwarded to the Office for deposit were not performed between May 2008 and December 2009.
- Significant collection amounts were not always forwarded to the Office in a timely manner. Our review of cash receipts collected over 20 days disclosed that collections for 7 days ranging between \$33,000 and \$411,000 were forwarded 3 to 13 business days after receipt, while the highest day's total of \$411,000 was not forwarded until 13 days after receipt. The Comptroller of Maryland's *Accounting Procedures Manual* requires that receipts be deposited no later than one business day after receipt.
- FIA had not established procedures to ensure that all refunds issued by utility companies were actually received. Specifically, FIA did not obtain reports of refunds from utility companies for comparison to collections actually received. Since FIA would not necessarily know when a refund was due, the receipt of such reports could be used to account for refund payments.

Similar conditions were commented upon in our preceding audit report on the former Community Services Administration.

Recommendation 6

We recommend that FIA

- a. ensure that independent verifications of collections submitted to the Office are consistently performed on a timely basis and documented;**
- b. ensure that cash receipts are forwarded to the Office for deposit in a timely manner in accordance with the Comptroller of Maryland's *Accounting Procedures Manual*; and**
- c. obtain from utility companies refund reports independently of the related refund checks, and establish procedures to ensure that the reports of refunds agree with the actual collections received, at least on a test basis.**

Temporary Disability Assistance Program

Background

The Temporary Disability Assistance Program (TDAP) is a State-funded program providing assistance to low-income disabled adults who are ineligible for other categories of assistance and are applying for federal Supplemental Security Income (SSI) or Social Security Disability Income (SSDI). FIA has responsibility for administering this program in which eligible individuals receive \$185 per month, although eligibility is initially determined at the local departments of social services. These benefits are paid to eligible individuals on a temporary basis pending approval by SSA for SSI or SSDI benefits. State regulations specify that an individual may not receive benefits for more than 9 months in a 36-month period. However, benefits may be extended beyond nine months if the individual is pursuing federal benefits, and the application for such benefits has not been withdrawn or finally denied. According to DHR records, TDAP payments totaled approximately \$41.6 million during fiscal year 2010, and the average monthly number of recipients totaled approximately 19,000.

Finding 7

FIA did not have a process to ensure that extended benefits were only paid to qualified recipients.

Analysis

FIA lacked adequate procedures to ensure the propriety of benefits paid to recipients for more than the 9-month time period generally permitted by State regulations. For example, FIA did not adequately verify that local departments of social services provided benefits for an extended period only if the recipient was applying to SSA for federal benefits as required, and had not had their application for such benefits withdrawn or finally denied.

Our review of 20 out of the approximately 4,600 TDAP recipients who, as of August 2010, had been receiving TDAP benefits for over a year, disclosed 2 cases in which approximately \$22,000 in benefits were paid even though FIA lacked adequate documentation that the recipients were actively pursuing federal benefits. In one case, the recipient received an unfavorable decision or denial from SSA in June 2003 regarding their application, and there was no evidence that federal benefits were still being pursued as required. Consequently, TDAP benefits should have ceased at that time, but instead continued for seven years until we brought the case to FIA's attention in August 2010.

In a third case, the recipient continued to receive TDAP benefits totaling approximately \$4,200 after being approved by SSA for federal benefits. Approval occurred in July 2008, at which time TDAP benefits should have been discontinued. However, benefits were still being paid at the time of our review in August 2010. Although FIA's records indicate that the benefits issued to this recipient during this time period were not cashed, FIA should ensure in such cases that benefits are discontinued in a timely manner.

Recommendation 7

We recommend that FIA

- a. in the future, ensure that local departments of social services provide extended TDAP benefits only to recipients who are continuing to pursue specified federal benefits as required, have not had their application for those benefits withdrawn or finally denied, and are not already receiving such benefits;**
- b. verify, at least on a test basis, the propriety of extended benefits already paid; and**
- c. investigate and take any appropriate action, such as recoupment of funds, regarding cases in which benefits were improperly paid, including the specific cases noted above.**

Contract Monitoring

Finding 8

FIA lacked adequate documentation to support the propriety and completeness of costs billed and deliverables received for certain contracts.

Analysis

FIA lacked adequate documentation to support the propriety and completeness of costs billed and deliverables received for certain contracts. These contracts, many of which were with State or local government entities, included those administered directly by FIA, as well as contracts specifically administered by

local departments of social services primarily for job training and placement services. Our review disclosed the following conditions:

- Our test of billings for eight contracts administered by FIA totaling approximately \$32 million disclosed that, in many cases, adequate supporting documentation was not obtained and reviewed to verify the accuracy and propriety of billed costs, which generally were for reimbursement of contractor costs. For example, billings totaling approximately \$3.6 million associated with four contracts for which FIA was billed for project expenditures incurred, included costs for salaries, travel, equipment, and supplies, as well as costs paid to subcontractors. However, FIA did not obtain supporting documentation, such as time/payroll records or invoices to ensure the validity of amounts billed. A similar condition was commented upon in our preceding audit report.
- Two of the aforementioned four contracts (both with the same vendor) totaling approximately \$8.3 million specified that FIA will observe certain classes provided by the contractor for program recipients, and conduct quarterly site visits of the contractor, in part, for the purpose of examining expenditure and time records. However, FIA had no documentation that any classes were observed, and could provide us with only limited documentation for one quarterly site visit (there was no evidence of the specific expenditure and time records that were examined).
- Annual site visits to local departments of social services were not conducted as required by FIA's procedures to evaluate local department efforts to monitor job training and placement contracts. At the time of our review in July 2010, FIA could provide us with documentation for only one site visit, which was conducted in June 2009. These visits are meant to ensure that local departments are adequately monitoring these contracts, and are to include, for example, an analysis of performance outcomes, such as determining if vendors are meeting objectives stipulated in their agreements. According to DHR records, for fiscal year 2009, budgeted expenditures totaled approximately \$46 million for such work program contracts.

Recommendation 8

We recommend that FIA

- a. obtain adequate documentation, such as time/payroll records and third party invoices to verify the accuracy and propriety of the contract billings (repeat); and**
- b. adequately conduct and document site visits and other procedures required to monitor and evaluate contract deliverables.**

Audit Scope, Objectives, and Methodology

We have audited the Family Investment Administration (FIA) of the Department of Human Resources (DHR) for the period beginning April 1, 2007 and ending June 30, 2010. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine FIA's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. We also determined the status of the findings contained in our preceding audit report, as well as the status of certain findings in our audit report on the former Community Services Administration dated April 25, 2007 and our performance audit report on the Electric Universal Service Program dated November 5, 2007.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The primary areas addressed by the audit included the FIA assistance programs (Temporary Cash Assistance, home energy assistance), monitoring of local departments of social services' operations as relates to FIA programs, and contracts. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of FIA's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include certain support services provided to FIA by DHR – Office of the Secretary. These support services (for example, cash receipts, payroll, purchasing, maintenance of accounting records, and related fiscal functions) are included within the scope of our audit of the Office of the Secretary. In addition, our audit did not include an evaluation of internal controls for federal financial assistance programs (such as the Supplemental Nutrition Assistance Program) and an assessment of FIA's compliance with federal laws and regulations pertaining to those programs because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including FIA.

FIA's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect FIA's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to FIA that did not warrant inclusion in this report.

The response from DHR, on behalf of FIA, to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise DHR regarding the results of our review of its response.

APPENDIX

State of Maryland
Department of Human Resources



Martin O'Malley
Governor

Anthony Brown
Lt. Governor

Theodore Dallas
Interim Secretary

February 4, 2011

Bruce A. Myers, CPA
Legislative Auditor
Office of the Legislative Audits
301 West Preston Street – Room 1202
Baltimore, Maryland 21201

Dear Mr. Myers:

Enclosed is our response to the draft audit report on the Department of Human Resources – Family Investment Administration (FIA) for the period beginning August 1, 2007 ending June 30, 2010. We appreciate the opportunity to provide responses and information relating to the 8 findings and recommendations.

If you have any questions concerning our responses, please contact Rosemary Malone, Interim Executive Director, Family Investment Administration at 410-767-7949 or rmalone@dhr.state.md.us.

Sincerely,

A handwritten signature in cursive script that reads "Stacy L. Rodgers for".

Theodore Dallas
Interim Secretary

Enclosure

cc: Senator Verna L. Jones, Co-Chair, Joint Audit Committee
Delegate Steven J. Deboy, Sr., Co-Chair, Joint Audit Committee
Joint Audit Committee Members
William E. Johnson, Jr., Inspector General, DHR
Rosemary Malone, Interim Executive Director, FIA
Karl S. Aro, Executive Director, Department of Legislative Services



**MARYLAND DEPARTMENT OF HUMAN RESOURCES
FAMILY INVESTMENT ADMINISTRATION**

RESPONSE TO FINDINGS OF THE LEGISLATIVE AUDIT REPORT

Finding 1

FIA did not ensure that the results of computer matches and system alerts were always investigated and resolved in a timely and adequate manner.

Recommendation 1

We recommend that FIA ensure that match results and system alerts are addressed in a timely and adequate manner. In particular, we recommend that FIA

- a. ensure that local departments investigate and resolve unverified or missing recipient social security numbers, including those noted above, on a timely basis (repeat);**
- b. establish a requirement that public assistance recipients who do not provide valid social security numbers within a certain period (for example within six months of being entered in CARES) without a valid, documented justification, be considered ineligible for benefits (repeat); and**
- c. ensure that local departments take action to resolve inmate match results, including recoupment of overpayments and investigation of questionable payments, including those noted in this finding**

Response to a. and b.

The Department consistently reviews its processes with the intent of improving them. We believe our computer matching processes are fully compliant with federal regulations.

Therefore, we respectfully disagree with this finding, particularly Recommendations a. and b. In Maryland, most recertifications are for one year, not six months. We can find no requirements in any federal statute or regulation that require the State to do this within six months.¹ CFR Title 7 – Agriculture, Certification of Eligible Households, Subpart A – General Rules 273.2 (2)(b)(v) on social security numbers says: “The state agency shall not delay the certification for or issuance of benefits to an otherwise eligible household solely to verify the SSN of a household member.” In Subpart C of Certification of Eligible Households, 273.6(2)(b)(4), states: “If the

¹**Auditor’s Comment:** The social security number (SSN) alert system was established by FIA so that case workers could perform follow-up actions when a recipient’s SSN had not been obtained or verified. Our report addresses the timeliness of this follow-up action to ensure that ineligible recipients are not improperly receiving benefits for extended periods. Our report does not address case recertification or state that recertification must take place in six months. We believe that following up on the monthly alerts does not necessitate the performance of the recertification process. Furthermore, if alerts are not acted upon in a timely manner, the benefit derived from having the alert system would be significantly reduced.

household is unable to provide proof of application for an SSN for a newborn, the household must provide the SSN or proof of application at its next recertification of within 6 months following the month the baby is born, whichever is later" (emphasis added).²

As indicated in the review findings, approximately 6,700 SSN alerts exceeded six months in duration, with 2,600 outstanding for more than a year without resolution. It should be noted that the number of applicants/recipients were lower than these numbers indicate because these totals include duplicate alerts, as noted by DLS in its analysis. Of the 2,600 alerts outstanding longer than one year, 2,016 involved recipients of Food Supplement Program (FSP) or cash assistance. Most of these, 1,778, were children.

Regarding the adults on the list, \$387,258 in FSP or cash benefits was paid to 238 adults on the original query. This list was checked in January 2011 to see the number that had SSNs unverified. The result was that 14 adults with unverified SSN's remained, all of whom were Food Supplement Program recipients. The amount issued in error to adults was \$20,001. We would expect to see similar reductions in the child population that did not have verified SSNs on the original list.

Therefore, the original estimate of approximately \$3.4 million in non-Medicaid benefits issued in FY 2010 to the recipients that did not initially have SSNs was not an estimate of benefits issued in error.³

In addition to those later found to have been verified, the original list consists of all benefits issued in FY 2010 to those on the list, rather than the benefits issued to persons with unverified SSNs after the 12 month period had lapsed. Second, for the benefits that were issued past the 12 month deadline, it does not necessarily follow that the benefits were issued to ineligible persons or households for reasons described below.

For example, a preliminary review of some of these cases revealed that in many instances SSNs were supplied, but were not federally verified because of discrepancies in demographic data; the most common of which was due to typographical errors. We concur that these SSN discrepancies should have been resolved within 12 months of the application. The FIA will take action to review more closely SSN alerts that are approaching 12 months in duration to ensure that they do not go beyond this timeframe without a federally validated SSN.⁴

²**Auditor's Comment:** The Federal requirement quoted in the response applies to newborns (that is, children under the age of one year). Therefore, this requirement has no bearing on the failure to resolve the 2,600 alerts that had been outstanding for more than one year, which is discussed further in the next paragraph of the response.

³**Auditor's Comment:** The report does not state that \$3.4 million was an estimate of benefits issued in error, but was intended only to provide a dollar perspective to the 2,600 alerts outstanding for over a year. Furthermore, the estimate was prepared by FIA at our request.

⁴**Auditor's Comment:** We do not believe that it is unreasonable to resolve cases of missing or unverified SSNs within six months, unless a valid documented justification (such as in the case of a newborn) exists.

We found other SSN discrepancies that are not easily rectified at this time. There are instances where a customer's name and SSN cannot be matched because of a name change due to marriage or divorce. Once a case manager verifies that the SSN is correct for the name that the customer is currently using, there is no further action to be taken, and the alert will remain outstanding. The reason for this is that these alerts cannot be manually dispositioned, as the SSN alert system was designed to continue displaying the missing (996) and invalid (997) alerts until an action is taken to either add or change an SSN. This was done to prevent case managers from dispositioning alerts without taking an action. However, since there is no action to take, the alert continues to display indefinitely and will appear to be "outstanding."

FIA is in the process of identifying other flaws in the CARES missing/invalid alert system that may be responsible for some of these review findings, and will be incorporating fixes to prevent further findings. In other words, while we disagree with the finding and these recommendations, we will nonetheless keep the OLA comments in mind as we continue to review our processes.

Response to c.

We agree. FIA will ensure that proper steps are taken to initiate recoupment procedures for the 11 overpayments noted in the finding. Once these procedures have been accomplished, the Bureau of Local Operations will be notified of their completion. Going forward, to ensure that this issue is addressed FIA will work with the Office of the Inspector General to develop a sampling method and automated matching solution to monitor local department recoupment of overpayments.

Quality Assurance Programs

Finding 2

FIA reduced its efforts to monitor local departments of social services to ensure compliance with quality assurance program requirements in a timely and complete manner.

Recommendation 2

We recommend that FIA establish procedures to help ensure that local departments of social services improve compliance with established quality assurance program requirements and implement more timely correction of case errors noted. For example, FIA could reinstate the aforementioned follow-up processes used to monitor and address required program reviews.

Response:

We agree with the finding and are changing our business process for both SRS and QC review errors. A description of the plan and timetable with specific implementation dates is provided below.

With regard to the recommendation “FIA take action on a timely basis to ensure that local departments complete required SRS reviews and effectively address errors identified in the SRS,” the Department will implement a new business process for front-line case reviews (called Pre-Review) to replace SRS in order to change from a review of cases after eligibility decisions have been made to a review of cases before eligibility decisions have been finalized.

The rationale for changing SRS to Pre-Review is as follows: During this national recession, Maryland’s caseload unit supervisors were called upon to process applications instead of spending time reviewing the work of their subordinates. In response to the increasing caseload, changes were made in *all* local offices’ business model to begin a move from a caseload management model to one of process management (in which an application travels through several teams of staff). As a result of these events, DHR analyzed its Quality Control errors and concluded that the existing SRS model is not conducive to the new business process and would not assist the LDSS in preventing the types of errors that are being identified in the Quality Control reviews.

The plan and timetable for changing SRS to Pre-Review is as follows: DHR has asked the Food and Nutrition Service for permission to shift to a new type of review process, called ‘pre-review,’ and described its pre-review strategy in the most recent Corrective Action Plan submitted to FNS. In a pre-review model, an application or redetermination is reviewed (usually by a peer case manager) *in advance of the benefits being issued*. This strategy reduces the amount of work staff need to do to correct a case after the fact, as the SRS process does, which leads to customer disruption with under-payments or over-payments. As soon as approval is received, DHR will design the pre-review module and train front-line staff in the LDSS on how to use the system. In order to develop the statewide module, DHR will examine a few ‘in-house’

versions of pre-review at LDSS, which independently acted to develop the strategy to increase the accuracy of their staff's casework. A workgroup has been formed for this purpose.

With regard to the recommendation "FIA take action on a timely basis to ensure that local departments...effectively address errors identified... in QC reviews," the Department will change its business process from one that requires manual data entry to one that is embedded within the Department's PIRAMID (Payment Integrity, Reporting and Management Information Database) system. PIRAMID is the centralized database that Quality Control staff use to conduct their reviews, report the findings and analyze the error data.

The rationale for changing QC review monitoring is as follows: The existing method of tracking the correction of Quality Control errors requires a DHR/FIA Program Evaluation staff member to manually data-enter information about QC error findings into an Excel spreadsheet and then follow up with e-mails and telephone calls to each district office in order to ensure the errors were corrected. This process is not only inefficient, but the local department staff is not responsive to the staff person's individual communication so long after receiving the error finding. In addition, the staff member at DHR/FIA who has responsibility for this task was repeatedly assigned other tasks with short turnaround deadlines during the past year.

The plan and timetable for changing QC review monitoring is as follows: DHR is building into its existing PIRAMID a module for tracking the correction of Quality Control errors. The new enhancement, expected to be available by midyear 2011, will enable LDSS staff to respond directly in PIRAMID to record the case changes that have been made as a result of the errors identified. Automated reports will generate for the LDSS staff as well as DHR/FIA staff for all findings that have not been addressed

Finding 3

Matching procedures were not used to verify data required to ensure program eligibility and the proper calculation of energy assistance benefits.

Recommendation 3

We recommend that FIA

- a. use available matching procedures, similar to those used for other benefit programs, to independently verify required data, such as income and social security numbers, submitted by individuals applying for energy assistance; and
- b. more effectively identify recipients who fail to meet established eligibility requirements for such assistance on an ongoing basis.

Response to a.

FIA/OHEP accepts the recommendation to utilize matching procedures to independently verify critical application data. In response to the GAO Report on LIHEAP, the U.S. Department of Health and Human Services (HHS) issued general guidance with Information Transmittal IM-2010-06 dated May 5, 2010, which states, "HHS strongly encourages States to require that LIHEAP applicants provide SSNs in order to receive a LIHEAP benefit." Previously, this was not allowed. With receipt of Action Transmittal AT-2010-06, HHS has also required the submission of a Program Integrity Supplement to the annual LIHEAP Plan. The Program Integrity Supplement requires states to outline the procedures they are currently implementing and plan to implement in the future to ensure program integrity. FIA/OHEP has submitted its Plan and Supplement to HHS. A copy of the Program Supplement is attached. It is OHEP's full intent to pursue implementation of the tasks outlined in the Supplement and to incorporate additional tasks on an ongoing basis as new strategies are identified.

As it is the full intent to implement SSN verification, several processes are already being developed. FIA/OHEP, in conjunction with DHRIS developing the necessary processes by which social security numbers can be verified with those processes being in place as soon as possible. A dialog has begun with the DHR OIG to perform matching processes against death records and prison records. Some additional procedures internal to OHEP have already been implemented to ensure program integrity. They include:

- Establishment of a report to identify duplicate applications based on the address of the applicant. This report is reviewed by local agencies and State OHEP on a periodic basis.
- Verification of new energy suppliers through the Maryland Department of Assessment and Taxation, Dun and Bradstreet, site visits, etc. Copies are placed in the respective energy supplier folder.
- Generation of a monthly report to identify invalid social security numbers.
- A software update was installed on January 20, 2011 which incorporates the Social Security Administration criteria for social security numbers as part of the data entry process.

Response to b.

Once the appropriate processes are implemented they will be continued on an ongoing basis.

Finding 4

Documentation to support certain required application data was not always obtained by LAAs.

Recommendation 4

We recommend that FIA develop a process to ensure that LAAs obtain and maintain adequate documentation, such as utility company billings, to support arrearage and usage data used to calculate assistance payments.

Response:

OHEP currently obtains arrearage and usage information through a variety of methods depending upon the utility. This includes by phone, from the bill, account access via a designated website and fax. OHEP will prepare instructions for local administering agencies and utilities to ensure that proper documentation is received and placed or referenced in each customer's file or within the database.

Finding 5

FIA had not established adequate controls over the OHEP data management system used to process applications and energy assistance payments.

Recommendation 5

We recommend that FIA

- a. adequately separate system access capabilities by not permitting individuals to both modify and certify (approve) program applications and changes to existing case files; and**
- b. assign system logon ids only to specific, authorized individuals.**

Response to a.

OHEP recognizes the need for a change in the internal controls of its data system and agrees with the recommendation. An effort is in process to remove an individual's access to both modification and certification of applications. This change requires specific programming revisions and will be implemented in a timely manner.

Response to b.

OHEP also recognizes the need to revise its practices regarding "generic" system access. System log-in ids will be assigned to specific, authorized individuals who perform critical functions. Generic logins already established have been removed from use or assigned for inquiry purposes only. No generic logins can be used to perform critical functions. Periodic reviews through system-generated reports will be conducted to ensure the integrity of the login names. Currently, during monitoring visits the validity of logins is reviewed.

Finding 6

Controls over cash receipts, which consisted primarily of refunds from utility companies, were not sufficient.

Recommendation 6

We recommend that FIA

- a. ensure that independent verifications of collections submitted to the Office are consistently performed on a timely basis and documented;**
- b. ensure that cash receipts are forwarded to the Office for deposit in a timely manner in accordance with the Comptroller of Maryland's *Accounting Procedures Manual*; and**
- c. obtain from utility companies refund reports independently of the related refund checks, and establish procedures to ensure that the reports of refunds agree with the actual collections received, at least on a test basis.**

Response to a.

FIA/OHEP acknowledges that all verifications were not performed after the abolishment of the Community Services Administration (CSA) for the period from May 2008 through December 2009 due to the lack of a Daily Revenue/Receipts Transaction Register (DAFR 7200) while the transfer to FIA and the establishment of new budget codes were taking place. At present, this report is received and is checked against OHEP receipts eliminating the gap in the deposit verification process. FIA/OHEP acknowledges the statement that adequate controls over cash receipts were not established, recognizing that some additional controls are necessary; FIA/OHEP will establish these additional procedures to ensure that deposit verifications are performed on a timely basis and that the verification is documented. The procedure will be as follows:

1. OHEP Position 1 (secretary) will obtain the mail, open and record the check information in the log.
2. OHEP Position 2 (fiscal supervisor) will receive and review the independently sent list against the check log and document that the check received is consistent with the refund list amount.
3. OHEP Position 2 (fiscal supervisor) will prepare the money mail list listing each check and amount and sign the money mail list.
4. OHEP Position 3 (program director) will review the money mail list for accuracy and completeness to ensure that all checks received are included on the money mail list. The money mail list is signed by this position.
5. OHEP position 2 (fiscal supervisor) will take the checks to the DHR Fiscal Office. Receipt of the list and checks shall be verified by signature on the list by the Fiscal Office.
6. OHEP Position 4 (program specialist) reviews the DAFR 7200 – Daily Revenue/Receipts Transaction Register to verify that the checks listed on the check log were deposited.

Response to b.

OHEP will ensure that cash receipts are forwarded to the Office for deposit in a timely manner in accordance with the Comptroller of Maryland's *Accounting Procedures Manual*.

Response to c.

OHEP will issue refund procedure instructions to all energy suppliers requiring that refund checks and the list of customers for whom the refund is being sent be sent independently of each other. This ensures that all checks issued by the company are received.

Temporary Disability Assistance Program

Finding 7

FIA did not have a process to ensure that extended benefits were only paid to qualified recipients.

Recommendation 7

We recommend that FIA

- a. in the future, ensure that local departments of social services provide extended TDAP benefits only to recipients who are continuing to pursue specified federal benefits as required, have not had their application for those benefits withdrawn or finally denied, and are not already receiving such benefits;**
- b. verify, at least on a test basis, the propriety of extended benefits already paid; and**
- c. investigate and take any appropriate action, such as recoupment of funds, regarding cases in which benefits were improperly paid, including the specific cases noted above.**

General Response

As noted in the Department's response to Finding 1, we are always looking at our processes to make them better. While the occasional case error may slip by our review process, we consider our current processes to be compliant with State regulations and consistent with good case management practices. FIA respectfully disagrees with the auditors' conclusion that it did not have a process in place to review long-term TDAP cases to determine if the recipients continued their pursuit of federal disability benefits. However, we consider the examples provided by OLA to be useful in the continual review and evolution of our management practices.⁵

Response to a. and b.

FIA has already undertaken a regular review of TDAP cases via various systems matches and queries followed by a manual review completed by FIA central staff. In addition, conditions for continued eligibility require that customers have an eligibility review or redetermination in the local Department of Social Services at least once every twelve months if the need for TDAP assistance continues after the initial certification. At that time, case managers review the customer's pursuit of federal benefits through the interview with the customer and use of various system matches such as the State Data Exchange (SDX) and the recently implemented Social Security electronic system, e-IAR. SSA sends the State information via SDX for Supplemental Security Income (SSI) customers. The LDSS staff review the Accretions and Deletions List in SDX that alerts them when to establish or terminate Medicaid eligibility for SSI customers. Only TDAP customers with a disability expected to last 12 months or more or result in the individuals death if less than 12 months are required to apply for SSI. If the customer is determined eligible for SSI, they appear on the Accretions List.

As an ongoing review process, FIA central office staffers are detailed to review TDAP cases every month.

⁵**Auditor's Comment:** We acknowledge that, as stated in the response, an occasional case error may occur. However, the finding notes that, for 3 of the 20 cases reviewed, erroneous payments had continued for an extended period. Thus, we continue to believe that FIA's process was insufficient.

Response to c.

FIA staff immediately acted upon each of the three cases which were brought to FIA's attention as follows:

- Central staff immediately referred one case to the DHR Office of the Inspector General (OIG). OIG reviewed and investigated case for appropriate action and recovery. FIA confirmed that OIG staff initiated appropriate recovery action on the case.
- Central staff closed both of the other cases brought to FIA's attention. Central notified the appropriate LDSS staff that overpayment recovery actions were necessary. Central office staff will closely monitor these two cases to ensure an appropriate outcome.

Contract Monitoring

Finding 8

FIA lacked adequate documentation that to support the propriety and completeness of costs billed and deliverables received for certain contracts.

Recommendation 8

We recommend that FIA

- a. obtain adequate documentation, such as time/payroll records and third party invoices to verify the accuracy and propriety of all contract billings (repeat); and**
- b. adequately conduct and document site visits and other procedures required to monitor and evaluate contract deliverables.**

Response to a.

We consider the changes made by the Family Investment Administration in its contract project management practices in recent years to be compliant with relevant federal regulations and OMB circulars. Therefore, we respectfully disagree, particularly on the contracts with the University of Maryland system. Monitoring site visits occurred and billings and deliverables were adequately monitored. While we acknowledge that all documentation was not available at the time of the auditors visit, FIA has since confirmed that staff did make site visits to contractor work sites and documentation, such as time/payroll records and third party invoices were obtained. Going forward, the FIA Bureau of Local Operations (BOLO) staff will conduct quarterly, on-site visits to review documentation for randomly selected line items from contractor invoices submitted. Documentation of the materials reviewed will be retained.

As of September 2010, FIA began monitoring activities (via US postal mail, e-mail, telephone, and site visits), including (1) notifying contractors regarding deliverables, (2) ensuring that contract deliverables are received and (3) ensuring that receipt of deliverables is properly and adequately documented (for example, retaining a copy of the deliverable and recording receipt of the deliverable in the Department of Human Resources Contract Monitoring Report). In closing our response to this part of the recommendation, we want to note that we respect the work done by OLA and will keep its concerns in mind in the future.⁶

Response to b.

We agree that improvements could be made to the monitoring of local departments' work program contracts. FIA's BOLO staff will strengthen our monitoring process by conducting annual visits to local departments to evaluate local efforts to monitor Family Investment Program

⁶**Auditor's Comment:** While the response indicates disagreement, it also acknowledges that all documentation was not available at the time of our review. FIA management must obtain such documentation in order to be able to adequately monitor contract management practices and account for related costs. The response generally indicates that the recommendation will be implemented.

(FIP) work program contracts that are in excess of \$25,000. These steps will add to on-going efforts that include FIP Plan review and approval, sign-off on all work program contracts in excess of \$25,000, and continued utilization of VendorStat. VendorStat is a web-enabled reporting system that supports monthly and quarterly local department expenditure and performance reporting. Simply put, it highlights vendors' expenditures in relation to the achieved contractual goals.

AUDIT TEAM

Paul R. Denz, CPA
Audit Manager

Bekana Edossa, CPA, CFE
Senior Auditor

Adam M. Auerback
Catherine M. Clarke, CFE
Julia M. King
LaTeasa R. Robertson
Staff Auditors

Attachment 1-3 – Fraud Poster

DEPARTMENT OF HUMAN RESOURCES



- **FRAUD INVESTIGATORS VERIFY THE INFORMATION YOU PROVIDE TO THE LOCAL DEPARTMENT OF SOCIAL SERVICES BY:**

- Visiting your home.
- Speaking with your landlord or rental agent.
- Talking to people who know you
- Contacting employers.
- Using computer information to find sources of income, resources and assets.

- **WE CONDUCT COMPUTER MATCHING, AND CHECK THE FOLLOWING:**

- Private/State and Federal employment
- SSI/SSA/VA benefits
- Lottery winnings
- Motor vehicles records
- Immigration status
- Benefits from other States
- Death records
- Unemployment benefits
- Division of corrections

- **WE INVESTIGATE REPORTS OF PROVIDER AND OTHER PROGRAMS FRAUDS:**

- Formal and Informal Child Care
- Food Stamp Trafficking
- Foster Care

- OIG staff will answer any questions you may have about the FRAUD Program.

* If you have any complaints of Fraud or Abuse call the Department of Human Resources Hotline @ 1-800-332-6347 or visit our web site at <http://www.dhr.state.md.us/oig/fraud.htm>

Attachment 1-4 – Fraud Referral Forms

STATE OF MARYLAND
Department of Human Resources - Office of the Inspector General
100 S. Charles St. 16th Fl. - Baltimore, MD 21201
Telephone: (443) 378 - 4000 - Fax: (443) 378-4070
Hotline 1 800-492-5515

REFERRAL FOR INVESTIGATION

Date: _____ TCA FS MA POC OHEP Other _____

FROM:	_____	DO #
-------	-------	------

CASE INFORMATION:

CASE INFORMATION:			Case Status	Date
Case Name	_____		<input type="checkbox"/> Active	
Address	_____		<input type="checkbox"/> Closed	
SSN	_____	FS AU#		
DOB	_____	TCA AU#		
CL ID#	_____	MA AU #		

TYPE OF FRAUD:

<input type="checkbox"/> Income	<input type="checkbox"/> Assets	<input type="checkbox"/> FS/EBTS Trafficking
<input type="checkbox"/> Benefits	<input type="checkbox"/> Other_	Where? _____
<input type="checkbox"/> Household Composition	<input type="checkbox"/> AP In the Home_	

BASIS FOR REFERRAL (Summary and what preliminary steps were taken by your office?):

(Attach additional sheet if necessary)

Worker Name: _____ Telephone Number: ()

Supervisor Signature: _____

Department of Human Resources - Windows Internet Explorer provided by DHR

http://dhr.maryland.gov/oig/fraud.php

File Edit View Favorites Tools Help

Department of Human Resources

Problem Solver | Maryland gov | Online Services | State Agencies | Phone Directory

Search

Print Page

Home Economic Assistance Adoption & Foster Care Child Support

Office of the Inspector General

Welfare Fraud Complaint Form

The purpose of this form is to provide another avenue for the public to file welfare fraud complaints. A complaint should be completed only if the client has been issued benefits that you believe they were not entitled to. To ensure that your complaint is investigated thoroughly, please complete this form and provide as much information as possible.

A complaint may also be made by calling the Welfare Fraud hotline at 1-800-332-6347.

Note: All fields with a red asterisk (*) must be filled out for the complaint to be processed.

Report Complaint Against

* First Name

* Last Name

Address

* City

State

(If for another state: Please visit UCOVIF.ORG to go to that state's site.)

* Zip Code

Please provide their Date of Birth or Age

Date of Birth

Age

Social Security Number

Driver's License

Child Information 1

First Name

Last Name

Please provide their Date of Birth or Age

Online Services

- SAIL - Am I Eligible?
- eChild Support
- Notification of Petition for Guardianship and Mutual Consent Adoption
- Photos of Children Awaiting Adoption
- Abbreviated Listing for All Children
- BCDSS Kinship Parent Training Survey
- The Maryland Community Services Locator

Find Something

- Maryland Community Services Locator
- DHR Call Center List
- Careers
- Data and Reports
- Manuals and Forms
- Employee Equal Opportunity
- IJD Commission for Women
- Maryland Legal Services Program

Office of the Inspector General

FRAUD HOTLINE
1-800-332-6347

OIG

Home

Bureau of Audit Services

Bureau of Investigative Services

Support Services Division

Food Stamp Trafficking

Welfare Fraud Complaint Form

Related Links

Contact Us

Adobe Acrobat Reader

start

Word Graphics - M...

DHR

FY 2012 Program 201...

Department of Huma...

Internet

100%

12:48 PM

Attachment 1-5 – Chapter 3 – Application Process

Chapter 3 – Application Process

I. Application Policy

NOTE: State law and regulations require that LAA's under contract with OHEP to Operate the Maryland Office of Home Energy Programs provide confidentiality safeguards for the use of DHR client records and reports.

- A. All applicants for OHEP programs must complete the DHR/FIA/OHEP 200 (Application for Energy Assistance) and the Income Resource Form. Completion of the application form and the Income Resource Form and the submission of requested documentation constitute a completed application for processing. The OHEP application process is designed to provide an opportunity for any individual/household requesting energy assistance to provide verification of household information for a fair and timely eligibility determination. All applicants for OHEP Programs must complete the DHR/FIA/OHEP 200 (Application for Energy Assistance) and the Income Resource Form. Applicants, whether they apply by mail or interview, must be informed about the basic application requirements.
- B. The DHR/FIA/OHEP 200 is used to determine eligibility for all programs administered by the Office of Home Energy Programs including:
 - 1. Maryland Energy Assistance Program (MEAP);
 - 2. Electric Universal Service Program Bill Payment Assistance (EUSP BP); and,
 - 3. Electric Universal Service Program Arrearage Retirement Assistance (EUSP ARA).
- C. LAAs are to review applications for all MEAP and EUSP benefits and designate such in the computer system unless the applicant signs the designated section on the application that states the applicant does not wish to participate in MEAP or EUSP. Review means that if it is clear that the applicant will not qualify for EUSP because of the applicant household circumstances (no electric account, already received an arrearage payment, etc.) then application does not need to be entered as a yes on the computer system.
- D. The DHR/FIA/OHEP 200 is used as the application to refer to the following programs:
 - 1. Maryland Energy Assistance Program Furnace Repair and Replacement Program administered by the Department of Housing and Community Development (DHCD), Weatherization Assistance Program (WAP);
 - 2. Electric Universal Service Program Weatherization administered by the DHCD, WAP;
 - 3. Referral to the Utility Service Protection Plan (USPP - this is a program of the Public Service Commission and the regulated utilities within the state.)
 - 4. Referral to Weatherization Assistance Program (WAP – this is a program of the Maryland Department of Housing and Community Development funded through the U.S. Department of Energy).

Each of these programs requires an additional qualification process by the respective entity to determine eligibility.

- E. Completion and submission of the Application for Energy Assistance to the LAA is considered as the applicant's single application for the program year. Income information submitted at initial application is used for eligibility determination. While other items may be updated at later

Chapter 3 – Application Process

points in time the income information remains unless the application is denied and a subsequent application is submitted.

Example: A person applies for MEAP in August but declines to apply to for EUSP at that time. In December, the applicant returns and wants to apply for EUSP. The original application from August is revised to reflect the application for EUSP, however income data is not changed. Eligibility is to be based on the income from the initial application. Changing income on the same application at a later point in time results in the inability to track the original data used for certification.

- F. **Arrearage Discovery.** Completion of the application is considered applying for both EUSP Bill Payment and EUSP Arrearage Retirement Assistance.
- G. Completion of the Income Resource Form by the applicant informs the LAA what type of income is received in the applicant's household and ensures that all income types are questioned.

II. Application Period

Applications are taken in each program year from July 1 through June 30 of the next year for both MEAP and EUSP. Applications are received according to the schedule below.

- July 1 through April 30 – All deliverable fuel applications (MEAP only)
- July 1 through May 15 – Utility (electric and natural gas) applications (MEAP and EUSP)
- May 15 through May 31 – Utility Crisis applications only (MEAP and EUSP)
- June 1 through June 30 – All applications taken are processed for payment in the following fiscal year (MEAP and EUSP)
- July 1 through May 30 – Utility emergency applications (MEAP and EUSP)
- November 15 through March 31 – All crisis applications (MEAP only);
- November 1 through March 31 – While USPP applications are taken year round, the application of the USPP program benefits is from November 1 through March 31.

These dates are subject to change by OHEP at any time if program requirements warrant. An Action Transmittal/Closeout Report and Procedures will be issued to establish new dates.

Applicants may apply at any time during the program year. Applicants do not have to wait until the anniversary of their previous year application to apply. The effect is that someone may apply in May and then apply again in July for the next program year. Applications received between June 1 and June 30 are considered applications for the following fiscal year and are dated with the application date of July 1 in the database. The LAAs should not change the date on the application to July 1.

III. Application Requirements

The application requirements are:

- A. The applicant must be at least 18 years old or emancipated, the head of household, spouse of the head of household, or have proxy from the head of household (see Application by Proxy). The applicant (as defined above) must appear for an in-person interview, if requested.

Chapter 3 – Application Process

- B. The applicant must complete the required items on the DHR/FIA/OHEP 200, APPLICATION FOR ENERGY ASSISTANCE, Income Resource Form, and provide documentation for the following items described below in order for an application to be considered complete:

Note: Current is identified as within 30 days of the application date or as specified for any documentation requested.

1. **A signed and dated application form.** The application form is placed in the applicant file.
2. **Names of all household members and Social Security numbers (SSN) of all applicant and household members.** For the applicant and each household member, a copy of the social security card or other acceptable document with the social security number (except as noted below) shall be placed in the applicant file.

Applicants whose SSN's are documented in the file from a previous year application need not provide copies of documentation provided that documentation is also placed in the current file. SSN's already verified and noted in the case record need NOT be verified again.

If a child in the household does not have an SSN, the parent or guardian of that child must apply to the Social Security Administration (SSA) for one. A receipt or other documentation of the application for a SSN is to be submitted as documentation.

- If the application is a crisis situation the application may be processed with the child's SSN entered as 000-00-000. Once the applicant receives the number a copy of the document is to be provided to the LAA.
- If the application is not a crisis situation, the applicant must apply for, receive submit the proper documentation to the LAA in order for the application to be processed. Generally, SSNs are received within fifteen days.
- If the number is not available by the end of the fifteen (15) day period for application processing proof that an application has been made to SSA shall be submitted in lieu of the actual number. For this situation, the LAA shall enter 000-00-000 in the household data section of the OHEP data system for the child until the new number is received.
- An application may be denied for incomplete information if there is a refusal to obtain a SSN for a child over age two.

NOTE: When entering 000-00-000 for the SSN, the Data System automatically creates a pseudo SSN as a placeholder. This pseudo SSN can only be used for a one time application.

Adult members of a household must have a documented SSN in order to complete the application. If an applicant does not have proof of an adult household member's SSN at time of that application is the application may not be processed for payment until the documentation is received. However, an exception is made for persons identified with alien status. The 000-00-000 can be used for those persons designated with alien status. Guidelines for aliens are described in section XI of chapter 4.

Chapter 3 – Application Process

Acceptable documentation:

- Social Security card

Social Security Administration (SSA) issues three types of Social Security cards:

- a. The card most people have shows your name and Social Security number and let you work without restriction. SSA issues this card to:
 - U.S. citizens, or
 - people who are lawfully admitted to the U.S. for permanent residence, or who have permission from the Department of Homeland Security (DHS) to work permanently in the U.S.
- b. The second type of card bears the legend, “NOT VALID FOR EMPLOYMENT”. SSA issues this card to people who:
 - are lawfully admitted to the U.S. but don’t have DHS permission to work. You need this card if a federal or state law requires you to have a Social Security number to get a benefit or service; or
 - are living in the U.S. and don’t have DHS permission to work but, because they’re entitled to a federally funded benefit, are required by federal law to have a Social Security number to receive the benefit..”

c. The third type of card bears the legend, “VALID FOR WORK ONLY WITH DHS AUTHORIZATION.” SSA issues this card to people who have DHS permission to work temporarily in the US. Cards issued prior to April 2004 bear the legend, “VALID FOR WORK ONLY WITH INS AUTHORIZATION.”

- Official letter or benefits notice with the social security number displayed. This letter must be on government letterhead.
- Printout from CARES.
- Printout from MABS.
- Medicare card
- Printout from SOLQ or SVES.

A copy of the SSN documentation for all household members is placed in the applicant file.

3. **Income for all household members** as defined on pages 4-7 must be verified.

Acceptable documentation:

- See Chapter 4 for acceptable documentation

A copy of the income documentation for the applicant and all household members where available, is placed in the applicant file.

Chapter 3 – Application Process

4. **Proof of identity for the applicant documented by a photo identification document.** For previously eligible households, where photo identification was received and remains in the file another photo id is not required. Separate documentation with a photo is required for those items that do not have photo.

Acceptable documentation:

- Valid Driver's license (current or expired)
- Valid identification card issued by Maryland Motor Vehicle Administration (MVA) (current or expired)
- Employment Identification Card with picture (current or expired)
- Valid U.S. Passport (current or expired)
- Valid out-of-country passport with visa and valid I-94/adit stamp evidencing lawful admission (current or expired)
- Valid U.S. military identification card (current or expired)
- Certificate of U.S citizenship (INS Form N-560 or N-561)
- Valid alien registration card (I-551)
- Valid employment authorization card (I-688 or I-688-B)
- Valid employment authorization document (I-766)
- Valid temporary resident card (I-688)
- Certificate of naturalization (INS Form N-550 or N-570)
- I-94 arrival and departure record (refugee)
- Out-of country driver's license (valid or expired)
- Valid International driver's license (current or expired)
- Valid U.S. government driver's license including military licenses (current or expired)
- For age 62 and over or disabled/homebound, a birth certificate or Medicaid/Medicare card
- For age 62 and over or disabled/homebound, any valid document that displays the applicant's full and complete social security number
- For age 62 and over, or disabled/homebound a valid insurance policy document or health insurance card
- Valid high school photo identification card (current or expired) for persons 25 or younger

A copy of the proof of identity for the applicant is placed in the applicant file.

5. **Verification of immigration status** of all household members who are not U.S. Citizens.

Acceptable documentation:

- Valid alien registration card (I-551)
- Valid employment authorization card (I-688 or I-688-B)
- Valid employment authorization document (I-766)
- Valid temporary resident card (I-688)
- I-94 arrival and departure record (refugee)
- Valid Social Security Card

Chapter 3 – Application Process

A copy of the verification of immigrant status for the applicant and all household members who are not U.S. citizens is placed in the applicant file.

6. **Proof of residence.** In order to qualify for MEAP or EUSP benefits applicants and household members must be residents of the State of Maryland. The proof of residence must have the individual's name and indicate a Maryland street address to identify the location for delivery. Documents with Post Office Box addresses are not acceptable as proof of residence.

- a. Homeless Customer Procedure

Many Supportive Housing Programs serving people who are homeless require applicants to resolve utility debts before they are considered eligible for housing. Applicants do not yet have an address early in the application process making them ineligible for OHEP programs. The following procedure has been created in order to provide Supportive Housing programs with the information that they need to determine eligibility:

1. The applicant will identify as homeless and provide a letter from a supporting nonprofit organization to which he or she has applied for housing.
2. LAA will assist the applicant in completing the basic demographic sections of the OHEP Application leaving the address blank.
3. LAA will determine if the applicant has an outstanding debt with the jurisdiction's utility company.
4. LAA will determine if the applicant has received arrearage forgiveness in the last seven years.
 - If no, the LAA will determine an *estimated* grant amount in the arrearage program. The worker will complete a form letter (see addendum X) to the Supportive Housing Program (and provide a copy to the applicant) indicating this grant amount and the program-wide average benefits for MEAP and EUSP.
 - If yes, the LAA will send a form letter to the Supportive Housing Program (and provide a copy to the applicant) indicating only the program-wide average benefits for MEAP and EUSP.
5. LAA will instruct the applicant to hold the application until the address has been identified.

Note: Mailing addresses may be in another state as some residents of towns near state borders may have a post office box in the bordering state or some applicants may have a

Chapter 3 – Application Process

caretaker (relative or otherwise) responsible for paying bills but living in another location.

Acceptable documentation for proof of residence:

- Valid Driver's license provided that the address on the license is verified as the delivery address.
- Current (within 12 months of application) Residential lease/rent contract
- Current (within program year) OHEP Landlord Agreement
- recent (within past 30 days) bills that include the applicant's name and street address not a post office box number and this includes utility bills, cable TV bill, telephone bill, major credit card bill
- Current bank checking or savings statements
- Current (within calendar year) benefit letters or notices from the Social Security Administration or from the local Department of Social Services
- Valid Maryland vehicle registration card or title
- Valid Voter registration card
- Current (within calendar year) Property tax bill or receipt
- Printout from the Department of Assessments and Taxation website showing homeownership (www.dat.state.md.us)
- Mortgage account statement or proof of home ownership
- Where there is a question as to the residency of household members documentation should be requested to ensure that the person is residing at the applicant's address. This could be through any of the documents listed above or also mail such as bills, bank statement, government letters etc. addressed to the person at the applicant's address
- Current (within program year) school records, i.e., Enrollment Verification Form

A copy of the proof of residence for the applicant is placed in the applicant's file.

7. **Name of energy suppliers and account numbers and utility bill or statement for utility.** For EUSP, documentation must verify that the electric service account is in the applicant's name.

Acceptable documentation includes:

- Current utility Bill or verification by the utility that service is being requested in the applicant's name, if the person is off service. Required in applicant file if utility termination notice is not provided.
- Current utility termination notice. Required in applicant file if utility bill is not provided.
- Current screen print from utility website or other utility provided document.
- Fuel company receipt. Not required in applicant file.

8. **If a renter and where the benefit is to go to the landlord, proof of rental status.**

Acceptable documentation includes:

- Current (within 12 months of application) a signed current lease
- Current rent receipt

Chapter 3 – Application Process

- Current statement signed by the landlord.

In addition, a current (within program year) landlord agreement must be acquired by the LAA.

A copy of the proof of rental status is placed in the applicant's file.

9. A current statement signed by the applicant or proxy authorizing the LAA to verify, through any appropriate sources, statements made or documents presented by the applicant or proxy during the application process. This statement is part of the application form.
 10. If a proxy makes the application, the completed and signed Proxy Authorization Form or a valid Power of Attorney document must be placed in the applicant file.
- C. An application can only be accepted as a valid and complete application if
1. signed and dated by the applicant, proxy or Power of Attorney, and
 2. all required documentation is provided.
- D. Additional data requirements for application completion:
1. The LAA shall obtain current electric or natural gas usage data for applications that have designated a utility to receive the MEAP benefit. The usage data must be in writing from the utility company via the utility's website, current copy of the applicant's utility bill or directly from the utility company and placed in the applicant's file or a designated location with the location referenced in the applicant's file. Usage data is to be obtained for all applications and documented on the application. The method of obtaining this information varies by utility company. Please check with the specific utility for the method being used.

The current kwhs/therms may be acquired by telephone, however written documentation must be received confirming the kwhs/therms obtained via phone.
 2. The LAA shall obtain current electric usage data (kilowatt hours or Kwh) for applications that have designated an electric utility to receive the EUSP benefit. The usage data must be in writing from the utility company via the utility's website, current copy of the applicant's utility bill or directly from the utility company and placed in the applicant's file or a designated location with the location referenced in the applicant's file. The EUSP benefit amount is based on the electrical usage.
 3. The LAA shall obtain current electric arrearage data for applications that have designated an electric utility to receive the EUSP benefit. The usage data must be in writing from the utility company via the utility's website or directly from the utility company and placed in the applicant's file or a designated location with the location referenced in the applicant's file. EUSP arrearages will only be paid once every seven years. The data system maintains a history that identifies if the arrearage application is within seven years

Chapter 3 – Application Process

(see Arrearage Inquiry on the Application menu in the software). If the LAA has evidence otherwise, an override may be implemented. OHEP performs overrides on arrearage. Contact OHEP for override requests.

NOTE: The procedure for obtaining usage and arrearage data from the utility company is developed in cooperation with each utility company. If the utility bill is used to obtain the kwhs/therms, the bill must be current. If the applicant does not have meter history or is new to the residence or if the residence is part of a new development and the utility company cannot give the LAA the annual usage to the applicant, the LAA may take the usage that is known, determine the average for a month's usage and multiply by 12. The LAA must narrate in the notes section in the system as to how the kwhs/therms were obtained. Make a copy of the note and place the copy in the applicant's file.

For example: The applicant has 3 months of meter history, the LAA may take the average of the 3 months and multiply that number by 12 to obtain the annual usage.

If the LAA is behind in processing applications because of the volume of applications received in the agency and the applicant did not submit a current utility bill with the application, the LAA can obtain the most current kwhs/therms from the utility company in writing or via the utility company's website i.e. applicant submits application to the LAA in July but because of the volume of applications received, the application is not processed until September, contact may be made to the utility company for the Kwhs/therms that are current in the database. However, the LAAs must make every attempt to process applications within the 45 days of receipt of the application.

If an applicant received MEAP and EUSP benefits in October but in January has an arrearage and eligible for an arrearage benefit, the arrearage that is current in January according to the utility company can be used. The LAA does not use the arrearage amount that was on the utility bill when the applicant initially applied for benefits.

IV. Application Procedures

It is the policy of OHEP to receive applications from all potential applicants. Application procedures may not prevent a potential applicant from completing an application. There may not be any barrier that prevents a potential applicant from applying. To this end, LAAs are required to accept applications through the office interviews, mail, off-site intake, online and home visits, or otherwise accommodate a potential applicant so that they may apply.

A. Application Process

1. An intake worker at the LAA or outreach site interviews the applicant. The applicant may send a person to act as a proxy for the applicant. See the Application by Proxy section for requirements. See Appendix A for form.
2. The applicant is given an appointment or interviewed on a walk-in basis at the LAA designated intake site. Interviews may also take place at the applicant's residence by appointment if they are unable to apply otherwise.

Chapter 3 – Application Process

3. The Intake Worker explains the EUSP and its individual components of Bill Payment and Arrearage, DHCD WAP, and USPP.
4. If additional assistance is required, a referral is initiated for the Emergency Assistance Program at the LDSS and/or the Fuel Fund. The applicant is given information regarding assistance or self-help programs available in the community, if needed.
5. The application, the DHR/FIA/OHEP 200 is completed during in-person interviews using one of the following approaches:
 - By the current OHEP data management system for on-line data entry, or;
 - The Intake Worker completes the application with the applicant, or;
 - The applicant completes the application and gives it to the Intake Worker, or;
 - The applicant completes the application in an applicant group setting with the Intake Worker giving assistance: or,
 - The application is completed at an outreach intake site or home visit with the assistance of an Intake Worker.
6. If the application is missing required documentation, the Request for Additional Information letter is given or mailed to the applicant.
7. All applications must be entered into the OHEP Data Management System. See Chapter 9 for additional summary information or the Data Management Reference Manual for detailed information on the system.

Note: The LAAs at their discretion have the authority to request additional documentation (s) from an applicant if documentations submitted are questionable.

B. Application Methods

1. Office Interviews

Each LAA is to have available an accessible location to receive applications according to OHEP contractual or agreement requirements. Applications completed and printed in the OHEP database must be signed by the applicant and a copy of the application given to the applicant for his/her records.

2. Mail Applications

LAAs may elect to mail the DHR/FIA/OHEP 200 application to the applicant's home. Include the current OHEP brochure along with instructions for completing and mailing back to the LAA and Income Resource Form for processing. Other information deemed appropriate by the LAA may be included in the mailing.

3. Off-site Applications

Chapter 3 – Application Process

Opportunities to conduct application intake in locations other than the main office of the local agency are encouraged. This may be accomplished through special events or visits to other sites or by partnering with other organizations such as the Office on Aging.

4. Home visits

As necessary, LAA staff members are to be available to make a home visit to take an application if the situation warrants.

5. On-line Applications (SAIL)

Individuals may apply on-line through the Internet via the DHR SAIL application website (www.marylandsail.org). LAAs are to download SAIL applications on a regular basis and import into the OHEP database. The OHEP application form may be downloaded from the DHR/OHEP website (www.dhr.state.md.us/ohep) completed and mailed to the LAA.

V. Additional Procedures for the Electric Universal Service Program

- A. The LAA is to process the application for EUSP benefits unless the applicant signs the section on the application to opt out of the EUSP Program.
- B. The LAA is to obtain from the electric company the current electric usage in kilowatt-hours (kwh) and any qualified arrearage amount in writing except for those applicants who do not have meter history as stated in this chapter, section III, item #D # 3 Note. Applications without the kilowatt usage may not be processed for a EUSP benefit. The process for obtaining this information varies by utility company. Each LAA is to communicate with the respective company to determine the method.
- C. If the applicant qualifies for EUSP Bill Payment and there is a qualified arrearage reported by the electric company, then the LAA is to include arrearage as part of the application. For an applicant to receive an arrearage benefit Bill Payment Assistance must also be received.

VI. Application By Proxy

An applicant who is unable to apply for energy assistance in person may have his/her application made by the applicant's authorized agent or proxy provided that the Proxy Authorization Form (see Appendix A) is completed and signed by the applicant. A current Power of Attorney may be used instead of the Proxy Authorization Form. A proxy may be an adult member of the applicant's household or a relative, neighbor, or other authorized agent. Although there is no limit to the number of times one person can act as proxy for another, this situation should be avoided if possible because it increases the opportunity for fraud. **Special attention must be given to justification when one person acts as proxy for more than one applicant.**

Chapter 3 – Application Process

Procedures

- A. The Proxy Authorization Form must be completed and signed by the applicant and the proxy before the intake interview. Note that the applicant and proxy signatures must be witnessed. However, the applicant cannot witness the proxy's signature and the proxy cannot witness the applicant's signature.
- B. The applicant's proxy participates in the intake interview and provides all information and documentation for the applicant. The proxy shall supply proof of the applicant's identity and residence.
- C. The proxy signs the application and related forms in the following manner:

"John Doe for Jane Jones"
(Proxy) (Applicant)
- D. The application name is not the proxy name.

The proxy is placed in the applicant file.
- E. If a Power of Attorney is used as documentation obtain a copy of the first and last pages and place in the applicant file.

VII. Application Processing

Once an application is submitted, the following steps are taken to process that application to assure a timely determination of eligibility. Applications shall be entered into the data system within 2-3 days of receipt of the application. The intake worker must sign legibly and date the application. No worker initials nor last name only are accepted.

- A. Interviews
 - 1. If all required documentation is submitted, the Intake Worker may make an initial eligibility determination and indicate the estimated amount of the benefit to the applicant. It must be stated that final eligibility is subject to review by the certifier.
 - 2. If the applicant does not furnish all required information during the initial intake interview, the Intake Worker follows the procedures for pending cases.
 - 3. All applications are entered into the OHEP Data Management System.
- B. Mail Applications
 - 1. All applications are entered into the OHEP Data Management System.
 - 2. Review all mail applications for completeness.

Chapter 3 – Application Process

3. Mail applications are coded with the number 88 in the Center Code field. This identifies the application as a mail application. Other types of mail applications are at the discretion of the LAA and are coded by the LAA according to a schema they set. LAA's shall maintain a table of these code designations and make it available to OHEP upon request.
4. The application date is the date the application is signed by the Applicant. A faxed application with the applicant's signature is acceptable to begin the application process, however, the original must be submitted to the LAA. However, all other documentation (s) i.e. Zero Declaration, Wage Verification, Income Resource forms are acceptable as faxed, original signatures are not required unless the document is questionable. The application date can be changed with the permission of the applicant if the income documentation received is for an earlier or later date. The worker must make a note on the application near the customer's signature that the application date was changed to coincide with the income documentation provided. The income documentation must be for the 30 days before application date.
5. Certify the application when complete and the necessary documentation is attached. If information is missing, the application is entered into the computer, and a request for additional information form is issued to the applicant. The application is then placed in pending status. To avoid high numbers of pending cases, one possible strategy is place a phone call to the applicant after the request for additional information form is sent to confirm that the applicant understands what is needed.
6. Applications are usually processed according to date received. Priority processing should be given to applications based on circumstances of need. However, the overall mail process should be managed to avoid lengthy delays in making payments to energy suppliers.

VIII. Pending Cases - Procedures

- A. If the applicant does not provide all required information or documentation to certify the application, the intake worker shall complete a Request for Additional Information in duplicate. The intake worker records the date, applicant's full name and address, and a detailed explanation of the information required. The date this information is due shall be clearly stated, and shall be 15 days from the date the notice is given (or mailed) to the applicant. The intake worker enters his/her name and telephone number on the form.
- B. The Request for Additional Information is given to or mailed to the applicant. A copy is placed in the applicant's file.
- C. The applicant folder is retained in a pending file until the information is returned.
- D. If the information is not returned by the date requested, the application is denied as described in the section on denying applications.
- E. Once the additional information has been received, the pertinent documents are placed in the applicant's file and the information is entered into the applicant's computer record.

Chapter 3 – Application Process

- F. Requested information is accepted by mail, in-person, or by fax.

IX. Referral to Energy Assistance Resources

When the OHEP applicant has a heating crisis that cannot be resolved by the OHEP benefit, the LAA must refer the client to other providers of energy assistance.

A. Emergency Assistance to Families with Children

When to refer:

1. LAAs may refer clients to the Department of Social Services (DSS) for Emergency Assistance to Families with Children (EAFC) if:
 - a. the client is OHEP eligible;
 - b. the client has children living in the household who are under 21 years of age; and
 - c. OHEP funds are not available to alleviate the crisis.

An individual need not be a recipient of Public Assistance to qualify for EAFC benefits. Each DSS will have the flexibility and option to assist or not assist families in need of help with their heating bills. DSS policy regarding the use of EAFC funds may vary from jurisdiction to jurisdiction.

2. Referral Procedure

- a. Complete the Referral to EAFC form (see Appendix A). The LAA does not need to keep a copy of the form, but must document the client's file showing the date of and reason for the referral. Any questions, which the LAAs may have regarding this process, should be referred to OHEP.
- b. Give the form to the client with instructions to take it to the local DSS

B. Fuel Funds

1. Fuel Fund payments are given to MEAP eligible low-income households for the purpose of combining with the family's own contribution toward overdue oil or gas and electric bills.
2. State OHEP and the Local Administering Agencies (LAA's) work closely with Fuel Funds to refer year round low income customers for whom the MEAP benefit is not sufficient to meet home heating energy needs for gas and electricity. When MEAP benefits are not enough to allow for reconnection or to prevent shutoff, the Fuel Fund dollars provided often help to pay for arrearage and service reconnection for customers to enable them to use the MEAP benefit for current heating needs.

Chapter 3 – Application Process

The Fuel Fund of Maryland and other Fuel Funds have regulations that use the same percent of poverty income guidelines as MEAP and require that applicants have previously applied for MEAP, when available, or exhaust the MEAP benefit in order to be determined eligible.

3. LAAs must utilize the Fuel Fund vendors in their territory if the OHEP grant is not sufficient to resolve termination of services or to prevent a shutoff.
- C. Each LAA must maintain a list of alternative energy assistance providers for referral purposes if the OHEP grants are not adequate to meet the need of the applicant.

X. Utility Services Protection Program

USPP is a year round even monthly utility payment program of the Maryland Public Service Commission and utility companies. The regulations for USPP are found in Appendix C.

OHEP has agreed to use the OHEP application process to explain the program to applicants, take application information, and forward the information to the utility companies.

A. Eligibility for USPP

All utility customers with an active account and eligible for MEAP are eligible to apply for the USPP. Roomers, boarders, and households where heat is included in the rent are not eligible for USPP.

Utility customers who are off service must secure reconnection of gas or electric service by making the designated payment for outstanding arrearages and reduce arrearages to \$400 or less to be eligible for USPP.

B. Determination of Even Monthly Payment

Participating in USPP puts the customer on an even monthly payment plan. The respective utility company determines the monthly payment for USPP. The payment amount of the even monthly payment plan is based on the customer's annual cost of utility consumption minus the MEAP benefit divided by 12. This is often referred to as budget billing.

C. USPP Procedures

The Intake Worker is responsible for explaining the USPP Program to the applicant, informing them of how the payment is determined and that the utility company is responsible for calculating the USPP monthly payment amount. The Intake Worker is not responsible for determining the USPP payment. The utility is required to calculate the payment and to advise the applicant of the payment amounts necessary for USPP participation.

Households not requesting USPP participation must have information recorded in the pertinent application fields. All utility customers, regardless of the OHEP energy supplier chosen, must have the utility's name given in the proper field. The consumption data for all utility users must be entered for all utility users.

Chapter 3 – Application Process

The USPP information is forwarded to the respective utility on both the MEAP and EUSP EDS. If a utility will not receive an EDS from OHEP a separate report is available to send to the utility.

D. USPP and Arrearages

Applicants with arrearages will be allowed long-term special agreements, in some cases up to 48 months, depending on the amount of the arrearage. The OHEP benefit can only be applied to a household's arrearage for first time USPP participants. An amount, which will be paid monthly by the client to decrease the arrearages, will be determined by the utility. This will be shown on the utility bill as the supplemental payment. Please note that this payment is in addition to the equal monthly payment.

Note: BGE and Delmarva Power obtained permission to allow their customers to use the OHEP benefit toward their arrearages even if their benefits were applied to arrearages in previous years.

E. Reconnection of Service

In cases where the customer is not receiving utility service at the time of application, but chooses to participate in USPP, the customer's service shall be reconnected for the purpose of participation in the USPP.

To have service reconnected if the customer has participated in the USPP previously, and has been removed from the program, the customer must pay the greater of:

1. An amount sufficient to reduce outstanding arrearage to \$400; OR
2. The amount covering the monthly installments in arrears in the customer's equal monthly payment account and supplemental payment account at the date of reconnection.

Applicants may NOT apply the current year MEAP benefit to an arrearage to qualify for participation in the USPP if the MEAP benefit was applied to the arrearage in a prior program year (see note above regarding BGE and Delmarva). In cases where the OHEP benefit has been applied to an arrearage in a prior year, but other participation requirements are met, the customer's equal monthly payment will be based on annual consumption alone.

If the client has not previously participated in the USPP, they shall pay an amount sufficient to reduce the outstanding arrearage to \$400 or less.

F. Termination of Service

If the USPP participant's OHEP application establishes that the participant is at or below 50 percent of poverty, the participant may not be terminated from service between November 1 and March 31, if the participant has paid to the utility, exclusive of any OHEP grant, the agreed upon bill payment .

Chapter 3 – Application Process

XI. Furnace Repair and Replacement

OHEP has an agreement with the Maryland Department of Housing and Community Development (DHCD) Weatherization Assistance Program (WAP) to provide a limited number of furnace repairs or replacements. LAAs are to refer known potentially qualifying situations to the local weatherization program. A list of those programs is found in Appendix E. The local weatherization program will determine the eligibility of the applicant and an assessment of the furnace situation.

LAAs are to determine if the furnace need qualifies as a crisis under the MEAP definition. If so, the referral is to identify the need as a crisis and the response is to follow the crisis criteria.

XII. Weatherization Assistance Program (WAP)

The Weatherization Assistance Program, or WAP, is a federally funded program through the U.S. Department of Energy administered by the Maryland Department of Housing and Community Development. Provisions of the LIHEAP Block Grant Law require assurances that LIHEAP and WAP coordinate. OHEP fulfills this function by referring potentially eligible households to WAP. Referrals are made to the local WAP Office through procedures that each LAA develops with the local WAP office. A system report is available to generate a list of MEAP eligible applicants interested in receiving weatherization services.

Applicants that go to the local energy office shall be provided with a WAP information card as well as an explanation from staff regarding the importance of energy conservation. Applicants will be directed to the OHEP application and will be given the opportunity to 'opt out' of the program.

XIII. Reapplication

Denied applicants receive a written notice of the reason for the denial and of the right to a fair and timely review and hearing of the reasons for denial. They are also advised that, as long as the OHEP is accepting applications, they may reapply after 30 days from the date of the denial notice. If an applicant responds to a denial due to incomplete information by sending in the requested information the original application may be processed if that information is received within 15 days of the Denial Notice.

XIV. Questions and Answers

1. Can a potential applicant apply in a county other than the one he/she resides in?

Response: In order to accommodate the individual who applies at the incorrect office it is acceptable for the LAA to take the application and then forward it to the correct location. The applicant should be instructed as to the correct location and that all questions concerning the application should be directed to the correct office.

2. An applicant has received a benefit but returns to provide new income information because their income is now lower than at the time of application. Is the application modified to reflect this lower income?

Response: No. The application is not modified for a change in income because the benefit is based on the income at the time of submission.

Chapter 3 – Application Process

3. An applicant mails his/her application to the LAA with a date signed in July, however, the LAA received application in October. The income documentation is for September. Can the income documentation be accepted?

Response: Yes, the income documentation can be accepted. The LAA must contact applicant to obtain permission to change application date to coincide with income documentation received, write a short note on the application, stating permission was obtained from applicant to change the application date, the new 30 day period and initial or signed the note. LAA must make sure when the application date is changed that all income documentation for all members of the household coincide with the new application date.

4. Does an Income Resource Form completed by applicant required to be in the applicant's file?

Response: Yes, an Income Resource Form signed by the applicant must be in each certified file.

5. Can a Medicare card be an acceptable documentation for a social security card?

Response: Yes

6. Is a valid school picture ID acceptable documentation for proof of ID?

Response: Yes, the valid school picture ID must be from a high school, college or vocation/technical school.

7. If a person is not on the lease is he/she counted as part of the household?

Response: OHEP requires proof of residence as one of the conditions of eligibility. An applicant can have a lease but there is other acceptable documentation for proof of residence. If the applicant has a lease and some of the household members are not on the lease, the worker may become concern however the applicant could have taken in members of his/her household unbeknown to the landlord or the applicant may had married after the lease was signed. Would you count these persons if they are not on the lease? Yes, you would. The proof of residence is primarily for the applicant, please see page 3-7 item 6, Proof of residence. The lease is a desired proof of residence because it proves whether housing is subsidized and who is in the household according to the landlord.

An applicant cannot be denied because he/she does not have a lease. If there is concern that a household member is not residing with the applicant, the worker can request additional documentation. Remember OHEP is mandated to treat renters and homeowners fairly.

8. The applicant is homebound and 72 years old and does not have a photo ID. Are there any other documents that can be accepted in lieu of photo ID?

Response: Yes, in this chapter, section III Application Requirements, item #4 Proof of Identity or acceptable documentation for someone who is over 62 or disabled that does not have a photo ID.

9. Can a worker obtain Kwh/therms over the phone from a utility?

Response: If obtained over the phone Kwh/therms must also be obtained in writing.

Chapter 3 – Application Process

10. An applicant has a household of five, no one has a valid social security card but they have an Income Tax Identification number (ITIN or TIN) can the application be processed?

Response: The application can be processed, entered in the database and denied. The applicant must have a valid social security number/card for the application to be processed for a benefit.

11. Can an applicant use an expired out of state driver's license as proof of his identity?

Response: Yes

12. If the applicant has a social security number but cannot find the card, can the application be processed for a benefit?

Response: Application can be placed in pending for fifteen days to give the applicant the opportunity to provide a valid social security card or a letter from Social Security Administration confirming the social security number and that the card is forthcoming.

13. How old do you have to be to apply for energy assistance?

Response: You must be at least 18 years old or emancipated.

14. If an applicant received an arrearage benefit and in the household was her spouse who later separates from her and is now head of household where he resides, can her husband receive an arrearage benefit if all other criteria is met in the same program year.

Response: Yes, if all other criteria are met he can be eligible for an arrearage benefit.

**Attachment 1-2 – Chapter 13 – Monitoring Program
Compliance**

I. Introduction

Monitoring is the process by which State OHEP periodically reviews the implementation of regulations, policies and procedures as set forth in COMAR, the Operations Manual, and transmittals issued by the OHEP office. It, also, is used to assess the fulfillment of contractual obligations.

The purpose of monitoring is:

- To assure implementation and adherence to regulations, policies and procedures as promulgated by State OHEP.
- To fulfill the requirement of the Federal Block Grant for Low Income Home Energy Assistance (Public Law 97-35, sec. 2605(b10)) for a regular review of all local administrating agencies' (LAA) program operations.
- To protect applicant's rights and insure good public service.
- To identify potential programmatic or procedural issues that may require revised policies.
- To prevent future audit issues.

These monitoring visits are an opportunity to help local agency staff assess program operation procedures. State program management can learn about local problems with the Operation Manual procedures. Sometimes these visits lead to program clarification of operation procedures. During the year of the visit, changes in procedure replace the old ones by means of special additions to the Operations Manual called "Transmittals".

II. Procedures

- A. A monitoring staff person contacts an LAA or energy supplier to schedule an appointment for an on-site visit. In the case of an LAA, the person contacted is the OHEP director or coordinator. It is the responsibility of the local OHEP director to inform other pertinent agency personnel of the visit.
- B. A letter confirming the date and purpose of the visit is sent along with a copy of the monitoring tool.
- C. The visit will consist of an initial entrance meeting with the OHEP director and appropriate staff explaining the purpose of the visit and what can be expected.
- D. State OHEP monitoring staff will conduct the specific monitoring interview and review records randomly selected as appropriate. A sample of the local agency files are reviewed in each stage of application processing: pending, certified, paid, denied, and crisis.

- E. After completion of the interview and record review the monitoring staff shall conduct an exit conference with the OHEP director and other pertinent staff. It is recommended that the agency director be present at the exit conference. During the exit conference the monitoring staff will identify findings and suggest strategies for corrective action if problems are found. A copy of the monitoring visit report is left with the LAA at the completion of the visit.

- F. The state office will send a follow-up letter summarizing the visit findings and suggesting corrective actions the local agency must do to correct any findings that did not meet standards or requirements. If the findings warrant, a written corrective action plan will be requested of the local agency. Additional follow-up may be required to assure implementation of the corrective action plan.

- G. The State OHEP Office maintains a record of correspondence, interviews and any documentation from the field review.

APPENDIX G – OHEP MONITORING TOOL

DEPARTMENT OF HUMAN RESOURCES

FAMILY INVESTMENT ADMINISTRATION

OFFICE OF HOME ENERGY PROGRAMS (OHEP)

LOCAL ADMINISTERING AGENCY (LAA) MONITORING REPORT

MARYLAND ENERGY ASSISTANCE PROGRAM (MEAP)

And

ELECTRIC UNIVERSAL SERVICE PROGRAM (EUSP)

FY 2014

SITE VISIT FINDINGS

LAA: _____

DATE OF VISIT: _____

Contact Person(s) for this review (include phone number):

1. _____

2. _____

Exit Interview with (include phone number): _____

Title: _____

OHEP Monitor(s): _____

Where appropriate, please write in yes or no.

OUTREACH:

1. What has the agency done to reach the following populations?

A. Elderly/disabled population:

Comments: _____

B. Persons with the lowest incomes with the highest energy burdens:

Comments: _____

2. What is your most effective outreach tool?

Comments: _____

Local Training:

- 1. How often are staff meetings held? _____
- 2. Have all workers been trained in confidentiality and computer security? _____
- 3. How many OHEP dedicated workers does your agency have? FT ____ PT ____
- 4. Are the following logs current?
 - a. Complaint Log _____
 - b. Hearing Log _____
 - c. Other: _____

Intake and Eligibility Process:

- 1. Does the Agency have interview space that assures confidentiality? _____
- 2. Are there restrooms available for use by applicants? _____
- 3. Are the applications filled out and printed in the data base for the customer? _____
- 4. Are interviews being scheduled by appointment? _____

5. What is the average length of an interview? _____

6. What are the major issues in collecting and verifying income information?
Comments/Issues of Concern: _____

7. Are customers files kept in a confidential and secure area? _____

8. What measures are used to ensure confidentiality with applications filed by employees?

SAIL (Service Access and Information Link) Applications:

1. Are you receiving any SAIL applications? _____

2. Who retrieves the SAIL applications for your agency? _____

3. How are the applications tracked? _____

4. What are the major issues/concerns in processing the applications?

Comments: _____

Applicant Pending Procedures:

1. Number of applications pending computer data entry today: _____
MEAP EUSP

2. Number of applications awaiting certification: _____

3. Number of applications pending household information: _____

4. Where are your pending files?

5. How are files pending agency action or household information tracked?

6. How many applications are pending over 45 days from the date of the monitoring visit? _____

Denial Procedures:

MEAP

EUSP

1. The percentage of denials to applications taken is _____% _____%
(OHEP will calculate the percentage by dividing the type of applications taken into the number of denials.)

2. The main reason for denials is _____

Potential Fraud Situations:

1. Have any potential or actual fraud cases been reported?
If yes, give further information:

2. How many fraud cases been referred to Office of Inspector General (OIG)? _____

3. Are the fraud posters visible? _____

4. What local special measures are used to prevent fraud?

Fiscal Administrative Expenditures:

1. Are current signed financial monthly reports on file?

With the Program Director? _____

With the Fiscal Office? _____

2. What is the status of last year's audit? Read OHEP part of audit.
Comments:

3. How many appeals requested? _____

Utility Company Contact Procedure:

1. Who is your LAA's local utility company? _____

2. What is your LAA's process for obtaining customer kilowatt-hour, therm usage and arrearage information from the local electric company?

Computer Information:

1. Have you/your staff been experiencing any connectivity difficulties? If yes, please detail.

2. What is the number of data entry workstations that your LAA has operational? _____
Comments/Issues of Concern:

3. Do all workers using the OHEP data system have their own log-on? _____

4. Have log-on it's for all former employees been deleted? _____

Monitoring for Contract Deliverables:

Are the following contract deliverables current and on file at the state OHEP office?

a. Annual Outreach Plan

b. Monthly Outreach Logs

c. Annual Crisis Plan

SAMPLE REVIEW

Does the sample of certified applications (both mail-in and regular) by categories listed Below meet the Minimum State standards?

95% accuracy to determine eligibility/grant and
90% accuracy in transcribing information in the applicant file
(See the summary and worksheets for applicant file review)

Sample categories are:

- 1. Wage earners (at least 3)
- 2. Fixed Income (at least 3)
- 3. Zero Income (at least 2)
- 4. Energy Crisis Assistance (at least 2)
- 5. Subsidized Housing (at least 2)
- 6. Renters where heat is included in the rent (at least 2)
- 7. Renters where heat is not included in the rent (at least 2)
- 8. Roomers and/or boarders (at least 1)
- 9. Self-employed (at least 1)
- 10. Level 1 Utility user (at least 1)
- 11. Direct payment (at least 2)

DOES THE SELECTED SAMPLE REVIEW?

- 1. Assure that households applying for energy crisis grant receive assistance within the specified time frames? _____
- 2. Confirm that local internal control system assures that services are provided only to eligible participants? _____
- 3. Confirm that homeowners and renters are treated equitably? _____
- 4. Confirm that assistance was provided to households with the lowest income that pays a high proportion of their income for home energy? _____
- 5. Confirm that all recipient households received a notification of the amount of their assistance and the name of the energy supplier? _____
- 6. Is the LAA following Operations Manual procedures in the
 - a. Application Process _____
 - b. Crisis Assistance Application Process _____
 - c. Utility Service Protection Program _____
 - d. Zero income applications _____
 - e. Family Energy Services (FES) procedures _____
 - _____
 - f. Applicant file organization _____
 - g. Quality Control (Certification Procedures) _____

Summary Sheet-Certified File Review:

Sample size _____

I. Applicant's documents compared with data management system data file's hard copy or household notification letter.

- 1. Name, address, etc. consistent _____
- 2. Supplier name, code, fuel type consistent _____

II. Application, Income Area, Documentation Review

- 3. Proof of identity _____
- 4. Proof of residence _____
- 5. Number in household consistent with documents (income) _____
- 6. SS cards/SS verification for all adults and children _____
- 7. Documentation recorded correctly _____
- 8. Household numbers consistent _____
- 9. Dated legible signatures of two different LAA staff; no initials or last name only _____
- 10. Dated household benefit notification letter in file or available on the database _____
- 11. Kilowatt and/or therms recorded correctly and if not in the file referenced on the back of the application as to its location _____
- 12. Application completed _____

Total _____

*ADMINISTRATIVE ERROR RATE IS _____%

III. Accuracy of Computations and Documentation of Eligibility

- 1. Sufficient documentation _____
- 2. Income transcribed accurately _____
- 3. Grant amount correct _____

Total _____

PAYMENT ERROR RATE IS _____%

* Administrative error rates are calculated by dividing the sample size x 12 into the sum of errors.

**Payment error rates are calculated by dividing the sample size x 3 into the sum of errors.

Attachment 1-6 – Chapter 4 – Certification and Eligibility

Chapter 4 – Certification and Eligibility

This chapter explains the guidelines and procedures for both the Maryland Energy Assistance Program (MEAP) and the Electric Universal Service Program (EUSP). In most instances policy and procedure are the same for both programs. Where they differ, the EUSP policy is expressly specified.

I. Certification Policy

Each application shall be reviewed for completeness and accuracy prior to the issuance of a grant. This review process is referred to as certification. If an application is denied, that is, determined to be ineligible for an OHEP grant, the procedures for denied applications should be followed.

II. Certification Requirements

All certified applications shall indicate a legible agency worker signature, date of certification, benefit level, and dollar amount of grant. This information shall be on the application and in the computer record. **A person other than the person who conducted intake or data-entered the application shall complete certification of an application.** The certifier must sign legibly and date the application. No worker initials nor last name only are accepted. After being certified, an OHEP grant shall be issued in accordance with the procedures for payment of benefits.

III. Application Status

A. Pending Applications- "PENDING"

This status shows that all the information needed for household eligibility is not in the computer record.

B. Awaiting Certification- "AWAITING"

This status shows that all information is complete on the computer application. Note: Data retrieved from a previous year may go into an Awaiting status before review. Be sure to review and validate the on-screen application as qualifying for Awaiting status. A worker must confirm that the current documentation agrees with the computer screen.

C. Certification- "CERTIFIED"

When the certifier confirms the information entered on the application is accurate and supported by income documentation, the option to certify is made. A final "Yes/No" response is required. A "Yes" updates the status to Certified. A "No" Requires the record to be returned to the worker for revision. Pressing "Next Record" will skip the record.

NOTE: A person who creates or modifies a record in the data system is prevented from certifying that record.

When the case is "Certified", the benefit amount is computed and displayed on the screen. Enter the amount of the application. Click on Close to remove the "Certified Benefit" box.

Chapter 4 – Certification and Eligibility

D. Energy Delivery Statement Sent- "EDS SENT"

This status shows that the applicant has been assigned to a particular Energy Delivery Statement (EDS) of a selected energy supplier. The EDS is the official authorization to deliver energy assistance up to the amount indicated. Each EDS has a unique batch/invoice number for tracking that EDS to the payment check number as well as tracking the payment in client records.

IV. Certification Procedures

All applications shall be certified using the computerized OHEP Data Management System. Certify each application using the following steps:

- A. The certifier reviews the application and supporting documentation that comprise the applicant file.
- B. If the application is incomplete and/or requires additional documentation, the worker takes appropriate follow-up action with the applicant. Workers shall consult with the supervisor in unusual or confusing circumstances.
- C. If the applicant file is complete and accurate, the worker shall certify the application through the OHEP Data Management System. The system calculates the benefit amount or determines if the application is to be denied.
- D. If the application is approved for a benefit the amount is written on the application in the space provided. The certifier signs and dates the application form in the space provided.
- E. If the application is denied, the worker shall select the reason from the drop down list on the computer screen. The denial reason is written on the application in the space provided. The certifier signs and dates the application form in the space provided.
- F. If the computer's determination of eligibility conflicts with the certifier decision, the certifier shall consult with the supervisory certifier to resolve the disparity.
- G. Once an application is certified or denied, it shall not be modified without Supervisor approval.
- H. Crisis applications are certified as outlined in this chapter; however, additional procedures are to be followed. These procedures are outlined in Chapter Five on Crisis.

V. Certification Reviews

- A. Certification reviews conducted by locally designated program supervisors are required of all applications in the categories listed below:
 - 1. zero income households
 - 2. self-employed households
 - 3. wage earners

Chapter 4 – Certification and Eligibility

- B. Certification reviews are required for the remaining applications through the use of a sample. On a weekly basis, a minimum of every twentieth case is selected for review.
- C. OHEP monitoring will include an assessment of these reviews.

VI. Eligibility Policy

A. Maryland Energy Assistance Program

1. Basis for Eligibility

An applicant-household is determined **eligible** for MEAP if:

- a. an energy assistance benefit has not already been certified/received during the current heating season; and
- b. the total gross income is equal to or less than the established poverty level by family size; and
- c. a heating responsibility is established (i.e., the applicant has identified a person who is responsible for paying energy related costs); and
- d. residency, citizenship requirements are met; and
- e. the household constitutes an individual or group of individuals who are together as one economic unit for which residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent.

2. Basis for Denial

An applicant-household is determined **ineligible** for MEAP if:

- a. total gross household income exceeds the income criterion established for the program;
- b. documentation of household income is not provided within the prescribed time;
- c. required information needed to complete the application is not provided within the prescribed time;
- d. MEAP assistance was received during the current heating season;
- e. direct responsibility for heating costs (including undesignated payments for energy in the form of rent) is not established;
- f. a MEAP application is pending;
- g. the applicant resides in another county or out of state;
- h. the applicant requested that the application be rescinded;
- i. the applicant died (see section XXIII.H. of this chapter);
- J. Other. (i.e., benefit check has not been cashed within the required 60 day period AND the date for program obligations has passed)

B. Electric Universal Service Program - Bill Payment

1. Basis for Eligibility

Chapter 4 – Certification and Eligibility

An applicant-household is determined eligible for the EUSP Bill Payment Assistance if:

- a. Total gross household income does not exceed the income criterion established for the program;
- b. an EUSP Bill Payment Assistance benefit has not already been certified/received during the current program year; and
- c. the applicant's total gross household income is equal to or less than the established poverty level by family size; and
- d. an electric bill responsibility with a qualified electric company (a qualified electric company is an electric utility that is regulated by the Public Service Commission) is established. This means the applicant or spouse as long as the spouse is living in the same dwelling must have the electric bill in their name or have the bill put in their name; and
- e. residency, citizenship requirements are met; and
- f. the applicant agrees to have the EUSP Bill Payment Assistance grant credited to their electric bill in twelve (12) even monthly credits directly or through the electric company's budget billing or even monthly payment plan.

2. Basis for Denial

An applicant-household is determined ineligible for the EUSP Bill Payment Assistance if:

- a. total gross household income exceeds criterion established for the program;
- b. documentation of household income is not provided within the prescribed time;
- c. required information needed to complete the application is not provided within the prescribed time;
- d. EUSP Bill Payment Assistance was received during the current program year;
- e. direct responsibility for electric costs by means of an electric bill from a qualified electric company in the applicant or applicant's spouse's name (as long as the spouse is living in the same dwelling) is not established;
- f. an EUSP application is pending;
- g. the applicant resides in another county or out of state;
- h. the applicant requested that the application be rescinded;
- i. the applicant died (see section XXIII. H of this chapter);
- J. the electric bill is not in applicant's name;
- k. the applicant refuses even monthly crediting of the electric bill or budget billing;
or
1. other. (i.e., benefit check has not been cashed within the required 60 day period AND the date for program obligations has passed)

C. Electric Universal Service Program- Arrearage Retirement Assistance

1. Basis for Eligibility

An applicant-household is determined eligible for the EUSP Arrearage Retirement Assistance Program if:

Chapter 4 – Certification and Eligibility

- a. the applicant has a qualified arrearage; and
- b. has not already received the full eligible arrearage amount during the current or past seven (7) years; and
- c. the applicant's total gross household income is equal to or less than the established poverty level by family size; and
- d. an electric bill responsibility is established meaning the applicant has an electric bill in their name; and
- e. funds are currently available for the purpose of paying arrearages.

If these criteria are met, the applicant is entitled to a benefit of any arrearage identified by the current electric company that is 21 days past due. The arrearage does not have to be from the current account, but must be from an account that was in the applicant's name. It is possible that the initial inquiry into the amount of the arrearage unknowingly does not identify all past due accounts in the applicant's name. Therefore, if an additional past due amount is determined at a later time, including a subsequent year, that additional amount is subject to being paid provided the other eligibility criteria are met at the time the additional amount is identified.

2. Basis for Denial

An applicant-household is determined **ineligible** for the EUSP Arrearage Retirement Assistance if:

- a. the applicant is denied for EUSP Bill Payment Assistance budget billing; or,
- b. the applicant does not have an eligible arrearage; or,
- c. funds are not available;
- d. the household members remains the same at the same address but the head of household role changes from one program year to another i.e. the applicant applies with 4 persons in the household, wife, husband and two children. One year the wife is the head of household and received an arrearage next year the husband or one of the children who is now adult is the head of household so that another arrearage benefit can be obtained;
- e. the applicant does not provide a social security number or
- f. Other. (i.e., benefit check has not been cashed within the required 60 day period **AND** the date for program obligations has passed).

VII. Income Eligibility

A. Guidelines

1. Income eligibility is based on all gross (before taxes and other deductions) income received by the household during the 30 days preceding the date of application with the exception of applicants who retain a permanent work relationship with their employer, and who routinely work for only part of the year. Those persons must have their incomes annualized to determine if the income eligibility criterion is met. This includes applicants such as teachers who work ten months of the year or employees who are paid once a month where the

Chapter 4 – Certification and Eligibility

pay period may exceed 30 days, also, persons who are on extended leave of absence (i.e., maternity or medical leave, voluntary leave without pay, etc).

Income will be annualized for those persons who have a permanent relationship with their employer and have received income from the employer within the past 90 days from the application date. The income documentation must be placed in the applicant's file. However, if the applicant's income from the employer was zero for the past 90 days before the application date, the income shall not be annualized.

Acceptable documentation for annualizing income:

- Current 1040 tax form. If current 1040 tax form is utilized, the gross income is counted and not the adjusted income that include deductions. **A current 1040 tax form is not acceptable after the month of June.**
- Wage Verification form completed by the employer/representative of the company
- MABs (remember MABS is a quarter behind)
- Letter from employer on company's letterhead with applicant's name and Security number/ID number
- paystubs

Examples:

X reported that she is on medical leave and plans to return to her employer in 3 months. X received no other income than what she received from her employer. X has 3 persons in her household. Her gross income for the past 90 days from the application date was \$4,500 and she is paid weekly. The income is annualized. There are 12 pays within the 90 day period. X pay is \$4500 divided by 12 = \$375 weekly X 52 weeks = \$19,500 annually. X meets the income guideline for a household of 3.

Teacher Y routinely works 10 months a year and he plans to return to his employer. Teacher Y applied for asst. on August 5th and has a household of two. His last gross pay check was June 28th and he received \$2500 bi monthly. Y received \$5,000 a month X 10 months=\$50,000 divided by 12 =\$4,167- Y is over income for the program.

W reported that she is on leave without pay, has HH of 2 but is planning on returning to her employer. W submitted her last gross pay which was 4 months ago. She has zero income from her employer for the past 90 days but she receives \$624 month from SSI for her son. She receives no other income. W's income is not annualized. The income she receives for her son is counted. W completes a zero declaration form for herself.

P is on voluntary leave but plans to returns to her employer. She provided a current 1040 tax form. She has a household of 6 including her husband who

Chapter 4 – Certification and Eligibility

works. Their joint gross income was \$54,000. The LAA would have to determine husband's income and subtract it from P's income and divide P's income into 12. The LAA would request documentation of spouse's income from 30 days of the application date.

2. Income guidelines are based on the federal poverty level and are established each year at a maximum of 175 percent of the current poverty level. Current poverty level means the levels published in February and used beginning the following July. Households' gross annual incomes must equal or be less than the established levels for the current fiscal year as contained in the table issued each year in the form of an OHEP Action Transmittal.
3. Household members who are self-employed must document their income in accordance with the procedures outlined under, section VIII. F, 'Income Documentation, Self-Employment' in this chapter.

B. Countable Resources/Income:

Household income is defined as compensation, income, or financial resources received from one or more of the following sources (gross amounts, unless otherwise noted below):

1. Wages and tips received as compensation for employment or services rendered;
2. Net income from self-employment; either farm or non-farm. Refer to the section (in this chapter) regarding self-employment income);
3. Social Security or Supplemental Security Income (SSI) or both;
4. Dividends, interest (on savings or bonds), estate or trust income, rental income, or royalties;
5. Temporary Cash Assistance (TCA) and Temporary Disability Assistance Program (TDAP) grants, formerly known TEMHA;
6. Wages received under the Jobs Training Partnership Act (JTPA);
7. Alimony;
8. Child or spousal support;
9. Pensions, veteran's compensations; workmen's compensations
10. Railroad Retirement Benefits;
11. Mine Workers Benefits;

Chapter 4 – Certification and Eligibility

12. Armed Forces Dependents' Allowance and Support Payment;
13. Criminal Injuries Compensation Board Payments;
14. Stipends for fellowships (educational or research) for living expenses excluding that portion that covers tuition and required fees;
15. Payments made to home care providers for the care of adults who cannot care for themselves. The adults are usually receiving SSI or other type of disability payment;

Note: In most cases the disabled adult is paying for its care. In this scenario, the disabled adult monies would not be counted nor the disabled adult, count the monies the provider receives for providing for the adult (s) and any other monies received by the caretaker and members of the household.

16. Monetary gifts and loans (excluding student loans). For example, money given or loaned to the applicant/household to help pay the rent or buy groceries is countable as income. The loan or gift is considered to be the full amount that has been received within the 30-day income period. This includes loans from financial institutions and monies borrowed off of credit cards.
17. Severance pay
18. Monetary settlements received as the result of insurance claims, lawsuits, etc.
19. Unemployment benefits
20. Federal Senior Employment Program
21. Inheritance and lottery

Note: Waivers can be granted by State OHEP for participants in Federal programs if the applicant can provide a signed letter from a Federal department documenting the income should be excluded under LIHEAP.

C. Income/Resources Excluded from Eligibility Determination:

No expenses are excluded from income except Medicare payments, Medicare Prescription Drug Plan and health insurance premiums deducted from pensions.

The following resources/income are excluded for purposes of determining eligibility for energy assistance:

- I. Third-party payments over which the household has no control (e.g., someone other than the applicant pays money directly to the applicant's landlord for the applicant's rent. The payment is given directly to the landlord and the applicant has no discretion over use of the funds).

Chapter 4 – Certification and Eligibility

- a. Included are court ordered child support payments; court ordered garnished wages; court ordered bankruptcy payments; tax levies and benefit overpayments that are to be re-paid;
 - b. Excluded are payments established as part of a separation or divorce agreement that is in addition to alimony or child support. These payments must not be paid to the applicant, but to another party on behalf of the applicant. The applicant must provide documentation of such payments as described under Child Support or Alimony.
2. "In-Kind" contributions. An "in-kind" contribution is a commodity or service that has value to the recipient but is not easily marketable, such as gifts of food or labor.
3. Employment income of children under 18 or over if still in high school (except emancipated).
4. Grants and loans to undergraduate students made or insured by Commissioner of Education under Sec. 507 of the Higher Education Amendments of 1968, Public Law 90-575, such as Basic Education opportunity Grant, National Defense Student Loan, as well as VA educational benefits.
5. Payments under the Federal Action program made to participants in the Retired Senior Volunteer Program, Foster Grandparents and Senior Companion Program.
6. Stipends provided to participants of the Occupational Training Program, which cover transportation and meal expenses.
7. Department of Housing and Urban Development subsidies for heating costs which are provided to households in the form of a direct payment.
8. Training stipends paid to participants under the Jobs Training Partnership Act (JTPA).
9. Stipends paid to volunteers under the Maryland Service Corp. and AmeriCorps.
10. Foster Care Grants, subsidized adoption and Kinship Care Payments.
11. Welfare Avoidance Grant (WAG)
12. Pell Grants, Supplemental Education Opportunity Grants (SEOG), National Direct Student Loan (NDSL): State Student Incentive Grant: Guaranteed Student Loans; College Work Study; State, Local and Federal Loans, Grants and Scholarships; Civic and Fraternal Scholarships; Private Company Scholarships; Loans with established Repayment Plans.

Chapter 4 – Certification and Eligibility

13. Payments to employees on strike where the strike funds consists of employee contributions. Strike funds where there is no employee contribution are included as income. A letter from the striking organization describing the nature of the strike fund is required.
14. State of Maryland Renters' Tax Credit Program payments.
15. State of Maryland Homeowners' Tax Credit Program credits.
16. Federal Earned Income Tax credits or payments and federal and state tax refunds.
17. Medicare payments and Medicare Prescription Drug Plan deducted from Social Security grants
18. Nazi Restitution payments to victims of Nazi persecution.
19. Temporary Disability Asst. Program (TDAP) Flex Rent Payments
20. Payments and allowances made under the Job Training Partnership Act (JTPA) of 1982 and under the National and Community Service Trust Act (NSCTA) of 1993, to individuals participating in any programs in the JTPA or NSCTA except for earnings of individuals who are in an on-the-job training program under the JTPA or NCSTA Program. The earnings are counted if the person is 19 years old or older, or under 19 and not under parental control.
21. Loans on assets such as home equity loans, reverse mortgages, and hypothecated loans.
22. Overpayments.
23. Gift cards from a governmental agency, non-profit or religious institution. Gift cards given by relatives or friends are countable.
24. Health insurance and Medicare premiums deducted from pensions.
25. 401K, IRA distributions or any retirement investment/savings account.
26. Temporary census workers earnings/income from the Census Bureau. Census workers who are employed by an outside contractor or permanent census workers income are countable.
27. Military housing allowance and military combat pay.
28. Assets
29. Stocks and bonds

Chapter 4 – Certification and Eligibility

Note: Any source of income/resource that is not listed in the exclusion from eligibility determination list is countable income.

VIII. Income Documentation

Acceptable forms of documentation of income/resources received by the applicant and/or members of the household during the thirty-day period immediately preceding the application include:

- A. Wages and tips for weekly, bi-weekly, or monthly pay. Include all income that was received during the 30-day period rather than income that was earned but not received. Documented by:
 - 1. Pay stubs associated with prior 30-day income. All pay stubs must show the employer's name, employee's name AND/OR Social Security Number and date of pay. If the pay stubs do not contain this information, the LAA must request additional documentation through use of the Wage Verification Form or by contacting the employer and noting pertinent information in the file.
 - 2. A signed statement from the employer, on official company letterhead, showing the employee's name, gross pay, and date income received.
 - 3. Maryland Automated Benefit Screening Report (MABS) can be used as current 30-day income verification if the agency is processing applications that are at least 90 days old because of the increase in application intake. This does not mean that the agency should delay processing applications timely.

Note: The applicant must provide written verification of all income for the prior 30 days. The LAAs must not use the year to date earnings on paystubs to determine the missing Pay stub.

- B. Temporary Cash Assistance (TCA)
 - 1. A letter from a state agency on the company's official letterhead showing the customer's name, TCA benefit and the date income was received; OR
 - 2. CARES screen printout verifying eligibility for TCA.

When the TCA grant has been reduced because the applicant has either not obtained health care for their children or has been sanctioned for other reasons, the reduced figure is used as this is the actual grant received by the applicant.

- C. Social Security or SSI

Chapter 4 – Certification and Eligibility

1. Latest award letter within the calendar year or copy of check received within 90 days of application. If necessary, an award letter can be requested online at www.socialsecurity.gov , click on "Already receiving benefits". The client must do this. The letter will take ten days to receive.

However, if the applicant/household member is a repeat customer an exception to providing the latest award letter within the calendar year is referenced below in item #5.

2. CARES/MABS/SVES screen printout report verifying Social Security/SSI income.
3. Verification from the SSA Office. The client can request this by calling 1-800-SSA-1213 or the toll-free number for employers, 1-800-772-6270- weekdays from 7:00a.m. to 7:00p.m. EST. You will be asked for your company name and EIN. Then you will be asked to provide the following information for each name/SSN you want to verify:
 - a. SSN,
 - b. last name,
 - c. first name,
 - d. middle initial (if applicable),
 - a. date of birth,
 - b. and gender.
4. Current Bank Statement displaying current Direct Deposits.
5. For repeat applicants or household members (those whose Social Security income was verified last year), it will not be necessary to verify the social security income, provided the new amount equals the old amount multiplied by the current cost of living increase. Cost of living increases are given in January. To determine the cost of living increase amount go to the Social Security Administration web site at:

<http://www.ssa.gov/OACT/COLA/latestCOLA.html>

However, if the client applied after January 1, for the previous year program, and is applying for the current year program before December 31, this calculation is NOT necessary since the Social Security benefit would be the same.

When verifying the Social Security income, make a notation in the file that last year's records were checked, and the benefit amount given by the client was correct.

Chapter 4 – Certification and Eligibility

For repeat applicants or household members award letters must not exceed 3 calendar years.

6. Medicare Payments and Medicare Prescription Drug Plan shall be deducted from Social Security checks.
7. If an applicant receives income monthly from SSI, SSA, wages or a pension, but the income is received within the month, but, not received within 30 days, the income is still counted;

D. Veteran's Pension, Retirement, or Worker's Compensation Benefits

1. A signed statement on official paper showing:
 - name of the person receiving the benefits
 - name of the agency providing the benefits
 - amount of money provided
 - how often money is provided
 - duration of benefits
2. A copy of the latest benefit check if the period covered by the benefit is shown.
3. Computerized annual benefit card (civil service retirement).
4. When applicants receive retirement and insurance benefits from the Office of Personnel Management (OPM), Retirement and Insurance Group, the verification of pension income can be delayed if the request is mailed. To obtain the information needed to complete certification of the applicant's energy assistance benefits, the fastest way to have the income verified is to call OPM directly and request the information on behalf of the applicant. The information will be mailed within 48 hours.

To obtain the information the applicant shall:

- a. Call OPM at (202) 606-0500 between 7:30a.m.- 5:00p.m.
- b. Provide the applicant's social security number and current address. This address must match the one in the OPM database in order for the information to be released and mailed within 48 hours.
- c. The verification information will be mailed to the applicant directly. The applicant shall forward the verification to the OHEP office to complete the record for certification.

E. Wage and Unemployment Benefit Screening

It is the responsibility of the applicant to verify receipt of Unemployment Benefits. As proof of Unemployment Insurance income, an individual may provide a copy of the Determination of Monetary Eligibility Form (DHR!ESA 212), Noticed of Available

Chapter 4 – Certification and Eligibility

Continued Claims with Check for the prior 30 day period, monthly statement from Citi-Bank if the applicant has a debit card for unemployment benefits. If the monthly statement is misplaced by the customer, the customer may go on the Maryland Unemployment Insurance website www.dllr.md.gov and request a statement or contact Citi-bank for a monthly statement.

The DHR Family Investment Administration (FIA) has agreed to provide wage-screening arrangements between OHEP and Local Departments of Social Services (LOSS) when such arrangements are needed, i.e., when the OHEP LAA does not already have access to FIA screening equipment.

In all cases, the following policy applies to any request for wage screening or unemployment benefit verification:

1. Only request wage-screening information for applicants who declare zero income or who have earnings. Only request UI information when the applicant cannot provide verification of UI benefits. Applicants who receive some type of benefit, TCA, TDAP (formerly TEMHA), SSI, or Social Security have already met similar eligibility/verification criteria for another program.
2. After determining the need to conduct a wage screening, the LAA will use whatever local arrangement is established to complete the wage screening.
3. OHEP staff not authorized to conduct wage screening will need to obtain logon ID numbers in order to access the terminals at the DSS. When needed, logon IDs will be provided through the State OHEP office.

The following information will enable the LAA to determine an applicant's UI income:

4. The effective date of the claim (212 form) and the week ending date on the check. By counting the number of weeks between these two dates the LAA is able to determine the number of checks that should have been received by the applicant. The number of checks received within the 30-day income determination period can then be calculated.
5. Multiply the check amount (should agree with the total amount of benefits on the 212 form) by the number of checks received during the 30-day period to arrive at total UI income.

If there are any discrepancies in the above information, UI income must be verified by alternate methods (e.g., request UI information from Local DSS or Unemployment Office). Examples of such discrepancies are:

- a. The applicant states that he/she has not received all the checks indicated by the 212 form and the latest UI check.

- b. The check amount does not agree with the total amount of benefits entered on the 212 form.

When a client has applied for unemployment benefits, but did not receive benefits because his claim amount was held to pay a prior debt to Unemployment Insurance, his credit claim does not constitute income because it was income not received.

F. Self-Employment

1. If self-employed, take 50% of the reported income and divide by 12 months. All persons reporting that their work status is self-employed must complete and sign the revised 2010 Declaration of Income form. The completed declaration form must be placed in the applicant's file. The self-employed worksheet and receipts are no longer required. However, the 1040 tax form Schedule C will be required if applicant chooses to provide the current 1040 tax form as proof of the self-employment gross income. Part 1 Income, line 1, gross receipts or sales of Schedule C is the reported self-employment income.

Acceptable documentation of income:

- Current copy of filed 1040 tax form OR
- Weekly, monthly and/or quarterly books/statements, ledgers, sales slips, cancelled checks, invoices, bank statements/deposits, purchase orders or cash receipts

Note: A copy of the reported income must be placed in the applicant's file. If the customer is providing his/her books/statements, ledgers, sales slips, cancelled checks, invoices, bank statements/deposits, purchase orders or cash receipts for income documentation, the worker must sign the Income Verification of Self-Employment Records/Bookkeeping form 229 rev. 3/11 that he/she had seen the income documentation. The applicant also signs the form declaring the reported income. The form must be placed in the applicant's file.

2. If the applicant owns a corporation and is applying as an employee, documentation of the income received is required as described in Section VIII of this chapter or in lieu of wage documents, a document/letter describing the compensation arrangement between the corporation and the applicant shall be provided by the corporation's accountant/lawyer. No 50% reduction is given because the applicant is applying as an employee.
3. A signed statement by the self-employed customer who has no documentation of income i.e. neighborhood lawn mower and the customer who sells CD/DVD's or clothing in his/her car or on the streets and etc. is acceptable at the discretion of the local agency.

Note:

A copy of the reported income must be placed in the applicant's file. If the customer is providing his/her books or other documentation listed above for income documentation, the worker must sign the Income Verification of Self-Employment Records/Bookkeeping form 229 rev.3/11 that he/she had seen the income documentation. The applicant also signs the form declaring the reported income. The completed form must be placed in the applicant's file.

The self-employment income is the only income that receives 50% reduction.

The most recent 1040 tax form with Schedule C may be accepted at the discretion of the local Agency until April 15th and on April 16th the latest 1040 tax form with Schedule C is required i.e. 2009 1040 tax form with Schedule C will be accepted until April 15, 2011 on April 16, 2011, 2010 1040 tax form with Schedule C is required. If the most recent 1040 tax form is questionable, then the local agency must ask to see other documents that support the gross income. Other verifications can be the items listed on the previous page.

Reported income for self-employment is gross income. Verification of the gross income on the most recent tax year 1040 form Part 1 Income, line 1 of Schedule C is not required unless questionable. Hence, the most recent filed 1040 tax form and Schedule C is sufficient, no receipts of income/sales are required.

Every self-employed person in the household must sign and complete the revised 2010 Declaration of Income Form that will be placed in the applicant's file even if the self-employed are married.

Make sure the documentation is clear as to who is self-employed.

On the declaration form and the Income Verification of Self-Employment Records/Bookkeeping form 229, the reported income is the income that the applicant is reporting and the worker has confirmed before the 50% reduction. The LAA must show in the applicant's record/adding paper tape what the self-employed income is after deduction is made.

If the self-employed applicant had filed a current 1040 tax form but not a Schedule C, the applicant must provide weekly, monthly and/or quarterly books/statements, ledgers, sales slips, cancelled checks, invoices, bank statements/deposits, purchase orders or cash receipts.

G. Child Support or Alimony

Monies must be received within the 30-day period prior to application to be counted. Documentation can include:

- I. A signed statement from the person providing the money, or from the recipient, showing:

- b. name and address of person giving the money
 - c. to whom the money is paid
 - d. for whom the money is paid
 - e. telephone number of person giving the money
 - f. amount of money given
 - g. how often money is given
2. A copy of the legal decree that established the support or alimony payments.
 3. A signed statement from an attorney on an official letterhead, showing the information outlined above. Statements must cover the period of decree.
 4. Printout from the online e-Child Support system. Go to www.dhr.state.md.us, click on Administrations then Child Support Enforcement. The client must register and obtain the information, not the worker, unless the worker has access to CARES. If applicant does not have access to a computer, the applicant may use the agency's computer. In the e-Child Support Case Detail of payment history page, the payment cashed date is used and not payment date.

H. Rental Income

1. A copy of the applicant's last Federal Form 1040 Schedule E (count line 26 on Schedule E and divide rental income by 12. Do not give 50% reduction for expenses. Expenses are included in line 26), OR
2. A signed statement from the renter, roomer or boarder, showing:
 - to whom the money is paid
 - name and address of person giving the money
 - amount of money given
 - how often the money is given

The statement must be dated within 30 days of the application.

I. Other Forms of Documentation

The forms of documentation outlined above are preferred for their clarity and reliability in verifying the period in question, i.e. 30 days preceding application date. It is recognized, however, that in some cases LAAs may find it necessary to seek other forms of documentation than those described. In such cases, the documentation presented must be in writing, dated within 30 days of the application, and record the gross amount of income received by the person named for the period in question. The documentation should be signed and dated by the income provider.

IX. Declaration of Income

Declaration of Income is useful for zero income individuals and cannot be used in cases where Social Security or other public assistance information was delayed.

Instructions for completion of the form:

- A. Enter Applicant's name, social security number, and the name of declarer if other than the applicant. Complete items 1, 2 and the income box.
- B. The applicant reads the document (or has it read to him/her by the intake worker) and enters the appropriate language.
- C. The intake worker explains the authorization of the wage screening procedure.
- D. The applicant signs and dates the declaration.
- E. To the extent possible, intake workers should attempt to verify ALL zero income declarations via former employers, other agencies, Departments of Social Services, or other appropriate sources. See below, 'Zero Income for Households or Individuals.' Copies of verification of zero income obtained from the above listed resources must be placed in the applicant's file.
- F. The certifier signs and dates the declaration as a part of the review of documentation for final determination of eligibility.
- G. If the applicant receives child support, SST, SSDI or SSA and etc. in behalf of a household member and receives no money for herself than the applicant must complete a zero declaration form. The monies must be assigned to the member of the household for which the money is for. If the applicant receives child support overpayment for a child that currently is not in her household, than assigned the monies to the applicant and zero declaration form need not be completed.

All OHEP applicants 18 and over who complete a Declaration of Income become part of a pool from which agencies are required to verify ten percent (10%) of declarations. **HOWEVER, AGENCIES ARE REQUIRED TO VERIFY ALL SITUATIONS OF ZERO INCOME.**

X. Zero Income for Households

A. Policy for Documenting Zero Income

For all households whose total income is zero (0) for the OHEP 30-day period the LAA must verify three (3) months of income but will compute household income eligibility as zero income (last 30 days). All sources of assistance declared shall be independently verified by the agency.

If the applicant is claiming zero income for the entire household for the second consecutive year, the LAA must scrutinize the application to rule out possible fraud and explore with the applicant how the household has been meeting their basic needs for the past 6 months to a year i.e. is their rent current, if not, when was the last time the rent was paid, who paid the rent, when was the last payment made on the utility bill and is the household receiving food stamps. Contact should be made to the state if the LAA does not have access to the social service systems ie. MABS/CARES. MABS/CARES are systems used within Department of Social Services to screen persons for social services involvement and work history. The LAAs must make attempts to verify and confirm zero households and include documentations of the verifications and place into the applicant's file.

B. Procedures for Documenting Zero Income

1. The head of the household shall complete the Declaration of Income.
2. The head of household shall complete the Household Worksheet.
3. Each member of the household age 18 and over shall complete the Declaration of Income.
4. Verify each adult household member's income via wage screening or other valid means authorized by the program director.

When wage screening is used as a means of income verification, LAAs must keep in mind that this information is at least 90 days old. Thus wage screening information alone cannot be used to verify the 30-day income of households necessary to determine OHEP eligibility. The LAAs must contact the last employer indicated on the wage screening report for each household member in an effort to ensure that the applicant and all other household members are not working. Documentation of the contact with the employer (its outcome) must be placed in the applicant's file as well as any written verifications obtained from former employers, other agencies, Departments of Social Services, or other appropriate sources.

5. The applicant shall complete a Resource Provider Statement if it is indicated on the Household Worksheet that someone is assisting the applicant in meeting his/her basic needs. The Resource Provider Statement is a tool for verification of how a household is meeting its basic needs for daily living and the form must be completed. However, the applicant can provide a signed and dated statement from a provider as to whom the monies are paid to, amount of money and how often the monies are paid or given to the applicant with their name address and telephone number. Rent, food, and assistance in electric bills must be verified. Verification of other items is at the discretion of the LAA. Verification is accomplished by contacting the individual or organizations indicated on the Resource Provider Statement. If the provider stated monies are given or loaned to the applicant for an item, the monies are countable if the provider paid for the item, the monies are not countable.

6. Verify if the applicant has applied for public assistance. Because of the seriousness of the situation, the interviewer should seek to learn what circumstances caused the loss of income and whether the applicant has been referred to the local Department of Social Services for emergency assistance. If the applicant has applied to Social Services, this fact can be verified.

C. Explanations of Income

1. Use of savings or other assets to meet household living expenses is not counted as income. However, any interest or dividends earned on those assets is countable income (Section VII.B.4).
2. In-kind assistance or payment directly by another party for an expense is not counted as income (Section VII.C.2). Cash given directly to the applicant is counted as income (Section VII. B.16).
3. If an applicant receives subsidized adoption payments and has no other income, the applicant must complete a zero declaration form because subsidized adoption payments are excluded as income.
4. If a military person is deployed and sends money home, the monies are counted, not the person.
5. If a person pays more child support than is stated on the court order, only exclude from the income, the court ordered amount.
6. If an applicant is an adult foster care provider and the adults in the home receive monetary benefits, count the adults and his/her monies but the monies the caregiver receives for providing for the adults are not counted i.e. Project Home.
7. If an applicant uses her/his own resources to pay for a live-in companion to take care of his/her basic needs, the live-in companion will not be counted as part of the household and should not be listed on the application. Count only monies that the applicant receives and if there are other members in the household count them and the monies they received.
8. Foster care grants, subsidized adoption and kinship care payments are excluded but the children are counted as part of the household.
9. If an applicant receives monetary benefits on behalf of his/her spouse who is in an assisted living home or facility/nursing home, and uses the spouse's money to pay for his/her care, the monies are not counted nor is the person. The applicant must provide verification that the spouse is residing in an assisted living home or facility/nursing home and the documentation is placed in the applicant's file.

XI. Alien Eligibility

A. Policy

The immigrant applicant must have a valid Social Security number.

Persons who have entered the United States on non-immigrant visas are not registered residents and are not eligible for financial assistance programs such as MEAP and EUSP. These persons include foreign students, foreign visitors and employees of foreign governments who are stationed in the United States. Some of these persons may have their visas extended and actually be in the United States for several years.

B. Eligible non-citizens (Defined as Qualified Aliens)

1. Cuban and Haitian entrants as defined in paragraphs (1) or (2)(A) of Section 501(e) of the Public Law 96-422 as in effect on April 1, 1983.
2. Aliens who are aged (65 or over), blind or disabled as defined in section 1614(a)(1) of the Social Security Act (Public Law 74-271). This means that aliens who receive SSI payments or who are eligible to receive SSI payments meet the definition of disabled.
3. Special Agricultural Workers or "SAWS". These persons are classified as (210) S16 or S26 on their residence cards.
4. Applicants for INS status under sections 245-A, 210, and 210A also may have an I-689 fee receipt document while awaiting issuance of an I-688 card. These persons (245A and 210A) are eligible for OHEP until they receive the I-688 temporary resident status.

C. Ineligible Non-citizens

1. Foreign students, visitors, etc. who have entered the United States on non-immigrant Visas.
2. Persons who are admitted to lawful residence in the United States under the 1986 Immigration Reform and Control Act. In 1986, the Immigration Reform and Control Act was passed to allow lawful temporary residence and eventual permanent residence status be granted to aliens who resided illegally in the United States prior to 1982. Section 245A (h) provides that for five years from the date of adjustment these aliens with certain exceptions (previously listed) will be excluded from eligibility for financial assistance including OHEP. The effective date is the date of application for temporary resident status and payment of the required fee. Cards issued to clients temporarily disqualified from OHEP will have the code 24SA on the face of the Resident Alien Card (green card) above the word "class".

After five years has elapsed from the effective date, these aliens will become eligible for MEAP and EUSP and other programs. The Immigration and Naturalization Service (INS) granted lawful temporary resident status to most amnesty aliens effective between May 1987 and May 1988. Therefore, expiration of their five-year disqualification period occurs between May 1992 and May 1993. This is to remind you to consider the disqualification period when accepting applications this year. However, there are relatively fewer cases where the ineligibility period will end as late as December 1994.

Title IX of Public Law 100-204 allowed certain nationals of Afghanistan, Ethiopia, Poland and Uganda to apply for temporary resident status under Section 245A through December 1989. Those foreign nationals are subject to the same five-year temporary ban on participation in MEAP and EUSP as other aliens receiving legal status under section 245A.

3. Persons admitted as Replenishment Agricultural Workers or "RAWS" under section 210A of the Act.

Section 210A of the INA provided for granting of lawful temporary resident status to Replenishment Agricultural Workers (RAWS) through Fiscal Year 1993. The RAWS were made subject to most of the same ineligibility rules as the aliens mentioned above. Thus far, no aliens have been granted status under section 210A.

A mixed household is one in which one or more members are amnesty aliens or RAWS and one or more members are not. In this situation, the ineligible alien will not be counted as a member of the household, but their income will be counted. The ineligible alien must be listed on the application with a narration for monitoring and auditing purposes.

D. Processing Applications for Households without SSNs

Applications for energy assistance are to be accepted for anyone who submits an application.

Until otherwise notified, the following procedures are in effect for the acceptance and entering of OHEP applications.

Outlined below are various scenarios regarding having or not having a social security number. If a scenario is identified that is not included here, please notify the State OHEP Office so that instructions can be developed.

Social security numbers are comprised of three sections. In order, they are area number, group number and serial number.

Scenarios:

- I. Applicant and all household members have SSNs.

Chapter 4 – Certification and Eligibility

- a. Enter in database with SSNs.
- II. Applicant has SSN, but one or more children household members do not have a SSN.
 - a. Enter applicant with SSN.
 - b. If the household member is a child without a SSN, request the applicant to get the SSN. If it is apparent that the number will not be available in a timely fashion, enter 000-00-000 in the database to create a temporary number and process the application. Update the record once the SSN has been received.
 - III. Applicant has SSN, but adult member of household does not have SSN.
 - a. If an adult household member does not have SSN documentation request the documentation and keep the application in Pending until received.
 - b. If an adult household member does not qualify for a SSN then see item 4.
 - IV. Applicant has SSN, but an adult household member does not qualify for aSSN.
 - a. Enter 000-00-0000 to create a number. The number will have a letter in it.
 - b. Alien is automatically indicated.
 - c. Select No for citizen.
 - d. Enter any income amount as appropriate.

For scenario 4, the Alien household member's income is counted in the household income, but the person is not counted as a member of the household in the calculation of the benefit.

- V. Applicant does not have SSN, but has a Individual Tax Identification Number (ITIN or TIN):
 - a. Enter application with ITIN. These numbers usually start in the 900 series.
 - b. On Household screen select No for citizen.
 - c. Alien is automatically indicated.
 - d. If other household members have ITIN enter with the ITIN.
 - e. For any other household member with aSSN, enter the SSN

For scenario 5, the applicant's household is not eligible. The reason for denial is that the applicant does not have a social security number.

- VI. If applicant does not have an SSN or ITIN:
 - a. Enter 000-00-000 for the applicant:
 - i. The area number is created as 000.
 - ii. The group number is created as the agency code.
 - iii. The serial number is created as a sequence number.
 - b. On Household screen, Alien is automatically selected.

For scenario 6, the applicant's household is not eligible. The reason for denial is that the applicant does not have a social security number.

7. If the applicant and none of the household members have aSSN, enter in the database either using 000-00-0000 or ITIN as applicable. The applicant's household

is not eligible. The reason for denial is that the applicant does not have a social security number.

8. Additional information:
 - c. No SSN is entered that starts with 666 as the area number.
 - d. No SSN is entered that has as the area number a number within the range of 772 and 899.
 - e. All SSNs entered must have nine digits.
 - f. All SSNs must have all numbers unless automatically created by the data system which includes a letter.
 - g. A report is generated periodically that identifies invalid SSNs of all types. The State OHEP office makes that information available to local agencies for corrective action where possible.
 - h. Numbers that have been created for children are expected to be updated with the correct SSN. An application in the future should have the child's correct SSN. Created SSN's should not be maintained from year to year for children.

XII. College Student Eligibility

Students attending college on a full-time basis are eligible to apply for Energy Assistance. College students who live on-campus (or away from home) in Maryland can apply for MEAP and EUSP on their own behalf (in the county in which they reside). College students who live at home shall be included as part of the household at home. Students who live on campus (or away from home) but visit home on the weekends (or use their home address for mail only) are not to be included as a household member at home.

A. Verification of Income

It is suggested that the University Financial Award letter be used for verification of the student's grants. It can also be used to ascertain if the student has any earned income.

B. Excludable income for students:

1. Pell Grants
2. Supplemental Education Opportunity Grants (SEOG)
3. National Direct Student Loan (NDSL)
4. State Student Incentive Grant (SSIG)
5. Guaranteed Student Loans
6. College Work Study
7. State, Local and Federal Loans, Grants and Scholarships
8. Civic and Fraternal Scholarships
9. Private Company Scholarships
10. Loans with established repayment plans.
11. Part-time employment income for full-time college students up to age 25.

C. Includable Student Income

1. Loans with no repayment plan are considered unearned income.
2. Employment income of college students who are employed full-time.
3. Employment income of part-time college students.

XIII. Assistance to Renters

A. General Policy for Assistance to Renters

Applicants who are renters are eligible to receive energy assistance benefits provided they meet all other eligibility requirements. Specific rental arrangements between the renter (tenant) and the landlord must be verified in order to determine if and how benefits will be paid. Documentation of the rental agreement must be received in the form of a lease, rent receipt or other documentation provided by the landlord. These requirements apply to applicants who live in subsidized or non-subsidized housing.

B. Applications – Heat Not Included in the Rent

1. By definition, the applicant is directly responsible for paying heating costs if the applicant provides documentation in the form of a heating bill for the residence. The applicant must designate the energy supplier on the application. This applicant may be eligible for MEAP and/or EUSP.
2. Providing that all other requirements are met, the applicant is eligible for a benefit amount whether the unit is subsidized or unsubsidized.
3. The benefit is certified to go to the designated energy supplier.

C. Applications – Heat Included in the Rent

1. If the applicant indicates that the heat is included as part of the rent paid to the landlord and the unit is not subsidized, the renter is eligible only for a MEAP benefit, provided the landlord is willing to accept the benefit payment on behalf of the applicant and agrees to reduce the tenant's rent by the amount of the benefit. Acceptance of these terms is through the completion of a Landlord Agreement by the Landlord. The procedures for obtaining a Landlord Agreement are described below.
2. If the landlord refuses to sign the Landlord Agreement, the benefit may be paid to a secondary heat source. If there is no secondary heat source, the benefit may be paid directly to the applicant.
3. If the applicant is not directly responsible for paying heating costs and the unit is subsidized, the renter is not eligible to receive energy assistance benefits and the application must be denied. If applicant is responsible for paying heating costs when he/she exceeds the allowable amount set by the subsidized c See the section on Subsidized Housing.

D. Initial Procedures - Renters (Including Roomers and Boarders)

1. Applicants who are renters and pay their heating costs directly must identify their energy supplier and fuel type at the time of application. If an applicant-household is determined eligible, the OHEP grant is paid to the energy supplier for fuel delivery and/or credit on account. If there is one meter and one utility bill for the residence, the applicant must include all the residents on the application excluding roomers and boarders.
2. Applicants who are renters (including roomers and boarders) and pay their energy costs indirectly as undesignated portions of rent payments are required to furnish at the time of application the name, address, and phone number of the landlord to whom the rent payments are made. Before payment is made, the steps that follow must be completed.
 - a. The Landlord Agreement for renters or for roomers and boarders is forwarded to the landlord along with the landlord cover letter and a self-addressed stamped envelope.
 - b. Where the OHEP applicant is a roomer/boarder, the landlord is asked to list on the back of the Landlord Agreement the name(s) of any other roomers/boarders in the residence.
 - c. The Landlord Agreement is due 15 days from the date of mailing to the landlord.

E. Procedures for Participating Landlords

1. Upon receipt of a signed agreement within the 15-day response period, the LAA is required to verify ownership/rentership via tax assessment research at www.dat.state.md.us or an official document showing principal owner or renter. If unable to obtain verification, the landlord may be required to come to the LAA with viable proof of TO and ownership/rentership in order to receive payment.
2. If the landlord does not return the agreement within 15 days, an attempt is made by the LAA to contact the landlord via telephone asking why the agreement has not been returned. After this attempt has been made and noted in the file, the LAA may make a payment to a secondary heat source. If there is no secondary heat source, a direct payment to the client may be issued.
3. When a properly completed agreement is returned, entering the landlord information completes the application. If the landlord has already been entered a selection may be made from the available list. The landlord name, landlord address, landlord phone number, and landlord Federal Identification number or SSN are entered on the application.
4. Payment is made to the landlord as the applicant energy supplier.
5. Future applications for tenants of a participating landlord are processed using the landlord selection.

6. As stated in the Landlord Agreement, the document is valid from the time of signature until replaced by a new agreement. The Landlord Agreement also indicates that the Agreement covers all future tenants that may apply for assistance. However, the LAA has the option of requesting a landlord to complete an agreement for any subsequent tenant-applicant.

F. Procedures for Non-Participating Landlords

1. If the landlord returns the agreement and indicates he/she does not wish to participate in MEAP, document the applicant's file as such. Contact the applicant within 2 days (by telephone if possible) to make him/her aware that the landlord does not wish to participate. Inform the applicant of the following options:
 - a. A secondary source of heat and vendor and vendor may be selected.
 - b. A direct payment may be issued to the applicant for the primary source of heat. See the Special Situations section for more information on Direct Payments.
2. If the applicant selects the secondary source of heat, enter the appropriate fuel type, vendor code, and, if available, account number.
3. If the applicant selects direct payment, enter the primary fuel type and Direct Payment as the supplier to indicate a direct payment.
4. The application is forwarded for certification and payment.
5. Future applications for tenants of a non-participating landlord may be processed as outlined in this section.

G. Procedures for Non-Responding Landlords

1. If a landlord does not return the agreement within the allotted 15 days, immediately request the applicant to provide verification of renter status via the Request for Additional Information Form. Verification may be a:
 - a. written lease
 - b. current money order receipt or canceled rental payment checks
 - c. current rent receipt
 - d. other documentation at the LAA's discretion.
2. Upon receipt of verification of rental status, contact the applicant within 2 days (by telephone if possible) and inform him/her of the following options:

- a. selection of a secondary source of heat and vendor, or
 - b. direct payment to the applicant for the primary source of heat. See the Special Situations section for more information on Direct Payments.
3. If the applicant selects the secondary source of heat, the Intake Worker enters the appropriate fuel type, vendor code, and account number.
 4. If the applicant selects direct payment, select Direct Payment for energy supplier and enter the primary heating source. The code for Direct Payments is 9999.
 5. The application is forwarded for certification and payment.
 6. If a future application for a tenant of a non-responding landlord is received, the LAA should follow the landlord agreement process again. If a landlord does not respond a second time, the LAA may process all future tenants of that landlord in this section as direct payments.

XIV. Roomers and Boarders

- A. Roomers and boarders may apply for MEAP separate from the host household. Roomers and boarders are not eligible for EUSP, as they have no electric account with an electric company. An applicant's relative(s) may not claim either roomer or boarder status unless the relative is 60 years or older and/or disabled.
- B. According to COMAR 07.06.06.02 (4) and (22) the following definitions apply:
 1. Boarder means an individual to whom a household furnishes lodging and meals for compensation. A relative may be given boarder status if aged 60 years old and older, or disabled.
 2. Roomer means an individual to whom a household furnishes lodging but not meals for compensation. A relative may be given roomer status if aged 60 years old and older, or disabled.
- C. The agreement with landlords providing rooming and boarding requires the landlord to specify how many rooms will be rented to roomers and/or boarders. Current residents of each room receive only one benefit per room. Therefore the agreement also requires the landlord to list the current residents of each room as of the date of the resident's application.
- D. If the current applicant/resident leaves the room, a new tenant may receive a benefit for that room. If a second person sharing the applicant's room applies, they will not be able to receive a benefit because only one benefit is allowed for the residents of that room. Therefore, LAAs are required to review the agreement with the landlord each time new residents apply for a benefit.

Chapter 4 – Certification and Eligibility

- E. Roomers and Boarders are not eligible for USPP, as they are not responsible for a utility account.
- F. Roomers and boarders who are residents of Section 8 subsidized housing and are not responsible for heating costs are not eligible for MEAP assistance.
- G. If a boarder/roomer has a utility bill in his/her name, the entire household must apply for assistance.

XV. Residents of Public or Subsidized Housing (Section 8)

The following policies and procedures apply to residents of Section 8 subsidized housing only.

A. Policy

Energy assistance is available to residents of subsidized housing who are directly responsible for paying their own heating costs and who meet all other eligibility criteria for the program. Since these applicants receive some federal assistance in the form of heating subsidies, only the minimum benefit (Level 3) by fuel type is provided to residents of public or subsidized housing.

A number of different types of subsidized housing programs exist some of which are referred to below. It is the policy of OHEP that a minimum benefit be issued for participants of subsidized housing programs where a portion of their housing subsidy provides specifically for heating costs. All other subsidized housing program participants receive a full benefit even those participants who receive rent reductions but utility allowances are not calculated in the rent.

NOTE: Residents of public or subsidized housing that are ineligible for MEAP benefits may be eligible for EUSP benefits. If a utility allowance is used in the calculation when determining a resident's rent, the resident is considered as residing in subsidized housing.

B. Procedures

1. During the initial application interview, the intake worker asks the applicant whether he/she lives in public or subsidized housing. If the applicant is uncertain, or the intake worker questions the applicant's response, documentation should be requested from the applicant via the Request for Additional Information form.
2. If the applicant lives in public or subsidized housing and heat is included in the rent, the applicant has no direct heating responsibility. The application will be denied for MEAP. In all cases, public or subsidized housing residents whose leases specify that heat is included in the rent, and no heating costs are incurred, are ineligible for MEAP, even if the individual is charged a heating surcharge by the landlord. OHEP is interpreting a heating surcharge as any amount exceeding what the landlord is claiming as normal usage.

If electricity is also included in the rent, the applicant is ineligible for EUSP, as there is no active electric account in the applicant's name.

3. If the applicant lives in public or subsidized housing and heat or electricity is not included in the rent, the intake worker completes the application.
4. If the applicant-household's heat is not included in the rent and the applicant household is income eligible, the intake worker completes the application and enters the appropriate benefit, (except as noted below for the BMIR and RAP Programs) for the applicant's fuel type on the application.
5. The application is forwarded for certification.

C. Below Market Interest Rate (BMIR) Program

Housing complexes funded by the Department of Housing and Urban Development through the Below Market Interest Rate (BMIR) program are **NOT** considered as subsidized housing, **UNLESS** the renter is receiving a reduced rent below market rate. In cases where the renter is paying full value for their residence, they may be eligible for a MEAP or EUSP benefit, and not considered subsidized housing.

D. Rental Allowance Program (RAP)

In the case of applicants who are receiving assistance through the State of Maryland Rental Assistance Program, the applicant is **NOT** considered as living in subsidized housing (Section 8). This program provides rent subsidies to low-income families who are either homeless or have an emergency housing need. The goal of the program is to enable these households to move from homelessness or temporary emergency housing into more permanent housing. A client participating in the Rental Assistance Program receives the usual benefit for their income level and fuel type.

E. Tax Credit Program for Reconstruction

The applicant is not considered as living in subsidized housing (Section 8) if utility allowance is not calculated in determining the rent.

XVI. Inhabitants of Residential Hotels

To be eligible for MEAP, an inhabitant of a residential hotel must be **BOTH**:

- A. responsible for paying his/her own heating costs, **AND**
- C. using the hotel as their residence.

Chapter 4 – Certification and Eligibility

XVII. Residents of Group Homes, Domiciliary Care, and Assisted Living Facilities

Residents of group homes and domiciliary care facilities are ineligible to apply on their own behalf. If a living assistance facility is in the home of the applicant, the applicant may be eligible for energy assistance benefits if all criteria of eligibility are met.

XVIII. Building Operators

Building operators are not eligible to receive MEAP or EUSP funds.

XIX. Sub-Metered Gas/Electric for Renters (also known as Sub-Leased Metered Gas/Electric)

A. Background

Some landlords throughout the state have instituted a "gas or electric usage metering" program in their multi-unit dwellings. By installing meters that measure the gas or electric consumption for each individual unit, the landlord separates heating costs from the tenant's rent.

In these situations, tenants are billed for their actual usage of the gas or electric and make payment to either the landlord or to the metering company on a monthly basis.

B. Instructions for Payment of the MEAP Benefit for Sub-Metered or Pro-Rated Gas or Electric

Due to the nature of sub-metering, the tenant is responsible for paying heating costs directly, but rather than making payment to the utility company, the tenant pays the landlord or the sub-metering company the amount billed to the individual unit.

1. If the tenant-applicant is required by the lease to pay the sub-metered or pro-rated heating costs to the landlord then the MEAP benefit is paid directly to the landlord. The landlord must sign the Landlord Verification of Sub-Metered Gas or Electric. By signing this form, the landlord verifies that the tenant's heat is not included in the rent, but that the tenant remits payment of their heating bill to the landlord. By signing the form, the landlord agrees to accept the MEAP benefit on behalf of the tenant and credit it to the heating bill.
2. If the tenant-applicant is required to pay the sub-metered heating costs to the sub-metering company then the MEAP benefit is paid directly to the tenant. The tenant/applicant must document the sub-metering by the submission of the gas or electric bill with the energy assistance application.

C. Instructions for EUSP Application for Sub-Metered Gas or Electric

Applicants are not eligible for a EUSP benefit in situations of sub-metered electricity, as there is not an electric account in the applicant's name with the utility company.

XX. Grants for Shelters

Shelter payments are at the discretion of State OHEP and will be reviewed yearly. Currently, shelter benefits are not available.

A. Policy

MEAP provides limited benefits to shelters, as defined below, on a yearly basis. Benefits are determined on the basis of a percentage of the documented total energy costs of the shelter during the MEAP heating season. The grant to shelters shall equal the percent of average heating consumption for level three households of the documented total energy costs during the program year.

Shelters are not eligible for Electric Universal Service Program benefits.

B. Shelter Application Period

All shelter operators who wish to receive MEAP shelter benefits must complete and submit by April 30 of the current program year the appropriate forms as described below.

C. Eligible Shelters

Applications are accepted from battered spouse or homeless shelters if the shelter operator meets the criteria established by the State Department of Human Resources, Family Investment Administration, and Maryland Energy Assistance Program.

An eligible shelter is one whose primary function is to provide temporary or intermediate shelter to low-income persons, is non-profit (i.e., have 501.C.3 status), and does not charge the resident a fee to stay in the shelter. Shelters funded by Juvenile Services, Office on Aging, DHR and DHMH are not eligible for MEAP funds. Also, shelters that receive Section 8 subsidized housing funds are not eligible for MEAP assistance.

D. Application Procedures

Application for MEAP shelter benefits requires the submission of three forms-- Shelter Operator's Application, Shelter Resident Information Forms, Shelter Energy Cost Documentation Forms.

1. Shelter Operator's Application

Each shelter operator must provide the following information on the Shelter Operator's Application:

- a. Name of Shelter (incorporated and common use name if different).
- b. Address of building for which application for benefits is made
- c. Address of Shelter Organization if different

- d. Name and telephone number of the shelter operator's manager or other key contact person
- e. The total number of bednights that can be provided during the heating season
- f. The number of MEAP eligible residents as of the date of this application
- g. Type of heating system and fuel type
- h. Living space in building (square footage)

The shelter, when determining total building square footage, **may include** dining area, kitchen facilities, including soup kitchens, counseling areas, and other space utilized by shelter residents at least sixty percent (60%) of the time during the current heating season. A shelter shall not include administrative office space where the heating costs are shared in part with other agencies occupying the building.

The Shelter Operator's Application Form is sent to the LAA serving the shelter's jurisdiction.

2. Shelter Energy Cost Documentation Form

On or before April 30 of the current program year, the shelter shall provide proof of the actual energy cost for the building during the heating season from October 1 to March 31 of the current program year. Proof shall include delivery tickets and/or utility bills identifying amounts used and the costs along with a completed Shelter Energy Cost Documentation Form. This form, when completed, will be used to compute the benefit to be paid to the shelter. Only properly documented costs not covered by other assistance shall be included in the benefit computation.

Shelters may seek reimbursement for oil or other heating fuel purchased before November 1 of the current program year. Shelters are encouraged to purchase oil early at pre-season discount prices.

Shelters may request reimbursement, in monthly increments, before April 30 of the current program year, if their application is approved and bills are submitted for the period that the shelter is requesting reimbursement.

The Shelter Energy Cost Documentation Form must be submitted to the LAA serving the shelter's jurisdiction on or before April 30 of the current program year.

3. Shelter Resident Information Form

- a. Completion of the Shelter Resident Information Form is optional. The Shelter Resident Information Form is used to document the eligibility of shelter residents. If the household income is less than the amount listed, the resident is probably eligible for energy assistance and would qualify the shelter to receive benefits.

Chapter 4 – Certification and Eligibility

If used, the Shelter Resident Information Form should be submitted for each month for each eligible client served from the date of receipt of application through March 31 of the current program year.

- b. In lieu of the completion and submission of the Shelter Resident Information Form for each applicant, the shelter's Chief Executive Officer may sign the Resident Information Affirmation Form. The Resident Information Affirmation Form affirms the necessary documentation regarding the shelter residents served by the shelter have provided the required verifications and meets the income eligibility requirements of MEAP.
- c. Completed shelter applications must be returned to the OHEP LAA office by the required due date. Applications are reviewed and the OHEP LAA office issues grants.
- d. If the LAA is also the provider of shelter services, the shelter application must be submitted to the State OHEP Office for review and approval. The State OHEP Office in this situation makes payment.

XXI. Using MEAP Grants for Arrearages

- A. In the case of non-utility applicants, the Energy Assistance grant may be used to reduce bill arrearages provided that the amount remaining will allow for a minimum delivery of fuel.
- B. For applicants designating a utility as the energy supplier, all or part of the grant may be applied to past arrearages for first time USPP participants only. See COMAR 20.31.05.08 for a complete description. On an annual basis, utilities may apply for and receive a waiver from the Public Service Commission to this requirement. The OHEP State Office maintains information on those utilities granted a waiver by the Public Service Commission.

XXII. Special Situations

- A. Energy Assistance for Secondary Source of Heat
 1. Energy assistance benefits (MEAP only) may be paid for fuel other than the primary source of heat provided an eligible household has selected an alternate fuel source. Payments for alternate fuel sources are made to the named energy suppliers.
 2. If an applicant names a fuel type for payment other than the primary heat source, the intake worker must document the reasons for the request and determine that the named fuel type is part of the applicant-household's heating system. For example:

- a. The household heats with fuel oil, but the furnace is ignited by electricity. The household selects electricity because a utility cut off is imminent.
 1. The household heats with a wood stove, supplemented by kerosene space heater. Kerosene is selected because the household has gathered its own supply of wood.
 - b. The household's oil furnace is not operating. The household selects electricity to operate space heaters.
 - c. The applicant pays for home heating costs indirectly as undesignated portions of rent payments, and the applicant's landlord has refused to participate in the MEAP Program. The applicant may select an alternative heat source for the benefit if applicable. *All* documentation must be in writing, initialed and dated by the intake worker, and made part of the client file.
 - d. The applicant pays for home heating costs indirectly as undesignated portions of rent payments, and, although the landlord has agreed to participate, the household has a turn-off notice. The applicant may select an alternative heat source for the benefit if applicable.
3. If the applicant is determined eligible, the application, supporting documentation and request for payment to an alternate fuel vendor must be forwarded to the LAA Director or his/her designee for approval. The approving authority's written statement must be made part of the file.
 - a. If the alternate source of heat is approved, the alternate fuel type, vendor information and benefit amount is entered on the application.
 - b. If the alternate source of heat is disapproved, the approving authority documents the reason for denial. The applicant's primary heat source, vendor information and benefit amount is entered on the application.
 4. The applicant must be notified of the denial of benefits for the alternate fuel source and proposed payment to the primary heating source vendor. Such notification will advise the applicant of the right to a hearing if he/she disagrees with the decision before the benefit is paid. If the applicant requests a hearing, the procedures in Chapter VI are followed.
 5. Once the applicant has received a payment for a secondary source of heat they may not change to another source of heat unless they have moved to another residence.
- B. Direct Payments to Applicants

In order to assure that all applicants have equitable access to a MEAP benefit direct payments to a certified applicant is allowed if circumstances warrant. Direct payments

are considered exceptions or special situations and are only to be used rarely. Direct payments may be used in situations where a supplier or landlord will not accept the benefit payment. Examples are:

1. Landlord will not sign the Landlord Agreement. See instructions in previous sections.
2. The energy supplier will not sign an Energy Supplier Agreement and an alternate supplier cannot be arranged.
3. Applicant does not receive delivery of fuel, but purchases it on an as needed basis in small quantities. For example, the house is heated by a kerosene heater for which kerosene is purchased at the local gas station in 5-gallon quantities.

Pertaining to this situation, the LAA may issue a limited benefit amount equal to no more than 25% of the benefit with a request to return with a receipt(s) demonstrating purchase of the designated fuel. After accepting the receipts, additional benefits can be issued up to the full amount. These situations often have unusual living circumstances which may not warrant use of the full benefit amount. Benefit amounts are pre-determined based on a normal living situation.

4. Another example is where the applicant lives in a mobile residence and purchases propane from the landlord directly, but separate from rent. In this situation the landlord is acting as an energy supplier and not a landlord. Either the landlord becomes an energy supplier or a direct pay is needed. This results in a situation where rent cannot be reduced to account for a MEAP benefit.

Direct payments to applicants are processed without sending an EDS to the applicant. However, the process of assigning and invoicing an EDS still must be followed before issuance of the check. The EDS must be maintained as part of the fiscal record. See section above, Procedures for Non-Participating Landlords, concerning conditions under which direct payments to applicants may be made. Secondary heating source is the preferable option when the choice is between direct payment and the secondary heating supplier.

The OHEP LAA Program Director must review and approve by signature on the EDS all direct payments.

There are no direct payments issued under EUSP.

C. Non-Participating Energy Suppliers

If an applicant's energy supplier is not an authorized MEAP vendor the LAA should request that the energy supplier sign a MEAP contract. If the vendor refuses, the LAA should ask the client to accept an alternate energy supplier already on the MEAP vendor list. If this is not possible, the LAA should attempt to make arrangements with the energy supplier to be paid on presentation of a delivery invoice to the LAA. A direct

payment to the applicant is the exception; i.e. in the case where the tank is owned by the propane company and a crisis exists.

D Energy Supplier Who Refuses to Accept Applicant's Benefit

An authorized energy supplier may refuse to accept a benefit on behalf of an applicant due to the applicant's prior bill payment record. In such cases, the LAA should seek to make payment to the household's secondary heating source or encourage the household to seek another supplier. Direct payment of the benefit to the applicant should be the last resort.

E. Information Changes

After completion of the application certification, policy allows changes to the application. The goal is to keep all changes, especially client/energy supplier information changes to an absolute minimum. As changes are necessary, the application should be returned to the supervisor authorized to amend the dataset. Data Entry Workers are not allowed to make changes to the records once certification is made.

F. Energy Supplier or Benefit Related Changes

The following are management procedures that the LAA needs to monitor before making information changes in the computer database system.

1. Upon notification of any information that results in a benefit of energy supplier change, the LAA contacts the original supplier to verify what benefit amounts have been delivered and what dollar amount remains to be refunded.
2. If the supplier holds funds for undelivered benefit funds, the LAA requests that the original supplier return any undelivered balance within 10 working days. Checks should be payable to the "Agency Name- Maryland Energy Assistance Program". The LAA should follow-up the initial contact with a written request if necessary. The LAA should ask the fuel supplier to make certain that all deliveries have been posted to this household's account because OHEP will not be responsible for errors or omissions of the supplier.
3. If partial delivery of the benefit has been made, the LAA completes the Client Information Change form (see A-41), and, at its option, secures the client's signature to authorize the payment of the transferred funds. If the original supplier made no delivery, the signature is not necessary.

A change in fuel type requires that the benefit paid to the new supplier reflect the correct benefit amount of the new fuel type, whether the new benefit amount is more or less than the original amount. If any deliveries have been made with the original supplier, the computer system can handle the record keeping and recalculation of the new benefit. The Client Information Change form or some other manual log must be used to track the refund from the energy supplier.

4. The LAA, at its own discretion, may authorize delivery of benefits to new energy suppliers before receiving undelivered benefit funds from the original supplier. For any supplier owing funds over 30 days, the LAA should follow the collection procedures outlined in Chapter Eight.

Further payments to suppliers not cooperating in this process would be suspended immediately and the OHEP State Office notified in writing.

G. Change of Address/Other Related Similar Circumstances

1. When a client moves to a new residence that can be serviced by the original energy supplier/landlord, the client is responsible for arranging for the delivery of any remaining benefit to the new address.
2. If the client's new residence can no longer be serviced by the original energy supplier/landlord, then the LAA must arrange for the delivery of any unused benefit to the new address. The LAA shall require the applicant to specify a new supplier. The change is to be documented in the applicant record.
3. If a client has a remaining benefit available on account and moves from one LAAs jurisdiction to another thereby changing energy supplier, the following procedures are followed:
 - a. The original LAA contacts the energy supplier/landlord to request a refund of undelivered benefit funds.
 - b. The original LAA maintains the client file. The second LAA is to obtain a new application from the client. Upon receipt and data entry of the new application, the computer record is transferred to the new LAA.
 - c. The new LAA completes the application in the computer revising all necessary information. On the supplier information screen the new supplier is added and designated as the receiver of the remaining benefit. Do not delete any previously entered suppliers. Upon certification and after creating the EDS, the new EDS is edited by entering the amount of the benefit previously delivered. The current EDS is automatically updated to designate *only* the remaining benefit as payment. The revised EDS and payment is sent to the new supplier.
4. If a client moves out of state, any remaining benefit is forfeited and is returned to OHEP.
5. In all cases where the client moves and cannot be located, the undelivered benefit funds shall revert to the LAAs benefit account either at the time of notification or at the end of program year on the energy supplier closeout report.
6. If a household is divided, the following policy shall be followed:

Chapter 4 – Certification and Eligibility

- a. Any undelivered benefit remains with the party residing at the original residence.
 - b. If the original residence is abandoned and there is an undelivered benefit, the benefit shall revert to the LAAs account.
 - c. The party leaving the original household may apply for assistance at the new address.
7. If the LAA has reason to suspect that the client has committed fraud, the LAA notifies the energy supplier/landlord to suspend delivery of the benefit pending the outcome of the investigation.

If the LAA finds that fraud has NOT been committed, the LAA shall notify the energy supplier/landlord and request all undelivered funds be delivered. If a finding of fraud results, the funds revert to the LAA's account. The LAA follows the procedures regarding client fraud as set forth in Chapter Ten.

8. If the client informs the LAA that the benefit is not wanted, the LAA shall cancel the benefit and follow the appropriate computer dataset instructions for denial.
9. If the State exhausts its funds and the client's benefit has not been issued, the LAA suspends or cancels the benefit as instructed by the State Office.

H. Deceased or Institutionalized Clients

LAAs are to use the following procedures in the event of the death or institutionalization of a client household previously determined eligible for the OHEP benefits when the individual, deceased or institutionalized, was the sole member of the household:

1. If the death or institutionalization occurs after the payment has been made to the supplier, the LAA should request the supplier to stop all deliveries and to return to the LAA any account balance funds. This request is to be in writing. When the payment account is settled and/or when the funds are returned, the LAA should complete the Client/Energy Supplier Information Change Form (see A-41) and note "client deceased" or other appropriate information. The LAA shall not issue payments to clients' heirs or legal representatives.
2. If the change occurs prior to issuance of payment to the supplier, the client is determined no longer eligible for energy assistance benefits and the application becomes a denial. Under these circumstances, the computer record is to be put into a DENIED status by using the DENIAL command found within the Supervisor routine.
3. These procedures apply only in cases where the client is the single member of the household. In cases where there are other household members, a new application is to be completed.

XXIII. Denial Policy

- A. Any applicant who does not meet the eligibility criteria is denied a benefit.
- B. Any applicant not completing an application within 15 days of receipt of the LAA Request for Additional Information Form is denied a benefit. Completing an application means entering information in all required fields and providing documentation requested by the LAA.

XXIV. Denial Procedures

- A. Steps Taken to Deny Application
 - 1. Assuming the application is entered in the computer system, review the application for completeness. If incomplete, that is, missing information, check for a Request for Additional Information Form. See B below for details of applications pending information.
 - 2. Denial of applications is accomplished through the OHEP certification process using the computer system. Follow the instructions for Certification. Applications are denied based upon established criteria identified in Chapter Four, Section VI.A. 2. Basis for Denial. The computer system will automatically deny on the basis of over income (MEAP and EUSP), heat included in the rent for subsidized housing (MEAP), and no electric account in the name of the applicant (EUSP).
 - 3. If the reasons above do not apply and review of the application and the accompanying documentation indicate the applicant is ineligible for assistance, select the appropriate reason for denial in the system. Applications can be denied using the Supervisor Deny function and selecting the appropriate reason for denial.
 - 4. The worker signs and dates the application in the space provided on the application.
- B. Steps Required to Monitor Pending Applications Prior to Denial To Assure Timely Completion
 - 1. LAA staff shall take action to deny applications within 15 days after the Request for Additional Information deadline has expired if no remaining condition exists that would result in a determination of eligibility for payment. LAA directors are expected to review the pending cases to identify those fifteen (15) days or older and to review individually each pending case over fifteen (15) days to see if the notes on each record justify continuing pending status or if the application should be denied.
 - 2. No application shall remain in pending status if it can be denied. It is the responsibility of the LAA Director to assure that all possible actions are taken to

remove applications from pending status according to guidelines outlined in this manual.

C. Denial Letter

1. A denial letter is sent to every denied applicant household within 7 calendar days of the date of denial.
2. The LAA Program Director and/or his/her designee complete the denial letter. The letter must include:
 - a. Date
 - b. applicant's full name
 - c. applicant's mailing address
 - d. explanation of the reason for denial
 - e. date by which the request for review must be received (15 days from the date of the notice)
 - f. name and telephone number of LAA contact person
 - g. signature of LAA designee
3. The denial letter is to be computer generated. A computer generated denial letter will list the specific reasons for denial as above, but the hearing rights are on a separate sheet. Copy the hearing rights and send with the denial letter.
4. Denied applicants have the right to re-apply 30 days after the denial notice date. When the program close date is less than 30 days, an applicant may apply within 15 days of the close date if there are changes to the information already provided. Include an application with the denial letter.
5. A copy of the denial letter is placed in the client folder. The client folder is filed alphabetically, by applicant name, in a separate denial file. In lieu of placing a denial letter in each client folder, a summary report may be printed from the computer system listing the applicant name and date the denial letter was printed.

D. Review & Hearing Rights

1. If the denied applicant wishes to appeal the LAA's decision, then he/she should follow the procedures described in Chapter Six, Review and Hearing Process. All letters notifying the applicant that they did not qualify under the eligibility guidelines must contain a statement of the hearing rights.

XXV. Timeliness of Denial

- A. It is the policy of the program to ensure that cases to be denied are completed within 15 days and that a denial notice is sent to the applicant within seven (7) days of the denial.

Chapter 4 – Certification and Eligibility

- B. The timely processing of denied applications depends on close scrutiny of all pending applications on the part of intake workers and OHEP directors. When it is absolutely clear that either the applicant is ineligible or the applicant has provided insufficient information, the application may be immediately denied. A notice is to be prepared and sent or given at that time or within seven (7) days.

XXVI. Application Waivers

- A. Policy
1. Application waivers to current income guidelines are at the discretion of State OHEP. The granting of income waivers is determined at the beginning of each program year.
 2. Waiver to the annual income eligibility guidelines whereby payments related to out of pocket medical expenses may be deducted from an applicant's household income. The applicant is eligible if the income after the medical deduction meets the annual income guideline. The medical expense payments must reduce the household income to the 150% poverty level.
 3. Waivers are applicable for both MEAP and EUSP. Applicants shall meet the non-income eligibility requirements for MEAP and/or EUSP.
 4. Medical insurance premiums are counted as an expense only for those applicants age 60 and over or disabled at any age 18 or over.
 5. Waiver decisions are made by the OHEP State Office upon referral from the LAA.
 6. Medical documentation from the medical provider must be clear and precise.
 7. The medical documentation must state the out-of-pocket payments made by the applicant.
 8. The customer must provide documentation that payments are being made on their medical bills which is causing financial hardship to pay their energy bills. For example, cancelled checks or a statement from the medical provider is needed. Medical bills only or a check register will not suffice.
 9. The medical bills must be from medical service received within 3 months and/or within the current fiscal year for which the applicant is requesting energy assistance. Promise of future payments is not considered. A customer receiving a medical bill in the month of application and has not had a chance to make payments is not considered. Bills dated older than the above criteria shall show out-of-pocket payments within the current period. For example, customer had surgery a year ago but has a bill dated for that service within three months of application and is making payments is considered for a waiver.

10. Applicants found eligible shall receive a Benefit Level 3 grant for MEAP and/or EUSP.
11. Dependent upon the availability of EUSP arrearage funds applicants granted waivers by State OHEP are eligible for arrearage assistance.

B. Procedures

1. The customer must apply for energy assistance and be denied at the LAA level.
2. LAA determines if application warrants review for an application waiver.
3. The LAA shall obtain documentation of medical debt/expenses and proof of payment for those expenses.
4. LAA forwards application and documentation and referral reason to the OHEP State Office.
5. OHEP State Office reviews application and documentation and makes a determination of eligibility based on waiver criteria.
6. OHEP State Office sends a letter to the applicant and LAA notifying them of the determination.
7. If the determination is approving the waiver, the LAA designates the application as a waiver. This causes the application to certify for a Level 3-benefit grant.
8. If the determination is denying the waiver, the appeal by the applicant is made to the State OHEP Office.

XXVII. Questions and Answers

1. What is done if the customer with a turn-off notice comes in to apply and the LAA is unable to obtain usage data or an account number?

Response: These are two critical pieces of information necessary for the completion of the application and issuing a payment and must be obtained to assure the proper benefit amount. Each utility should have a process in place for obtaining this information. For applications that fall within the MEAP crisis criteria this information should be available to avert the crisis within the designated crisis timelines. Contact the OHEP State Office if there is difficulty in obtaining information.

2. A customer applies for MEAP in Month A but has service terminated before the benefit is received. The MEAP grant is sent in Month B. Can the MEAP grant be used towards the past due amount?

Chapter 4 – Certification and Eligibility

Response: Yes, the MEAP benefit can be used towards the past due amount.

3. Are applicants who have a large credit balance to the extent that a benefit in the current year will result in a situation where the customer does not have to make a payment towards their bill still eligible to receive a benefit?

Response: At the current time all applicants meeting the existing eligibility criteria will receive a benefit. This applies to both MEAP and EUSP. Applicants are not penalized for keeping their bills and consumption low. This is addressed through the development of the benefit matrix.

4. Does the current case file have to have copies of required documents if those documents are also in a previous year file?

Response: Yes. A copy must be made again from the original or from the document in a previous year file or the previous file must be readily available. Readily available means filed with the current file. Records up to three years old are subject to audit and as a result must contain proper documentation.

5. Can OHEP make a payment for a deceased customer?

Response: If the deceased customer applied for assistance while still alive and the benefit was issued the benefit may be applied to the account up to the point of the death of the applicant. Heating bills existing after a person passes away without having an application in progress may not receive assistance. See Section XXII, H. of this Chapter.

6. If an applicant made a payment on an arrearage prior to applying for assistance, can arrearage funds be used to supplant that previous payment and the customer's funds be used to pay towards the current bill?

Response: No.

7. An applicant applies for assistance using a maiden name, but the electric bill is in her married name. While the applicant is the same person, for purposes of EUSP the account is in a different name. What should be done?

Response: The LAA should request the applicant contact the electric company to have the name changed on the account to match the current applicant name.

8. The applicant is currently residing in a long-term care facility, but is still responsible for the electric and heating bill in the original residence. Is the person eligible?

Response: Yes. For application purposes the individual is considered as residing in the residence and anyone else living in the residence is included on the application.

9. Can MEAP grants be used to pay for past due gas or electric bills?

Response: MEAP grants may not be used for past due utility bills, except if the applicant is a first time USPP participant. Then it can be used to reduce the past due amount to \$400.

10. Customer receives benefits for both EUSP Bill Payment and Arrearage. Customer wants to come off of budget billing. What are the consequences?

Response: The customer may come off of budget billing but will lose eligibility for the remaining balance of the Bill Payment grant. The remaining balance is returned to OHEP. Arrearage grants are not returned because the applicant fulfilled the requirements at the time that the Arrearage was credited.

11. An applicant receives an EUSP grant and then later moves to another residence where electric usage is lower. Is the EUSP grant adjusted to reflect a lower benefit?

Response: The EUSP grant is revised only when the applicant moves to another jurisdiction and submits a new application. If the new usage is lower, the application is revised to reflect the lower usage and the remaining benefit paid is based on that lower usage. If this results in a lower benefit than the original, the amount of the overpayment is returned to OHEP. Conversely, if upon a move to another jurisdiction the usage is higher the application should also be revised and an additional benefit is provided to the customer.

If a customer moves within a jurisdiction and notifies the LAA of the address change, no additional action is taken on that customer. The LAA does not obtain new usage information. The benefit is neither increased nor decreased.

12. A deceased person owes a past due bill. Can another person apply by proxy to have OHEP pay this bill?

Response: No. OHEP is unable to pay a benefit because there is no eligible applicant.

13. For employed persons who have pre-tax accounts or deductions, which income is used for determining eligibility, the net after pre-tax is taken out or the gross?

Response: The gross income is used where pre-tax situations exist.

14. Can an application waiver for EUSP be provided to pay off an arrearage accumulated due to a medical hardship if an arrearage had previously been paid?

Response: It depends. The EUSP statute allows for arrearage benefits to be issued once every seven years. There is no medical hardship waiver to this criterion.

15. If a customer received an arrearage benefit previously and then marries resulting in an account in the spouse's name and not the initial applicant, can an arrearage benefit be approved?

Response: Yes, as long as the person in whose name the account is in has not received an arrearage benefit previously.

16. An applicant received benefits and subsequently goes off service. The utility returns the balance of the remaining benefit. Customer returns to service and that utility requests that

Chapter 4 – Certification and Eligibility

returned funds be refunded back to the utility. Can this be done? Are there any time limitations upon which the utility can request a refund of returned funds?

Response: OHEP will refund remaining benefits for customers who went off service and are now returning to service. OHEP will refund such benefits if the request is made to OHEP by the September 30^h following the program year in which the applicant was eligible.

17. The employer reimburses an applicant for expenses incurred as a result of employment. Is this considered income?

Response: No, reimbursed expenses are not considered income. If reimbursed expenses are included as part of the gross pay total it is deducted from the gross amount.

18. An applicant is applying for arrearage funds in the current year but was part of a household that received an arrearage grant in a previous year. The current applicant was not the applicant when the arrearage was received. Does the current applicant qualify for an arrearage benefit?

Response: If the current applicant was not responsible for the bill when the previous arrearage grant was received then the applicant would now qualify. For example, an adult child lived with a parent where only the parent was responsible for the bill and the parent received an arrearage benefit in a prior year. Now that parent is deceased, but the adult child still lives in the same home and now has the bill in their name. That child would qualify for an arrearage benefit.

19. Can both parents who share joint custody of their children apply for energy assistance during the program year?

Response: Yes, if both parents share joint custody legally they each can apply for energy assistance and have the same children listed as members of their households. However, the parents can not apply at the same time. Copies -ofthe custody papers must be placed in the applicant's file.

20. Applicant lives on a boat with no electric hook-up. Heats with kerosene purchased in 5 gallon quantities. How do we make a payment?

Response: A direct payment is issued but only a minimal (25%) amount is given. The recipient is informed to submit receipts of the purchase in order to receive the remainder of the benefit. Certify as a crisis pending and enter the amount of the benefit. After receiving documentation of fuel purchases modify and re-certify the application to receive the remainder of the benefit.

21. Applicant uses bulk fuel in a small quantity, no vendor will deliver. Does the applicant receive direct payment?

Response: Yes the agency would allot 25% of the benefit to the customer through direct payment with the stipulation that no additional monies would be provided until applicant provides receipts of bulk fuel purchase. The agency would manually keep track of the remittance.

22. Applicant receives unemployment benefits through a debit card. Applicant receives wages through a debit card. How is the income documented?

Chapter 4 – Certification and Eligibility

Response: Applicant should be receiving a paper statement of benefit or wage amount. Otherwise a statement can be printed from the Maryland Department of Unemployment Insurance website or obtained from the bank where the debit card was issued.

23. Applicant uses propane as its primary heating source. The vendor used is not approved by State OHEP.

Response: Contact should be made to the vendor by LAA to find out if vendor wants to be an authorized energy supplier for the State. If vendor is not interested, an alternate authorized vendor should be located. If the initial vendor is not interested in being a participating supplier for the state and the vendor owns the tank, than direct payment must be made to customer.

24. Applicant works for a company that is owned by her and her husband. The company is incorporated and both are paid a salary. Is this considered a self employment situation or is it a simple wage situation?

Response: If the company is incorporated, the situation can be treated as wage situation or the applicant can provide a document/letter describing the compensation arrangement, i.e. letter/document stating that the applicant receives a specific dollar amount a year.

25. Can income received under the GI Bill for living expenses while going to school be counted as income?

Response: The income should not be counted. See section VII Income/Resources Excluded in this chapter-item 4, which excludes income from education related expenses including VA benefits.

26. The applicant does not work, does not receive any income and she is the only person in her household. To make it, the applicant sold some of her belongings at an auction and received \$300.00 within the last 30 days. Should the \$300.00 be counted?

Response: No. The items she sold were her assets. OHEP does not consider assets as income. The applicant has zero income. She completes the declaration form and household statement form stating she met her needs by selling her assets.

27. Applicant called asking for help with a \$1,000 gas bill for a deceased customer. The housing unit is vacant and no one is responsible for the bill. Another individual who is no longer living in the house accumulated the bill. Can OHEP provide assistance?

Response: No, OHEP is unable to pay for the bill because there is no eligible applicant. The bill should be settled as part of the deceased person's estate.

28. Can an arrearage be paid for an applicant if the electricity is going to be shut-off because the arrearage will not cover the entire past due amount?

Response: Yes

Chapter 4 – Certification and Eligibility

29. Can a household receive an energy assistance benefit if the applicant dies before the application is processed?

Response: No, if the applicant dies before his/her application is processed, the application is denied. The members of the household can reapply.

30. If a military person is deployed and sends monies home to his spouse are the monies countable?

Response: Yes, the monies are countable and the military person is not counted, please see section X of this chapter item C Explanations of Income #4.

31. If a military person is receiving combat pay and sends the monies home to his spouse are the monies countable?

Response: Combat pay is not countable, however valid documentation would be required verifying the military person is receiving combat pay.

32. An applicant's husband died within the month the applicant is applying for assistance. The applicant provided a current bank statement of her social security deposit and on this statement also was a deposit of her deceased husband social security benefit and his pension. Are the deceased husband's monies counted?

Response: No, his monies are not counted because she may have to return the monies, however, confirmation of his death must be placed in the file. Record and narrate why the monies are not counted.

33. An applicant own stocks and bonds and recently sold them are the monies counted?

Response: No, because the stocks and bonds are his assets and assets are not counted.

34. Does an immigrant/alien have to be a citizen to apply for benefits?

Response: No, the immigrant/alien does not need to be a citizen to receive energy assistance but the applicant must have a valid social security card.

35. If an applicant has a living assistance facility in his/her home and resides in the home, is the applicant eligible for energy assistance benefits if all other eligibility criteria were met?

Response: Yes, if all eligibility criteria were met the applicant would be eligible for benefits. Neither the residents nor the monies the residents received would be counted. However, the income the applicant received for providing for the residents would be counted and any other income received in the household. Because the applicant is self-employed, the worker would take 50% of documented reported self-employed income the applicant received for providing for the residents. Depending upon the time covered determines whether the income is divided, i.e. if the reported income is for 90 days divide by 3. If the applicant receives additional monies from other household members add the monies to the self-employment income that was previously calculated.

Chapter 4 – Certification and Eligibility

For example:

Ms. Smith is a self-employed business owner of an assisted living facility in her home. In her household are 11 members, which include 5 residents, her husband, an adult daughter and her 3 minor children. Ms. Smith can only apply for household of 6, the residents do not count. She received \$2500 a month for providing for the residents. Mr. Smith received \$800 a month pension and the adult daughter 30 day wages was \$1900. Self-employed income $\$2500 \times 50\% = \1250 + \$800 pension + \$1900 wages = \$3950 for the household of 6.

36. Can an owner of a living assisted facility apply for benefits if she does not reside in the facility?

Response: No, see section XVII of this chapter.

37. An applicant states she and her two children reside with the children's paternal grandmother, can the applicant apply as a boarder/roomer?

Response: No

38. If a provider states on the provider statement form that he/she paid the applicant's shelter or any expense, are those monies counted?

Response: No, because the applicant does not have discretion to use the monies on other things.

39. Can a valid social security card be an acceptable documentation for immigration status?

Response: Yes

40. An applicant is residing in transitional housing and heat is included in the rent. Can the applicant receive direct pay or would the landlord receive the benefit?

Response: Direct pay is awarded as the last resort. Worker should contact the landlord to find out if the landlord is willing to accept the benefit in behalf of the applicant and agrees to reduce the tenant's rent by the amount of the benefit. Please see section XIII of this chapter, item C- Application – Heat included in Rent.

41. An applicant receives a monthly allowance from a life insurance policy, is the allowance countable?

Response: Yes, the monies are countable if received monthly and if the applicant had received a lump sum payment the monies would be countable if received 30 days before the application date.

42. Are state and federal tax refunds countable?

Response: No

43. If you are a recipient of annuity, are the monies counted?

Chapter 4 – Certification and Eligibility

Response: No, annuities fall under retirement investments. See section VII of this chapter, item C- Income/Resources exclusions item #25.

44. Monies from a car accident counted?

Response: Yes

45. Are monies borrowed against an insurance policy counted?

Response: No, because the policy is an asset.

46. A customer deals with a vendor who is not on OHEP's list of approved state vendors. Does the applicant get direct pay?

Response: The LAA is to contact the vendor to see if the vendor wants to be a state vendor. Please see section XXII of this chapter, Item C, Non-Participating Energy Suppliers for further instructions. Remember direct pay is paid as the last resort.

47. An applicant applies for assistance for a household office. The applicant provides the worker her bank statement summary from her financial institution and shared with the worker that she is a representative payee for her disabled brother and his money is deposited in her account monthly for her to pay his expenses. Her brother does not reside with her. Is her brother's income countable since his monies are in her account?

Response: No, the brother's income is not countable but the worker must narrate and state why the income is not countable in the file, sign and date the narration.

48. If a Social Security/SSI award letter from a previous year can be used for repeated applicants/household members for income verification, is there a limit when a new award letter is required?

Response: Yes, the award letter for repeat applicants/household members must not exceed 3 calendar years see section VIII of this chapter #C Social Security or SSI, #5.

49. The applicant is self-employed. Applicant provided his current 1040 tax returns and also provided his bank statement with deposits and it is October. What income verification should be used?

Response: Both verifications are acceptable income documentation for self-employed, however, the Worker may make a determination as to which document is advantageous for the applicant.

50. If an applicant is self-employed and provides a 1040 tax form what income is counted?

Response: Income reported on 1040 tax form Schedule C, line 1 is counted. Lines 1 of Schedule C is divided into 12 and take 50% for expenses see Section VIII of this chapter, Self Employment #F

51. If an applicant is self-employed and married and filed 1040 tax form with spouse who receives wages, how is the income determined for the self-employed?

Chapter 4 – Certification and Eligibility

Response: The income for the self-employed would have to be determined by taking the income on the 1040 tax form Schedule C, line 1, dividing by 12 and taking 50% for expenses see Section VIII of this chapter, Self-employment #F. The spouse who receives wages must provide documentation of his/her 30 day income.

52. If a person is a full time college student working part-time are the monies counted?

Response: No, the monies are excluded. However, if the college student works full-time and attends school part-time, the monies are counted. If the college student works part-time and attends school part-time or if the college student works full-time and attend school full-time the monies are counted, see section XU of this chapter College Student Eligibility.

53. If an applicant receives income from rental properties, what documents are needed?

Response: A copy of the applicant's latest federal tax form 1040 Schedule E, count line 26 on the Schedule E and divide by 12, the expenses are already included in line 26 therefore, do not give 50% reduction for expenses. In lieu of the 1040 tax form please see section VIII of this chapter #H - Rental Income for other acceptable documentation for rental income.

54. Can MEAP funds be used toward an inactive account that an applicant is trying to restore?

Response: Yes

55. An applicant has received a delivery of oil at a rental unit and subsequently moves to another home. Can the applicant receive another benefit for oil at the new location?

Response: The customer will not receive another oil benefit as they already received a benefit. If another fuel type is requested a benefit can be paid but at the difference between what was already paid and the new benefit.

56. An applicant resides in transitional housing with other residents and the residents contribute toward the expenses but the utility bill is in the organization's name, is the customer/residents eligible for MEAP?

Response: No, the applicant nor the residents are eligible for MEAP because OHEP does not provide benefits for businesses nor group homes and shelters. However, if only one individual/family resides in transitional housing and meets all other eligibility criteria, a landlord payment/direct payment can be made regardless if the bill is in the organization's name.

57. A person is self-employed and receives sales by cash and via charges to charge account are all the sales counted?

Response: No, only cash received within the last 30 days would be counted.

58. How do you determine if a person has an annuity/pension?

Chapter 4 – Certification and Eligibility

Response: If the employer chose the annuity for the employees than the monies are counted and considered as a pension but if the employee voluntarily chose the annuity than the monies are excluded because the person used his/her assets for the purpose i.e. government sponsored annuities are countable.

59. Wife and husband are self-employed in the same business, how should the income be reported in the OHEP's database?

Response: After all calculations are done, assigned half of the income to the husband and the other half to wife, i.e. if the income was \$2000 after all calculations, \$1000 should be assigned to wife and the other \$1000 is assigned to husband.

60. If the PEPCO bill lists the last 13 months of usage on the back of the bill. Can the last 12 months be added to determine the household's kwhs?

Response: If the bill is current the worker can add the last 12 months of usage to determine the annual kwhs instead of contacting PEPCO. However, the worker must narrate in the notes section in the OHEP database how the kwhs were obtained and make a copy of the notes and file in the applicant's record.

61. An applicant has an adult son who is disabled in his home receiving SSI, does the applicant have to apply for the entire HH or can he apply separate from the disabled son?

Response: It depends whether the adult son is a roomer or part of the HH. If the adult son is a roomer and disabled, the applicant can apply separate from the adult son. However, the income the applicant receives from the roomer for rent is counted. The worker must narrate as to why the adult disabled son is not part of the household and obtain verification that the son is disabled. If the adult son is not a roomer, but a member of the household, than the applicant must apply for the entire household and all income received in the household is counted. In this scenario, the monies that the disabled son gives the applicant for rent is not counted.

62. If an applicant is a landlord and rent rooms in his/her home to boarders/roomers, do the boarders/roomers have the discretion to choose to apply as a single household or separately?

Response: Yes, the roomers/boarders can apply for energy benefits separately or as a single household. If the landlord applies separately from the boarders, the landlord must report all monies he/she receives including any rental income from the boarders/roomers. The kwhs/therms are obtained by dividing the #of persons in the annual usage and multiplying the number by the persons listed on the application.

If the landlord and the boarders/roomers choose to apply as a single household, count the monies that the boarders receives and monies the landlord receives, excluding monies the landlord receives from the roomers/boarders for rent.

If the roomer/boarder has not paid the landlord rental income, the landlord must provide documentation (s) from the roomer/boarder confirming their nonpayment of rent.

If there is no agreement with household members and the landlord that he/she is a roomer/boarder, than the household must apply as a single household.

Chapter 4 – Certification and Eligibility

63. How many different workers are needed to process an application?

Response: At least 2 workers are required. The creator of the application can modify but cannot certify. A certifier cannot modify nor create an application.

64. A teacher is employed at a college is laid off and provided income documentation from her employer that stated she was laid off from May to August and will be returning to the college in the fall, does she have a permanent relationship with her employer?

Response: No, because she was laid off and if eligible can qualify for unemployment benefits.

65. An applicant's grandchildren are visiting with the applicant for a month, can the applicant apply and the grandchildren be part of her household?

Response: No, if they are visiting the applicant the children cannot be members of the household unless the applicant has joint custody or the child/children are in household at least 6 months of the calendar year.

66. If an applicant applies for asst. for a HH of one, application was EDS, the applicant moved, the same vendor is used but at the new address there is a new acct # and 2 other adults residing with applicant. The HH is now over scale for benefits. The initial acct when finalized by the utility company did not use up the benefit and the monies not used were returned to the state. Can the monies returned be applied to the new acct even though the HH is ineligible for benefits?

Response: Yes, after confirming with the State that the monies were returned from the utility company, the LAA must request in writing to State OHEP to return the monies to the utility company in behalf of the applicant with the new acct #.

67. An alien has a valid Social security card but is not a citizen should the alien be a citizen for system purposes?

Response: No.

68. A child who does not have a valid social security card is he/she counted as a household member?

Response: Yes the OHEP data base considers all aliens under the age of 18 as citizens and therefore, will be counted as members of the household.

69. If an applicant was EDSed and within the program year the applicant relocated to another household where he/she is a member of another household, can he/she be released as an applicant?

Response: No, the OHEP database will not allow the applicant to be released. Hence, the applicant cannot be on the application as a member and, if she/he has income, the income will not be counted. If the applicant who was EDSed had other members in her/his household the members can be released and be added to another application.

Attachment 1-7 – Information Exchange Agreement

**INFORMATION EXCHANGE AGREEMENT
BETWEEN
THE SOCIAL SECURITY ADMINISTRATION (SSA)
AND
THE MARYLAND DEPARTMENT OF HUMAN RESOURCES**

- A. PURPOSE:** The purpose of this Information Exchange Agreement ("IEA") is to establish terms, conditions, and safeguards under which SSA will disclose to the State Agency certain information, records, or data (herein "data") to assist the State Agency in administering certain federally funded state-administered benefit programs (including state-funded state supplementary payment programs under Title XVI of the Social Security Act) identified in this IEA. By entering into this IEA, the State Agency agrees to comply with:
- the terms and conditions set forth in the Computer Matching and Privacy Protection Act Agreement ("CMPPA Agreement") attached as **Attachment 1**, governing the State Agency's use of the data disclosed from SSA's Privacy Act System of Records; and
 - all other terms and conditions set forth in this IEA.
- B. PROGRAMS AND DATA EXCHANGE SYSTEMS:** (1) The State Agency will use the data received or accessed from SSA under this IEA for the purpose of administering the federally funded, state-administered programs identified in **Table 1** below. In **Table 1**, the State Agency has identified: (a) each federally funded, state-administered program that it administers; and (b) each SSA data exchange system to which the State Agency needs access in order to administer the identified program. The list of SSA's data exchange systems is attached as **Attachment 2**:

TABLE 1

FEDERALLY FUNDED BENEFIT PROGRAMS	
Program	SSA Data Exchange System(s)
<input checked="" type="checkbox"/> Medicaid	<i>SDX, BENDEX, EVS, SVES, Quarters of Coverage, Prisoner Query, SOLQ</i>
<input checked="" type="checkbox"/> Temporary Assistance to Needy Families (TANF)	<i>SDX, BENDEX, EVS, SVES, Quarters of Coverage, Prisoner Query, SOLQ</i>
<input checked="" type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP- formerly Food Stamps)	<i>SDX, BENDEX, EVS, SVES, Quarters of Coverage, Prisoner Query, SOLQ</i>
<input type="checkbox"/> Unemployment Compensation (Federal)	
<input type="checkbox"/> Unemployment Compensation (State)	
<input type="checkbox"/> State Child Support Agency	
<input checked="" type="checkbox"/> Low-Income Home Energy Assistance Program (LI-HEAP) : Maryland Energy Assistance Programs (MEAP)	<i>SDX, BENDEX, EVS, SVES</i>
<input type="checkbox"/> Workers Compensation	



<input type="checkbox"/> Vocational Rehabilitation Services	
<input checked="" type="checkbox"/> Foster Care (IV-E) :Foster Care And Adoption Assistance	<i>SDX, BENDEX, EVS, SVES</i>
<input type="checkbox"/> State Health Insurance Program (S-CHIP)	
<input type="checkbox"/> Women, Infants and Children (W.I.C.)	
<input checked="" type="checkbox"/> Medicare Savings Programs (MSP)	<i>SDX, BENDEX, EVS, SVES, LIS</i>
<input checked="" type="checkbox"/> Medicare 1144 (Outreach)	<i>SDX, BENDEX, EVS, SVES, Outreach</i>
<input checked="" type="checkbox"/> <i>Other Federally Funded, State-Administered Programs (List Below)</i>	
Program	SSA Data Exchange System(s)
Child Care Subsidy Program (also known as Purchase of Care)	<i>SDX, BENDEX, EVS, SVES</i>

(2) The State Agency will use each identified data exchange system *only* for the purpose of administering the specific program for which access to the data exchange system is provided. SSA data exchange systems are protected by the Privacy Act and federal law prohibits the use of SSA's data for any purpose other than the purpose of administering the specific program for which such data is disclosed. In particular, the State Agency will use: (a) the **tax return data** disclosed by SSA only to determine individual eligibility for, or the amount of, assistance under a state plan pursuant to Section 1137 programs and child support enforcement programs in accordance with 26 U.S.C. § 6103(1)(8); and (b) the **citizenship status data** disclosed by SSA under the Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. 111-3, only for the purpose of determining entitlement to Medicaid and CHIP program for new applicants. The State Agency also acknowledges that SSA's citizenship data may be less than 50 percent current. Applicants for SSNs report their citizenship data at the time they apply for their SSNs; there is no obligation for an individual to report to SSA a change in his or her immigration status until he or she files a claim for benefits.

C. PROGRAM QUESTIONNAIRE: Prior to signing this IEA, the State Agency will complete and submit to SSA a program questionnaire for each of the federally funded, state-administered programs checked in Table 1 above. SSA will not disclose any data under this IEA until it has received and approved the completed program questionnaire for each of the programs identified in Table 1 above.

D. TRANSFER OF DATA: SSA will transmit the data to the State Agency under this IEA using the data transmission method identified in Table 2 below:

TABLE 2

TRANSFER OF DATA



- Data will be transmitted directly between SSA and the State Agency.
- Data will be transmitted directly between SSA and State of Maryland Annapolis Data Center (State Transmission/Transfer Component ("STC")) by CONNECT: DIRECT, a secure mechanism approved by SSA. The STC will serve as the conduit between SSA and the State Agency pursuant to the State STC Agreement.
- Data will be transmitted directly between SSA and the Interstate Connection Network ("ICON"). ICON is a wide area telecommunications network connecting state agencies that administer the state unemployment insurance laws. When receiving data through ICON, the State Agency will comply with the "Systems Security Requirements for SSA Web Access to SSA Information Through the ICON," attached as Attachment 3.

E. SECURITY PROCEDURES: The State Agency will comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. § 3541, et seq.), and related National Institute of Standards and Technology guidelines. In addition, the State Agency will comply with SSA's "Information System Security Guidelines for Federal, State and Local Agencies Receiving Electronic Information from the Social Security Administration," attached as Attachment 4. For any tax return data, the State Agency will also comply with the "Tax Information Security Guidelines for Federal, State and Local Agencies," Publication 1075, published by the Secretary of the Treasury and available at the following Internal Revenue Service (IRS) website: <http://www.irs.gov/pub/irs-pdf/p1075.pdf>. This IRS Publication 1075 is incorporated by reference into this IEA.

F. CONTRACTOR/AGENT RESPONSIBILITIES: The State Agency will restrict access to the data obtained from SSA to only those authorized State employees, contractors, and agents who need such data to perform their official duties in connection with purposes identified in this IEA. At SSA's request, the State Agency will obtain from each of its contractors and agents a current list of the employees of its contractors and agents who have access to SSA data disclosed under this IEA. The State Agency will require its contractors, agents, and all employees of such contractors or agents with authorized access to the SSA data disclosed under this IEA, to comply with the terms and conditions set forth in this IEA, and not to duplicate, disseminate, or disclose such data without obtaining SSA's prior written approval. In addition, the State Agency will comply with the limitations on use, duplication, and redisclosure of SSA data set forth in Section IX. of the CMPPA Agreement, especially with respect to its contractors and agents.

G. SAFEGUARDING AND REPORTING RESPONSIBILITIES FOR PERSONALLY IDENTIFIABLE INFORMATION ("PII"):

1. The State Agency will ensure that its employees, contractors, and agents:
 - a. properly safeguard PII furnished by SSA under this IEA from loss, theft or inadvertent disclosure;
 - b. understand that they are responsible for safeguarding this information at all times, regardless of whether or not the State employee, contractor, or agent is at his or her regular duty station;



- c. ensure that laptops and other electronic devices/media containing PII are encrypted and/or password protected;
 - d. send emails containing PII only if encrypted or if to and from addresses that are secure; and
 - e. limit disclosure of the information and details relating to a PII loss only to those with a need to know.
2. If an employee of the State Agency or an employee of the State Agency's contractor or agent becomes aware of suspected or actual loss of PII, he or she must immediately contact the State Agency official responsible for Systems Security designated below or his or her delegate. That State Agency official or delegate must then notify the SSA Regional Office Contact and the SSA Systems Security Contact identified below. If, for any reason, the responsible State Agency official or delegate is unable to notify the SSA Regional Office or the SSA Systems Security Contact within 1 hour, the responsible State Agency official or delegate must call SSA's Network Customer Service Center ("NCSC") at 410-965-7777 or toll free at 1-888-772-6661 to report the actual or suspected loss. The responsible State Agency official or delegate will use the worksheet, attached as Attachment 5, to quickly gather and organize information about the incident. The responsible State Agency official or delegate must provide to SSA timely updates as any additional information about the loss of PII becomes available.
 3. SSA will make the necessary contact within SSA to file a formal report in accordance with SSA procedures. SSA will notify the Department of Homeland Security's United States Computer Emergency Readiness Team if loss or potential loss of PII related to a data exchange under this IEA occurs.
 4. If the State Agency experiences a loss or breach of data, it will determine whether or not to provide notice to individuals whose data has been lost or breached and bear any costs associated with the notice or any mitigation.

H. POINTS OF CONTACT:

FOR SSA

Philadelphia Regional Office:

Prasanna Kartha, Data Exchange Coordinator
 Bernard Daniels, Social Insurance Specialist
 Center For Program Support
 300 Spring Garden Street
 Philadelphia, PA 19123
 Phone: 215-597-1962 or 215-597-2354
 Fax: 215-597-5206
Prasanna.Kartha@ssa.gov or
Bernard.A.Daniels@ssa.gov

Systems Issues:

Pamela Riley

Data Exchange Issues:

Guy Fortson
 Office of Electronic Information Exchange
 GD10 East High Rise
 6401 Security Boulevard
 Baltimore, MD 21235
 Phone: (410) 597-1103
 Fax: (410) 597-0841
 Email: guy.fortson@ssa.gov

Systems Security Issues:

Michael G. Johnson



Office of Earnings, Enumeration &
Administrative Systems
DIVES/Data Exchange Branch
6401 Security Boulevard
Baltimore, MD 21235
Phone: (410) 965-7993
Fax: (410) 966-3147
Email: Pamela.Riley@ssa.gov

Director
Office of Electronic Information Exchange
Office of Strategic Services
6401 Security Boulevard
Baltimore, MD 21235
Phone: (410) 965-0266
Fax: (410) 966-0527
Email: Michael.G.Johnson@ssa.gov

FOR STATE AGENCY

Agreement Issues:

Rosemary Malone
Deputy Executive Director
Family Investment Administration - Office of
Programs Maryland Department of Human
Resources
311 W. Saratoga Street
Baltimore, MD 21201
410 767 7949 (Work)
410 333 6581 (Fax)
RMalone@dhr.state.md.us

Technical Issues:

Greg Yaculak
Director of Data and Network Security
Office of Technology for Human Services
Maryland Department of Human Resources
311 W. Saratoga St.
Baltimore MD 21201
410-767-7652 (wk)
410-333-0433 (fax)
Gyaculak@dhr.state.md.us

- I. **DURATION:** The effective date of this IEA is January 1, 2010. This IEA will remain in effect for as long as: (1) a CMPPA Agreement governing this IEA is in effect between SSA and the State or the State Agency; and (2) the State Agency submits a certification in accordance with Section J. below at least 30 days before the expiration and renewal of such CMPPA Agreement.
- J. **CERTIFICATION AND PROGRAM CHANGES:** At least 30 days before the expiration and renewal of the State CMPPA Agreement governing this IEA, the State Agency will certify in writing to SSA that: (1) it is in compliance with the terms and conditions of this IEA; (2) the data exchange processes under this IEA have been and will be conducted without change; and (3) it will, upon SSA's request, provide audit reports or other documents that demonstrate review and oversight activities. If there are substantive changes in any of the programs or data exchange processes listed in this IEA, the parties will modify the IEA in accordance with Section K. below and the State Agency will submit for SSA's approval new program questionnaires under Section C. above describing such changes prior to using SSA's data to administer such new or changed program.



K. MODIFICATION: Modifications to this IEA must be in writing and agreed to by the parties.

L. TERMINATION: The parties may terminate this IEA at any time upon mutual written consent. In addition, either party may unilaterally terminate this IEA upon 90 days advance written notice to the other party. Such unilateral termination will be effective 90 days after the date of the notice, or at a later date specified in the notice.

SSA may immediately and unilaterally suspend the data flow under this IEA, or terminate this IEA, if SSA, in its sole discretion, determines that the State Agency (including its employees, contractors, and agents) has: (1) made an unauthorized use or disclosure of SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this IEA or the CMPPA Agreement.

M. INTEGRATION: This IEA, including all attachments, constitutes the entire agreement of the parties with respect to its subject matter. There have been no representations, warranties, or promises made outside of this IEA. This IEA shall take precedence over any other document that may be in conflict with it.


ATTACHMENTS

- 1 – CMPPA Agreement
- 2 – SSA Data Exchange Systems
- 3 – Systems Security Requirements for SSA Web Access to SSA Information Through ICON
- 4 – Information System Security Guidelines for Federal, State and Local Agencies Receiving Electronic Information from the Social Security Administration
- 5 – PII Loss Reporting Worksheet



N. **SSA AUTHORIZED SIGNATURE:** The signatory below warrants and represents that he or she has the competent authority on behalf of SSA to enter into the obligations set forth in this IEA.

SOCIAL SECURITY ADMINISTRATION



Michael G. Gallagher
Assistant Deputy Commissioner
for Budget, Finance and Management

5/13/09

Date



O. REGIONAL AND STATE AGENCY SIGNATURES:

**SOCIAL SECURITY ADMINISTRATION
REGION III**



Laurie Watkins
Regional Commissioner
Philadelphia

9/14/09

Date

MARYLAND DEPARTMENT OF HUMAN RESOURCES

The signatory below warrants and represents that he or she has the competent authority on behalf of the State Agency to enter into the obligations set forth in this IEA.



Brenda Donald
Secretary, Maryland Department of Human Resources

9.10.09

Date



Attachment 1-8 – VINELink

VINELink ver. 2.0 Windows Internet Explorer provided by DHR

https://www.vinelink.com/vinelink/stateinfoaction.do?siteid=21999

File Edit View Favorites Tools Help

VINELink ver. 2.0

VINELink
All the power of VINE. Online.

POWERED
Appriss

Home Search & Register Local Victim Resources Map

Search & Register for

- Offenders
- Offenders with Court Cases
- Offenders on Probation or Parole

Update Registration

Registered user [click here to change your phone number & PIN.](#)

Downloads

- FAQ
- VINELink Quick Reference Guide

Temporarily Off Line Agencies *What's Off Line?*

- Garrett County Detention Center
- Somerset County Detention Center

Maryland Statewide

VINE Service Number: (866) 634-8463

Maryland Statewide Resources

1-866-MD 4 VINE
TTY Services for the Hearing Impaired call: 1-866-847-1298

Maryland VINE is an innovative service providing crime victims, victim advocates, and other concerned citizens free offender information and confidential notification on District and Circuit criminal court hearings, or a particular inmate's release, transfer or escape from all city, county and state jails or facilities. COMING SOON! By January 2010, the Maryland Division of Probation and Parole will be linked into the VINE system, providing information and notification on offenders who are on parole or probation.

Maryland VINE provides information and notification on all District and Circuit Court criminal court case hearings.

Maryland VINE can provide registered users access to timely information about particular offenders 24-hours a day, over the phone, through the Internet, or by e-mail.

Maryland VINE is a project provided to you by Governor's Office of Crime Control and Prevention, and the Maryland State Board of Victim Services.

Please do not depend only on this program for your protection. Maintain other contacts with your advocate, attorney or law enforcement officers assigned to your case.

*Please note: We advise you not to register a phone number that rings to a switchboard

Disclaimer: This Web Site is being provided as a service to victims of crime by Appriss Incorporated. The information contained on the site is for personal use and any commercial use of this information is strictly prohibited. You may not collect, sell, offer for sale, modify, reproduce, display, publicly perform, import, distribute, retransmit or otherwise use the contents from this Web Site in any way, without the express written permission of Appriss Incorporated.

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Internet 100%

VINElink ver. 2.0 - Windows Internet Explorer provided by DHR

https://www.vinelink.com/vinelink/InitSearchForm.do?siteId=21999

File Edit View Favorites Tools Help

VINElink ver. 2.0

VINElink
All the power of VINE. Online.

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Appriss

Home Search & Register Local Victim Resources Map

Offender VINE Courts Probation/Parole

Maryland Statewide
VINE Service Number : (866) 634-8463

Select the Facility that you would like to search.

- All Facilities
- Department of Corrections
- Choose Facility

Enter the Offender ID or Offender's First and Last Name.

*Offender ID:

- or -

*Last Name:

*First Name:
 Note that the first name can be a partial search, entering "JO" will match "JOHN", "JOE" etc.

*Indicates Required Field

Enter the following information if known.

Date of Birth:
 / / mm/dd/yyyy (4-digit year is required)

- or -

Age Range:

Internet 100%

Attachment 1-9 – Standard Services Contract

ATTACHMENT D—STANDARD SERVICES CONTRACT

THE DEPARTMENT OF HUMAN RESOURCES

THIS CONTRACT is made this ____ day of ____, ____ by and between the Department of Human Resources, an agency of the State of Maryland whose primary business address is 311 W. Saratoga Street, Baltimore, Maryland 21201 (hereinafter the “Department”) and ____ (hereinafter “Contractor”), whose primary business address is ____.

IN CONSIDERATION of the premises and the covenants herein, the parties agree as follows:

1. DEFINITIONS

- 1.1 **Department** means the Department of Human Resources.
- 1.2 _____ means _____, a unit within the Department.
- 1.3 **Procurement Officer** means _____, _____, Room _____, _____, MD
; _____; Fax: _____.
- 1.4 **State Project Manager** means _____, _____, _____, Room _____, _____, MD
; _____; Fax: _____, or designee, who is the sole point of contact relating to this Contract and the services provided hereunder.
- 1.5 **Bid** means the Response by a Bidder in response to the Invitation for Bids, ADPICS Number N00R _____.
- 1.6 **IFB** means the Invitation for Bids.
- 1.7 **State** means the State of Maryland.

2. SCOPE OF WORK

- 2.1. Insert a brief version of the language from Section 1.1 of the Solicitation here

These services shall be provided in accordance with this Contract and the following Attachments which are attached and incorporated herein by reference:

**The IFB
Attachments A through
The Bid Submission from Bidder**

If there is any conflict between this Contract and the Attachments, the terms of the Contract shall govern. If there is any conflict among the Attachments, the following order of precedence shall determine the prevailing provision:

Attachment 1 - The IFB

Attachment 2 – Bid Submission from Bidder
Attachment A – Pricing Proposal
Attachment B – Bid/Proposal Affidavit
Attachment C – Contract Affidavit

- 2.2** The State Project Manager may, at any time, by written order, make changes in the work within the general scope of the Contract. No other order, statement, or conduct of the State Project Manager or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.
- 2.3** This Contract is subject to State Finance and Procurement Article, Title 18. Additional information regarding the State's Living Wage requirement is contained in the attached Addendum entitled, "Living Wage Requirements for Service Contracts." It has been determined that this is a **Tier 1** Contract.

3. TERM

Unless otherwise terminated earlier as provided in this Contract, the term of this Contract shall be _____, commencing on or about _____ or the date approved by the Department and end on _____.

4. CONTRACTOR'S PERSONNEL

Contractor agrees that all personnel identified in its Bid, or personnel of equal qualifications, shall be assigned to perform the terms of the Contract. Personnel described in the Bid Submission may not be removed from the performance of the Contract as provided in Section _____ of the IFB.

5. CONSIDERATION AND PAYMENT

5.1 The consideration to be paid the Contractor shall be determined in accordance with the IFB and the Bid Form or Price Sheet. Any work performed by the Contractor in excess of the agreed upon _____, without the prior written approval of the State Project Manager is at the Contractor's risk of non-payment. The Contract will not exceed _____.

Insert Payment Terms from Solicitation here

5.2 INVOICING

- A. The Department reserves the right to reduce or withhold Contract payment in the event the Contractor does not provide the Department with all required deliverables within the time frame specified in the Contract, fails to perform in a satisfactory and timely manner, or in the event that the Contractor otherwise materially breaches the terms and conditions of the Contract.
- B. Invoices must be addressed to:

Voice: **Fax:**
Email:

All invoices must be signed and dated in addition to including the Contractor's mailing address, the Contractor's Federal Tax ID number, which is _____, the State's assigned contract control number, the goods/services provided, the time period covered by the invoice, and the amount of requested payment.

- C. Payments to the Contractor pursuant to this Contract shall be made no later than thirty (30) days after receipt of an approved invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, as applicable, are prohibited.

6. COSTS AND PRICE CERTIFICATION

By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of the date of its bid. The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date of its bid, was inaccurate, incomplete, or not current.

7. CONTINGENT FEE PROHIBITION

The Contractor warrants and certifies that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Contractor, to solicit or secure this Contract, and that it has not paid, or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this

Contract.

8. NON-AVAILABILITY OF FUNDING

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any non-recurring cost incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

9. NON-HIRING OF STATE OFFICIALS AND EMPLOYEES

No official or employee of the State, as defined under State Government Article, §15-102, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall, during the pendency and term of this Contract and while serving as an official or employee of the State, become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

10. INDEPENDENT CONTRACTOR STATUS

The Contractor is an independent Contractor and neither the Contractor nor its employees, agents, or representatives shall be considered employees, agents, or representatives of the State or the Department. Nothing contained in this Contract is intended or should be construed as creating the relationship of co-partners, joint ventures, or an association between the State or the Department and the Contractor.

From any amount due the Contractor, there will be no deductions for federal income tax or FICA payments, or for any State income tax, or for any other purposes that are associated with any employer-employee relationship, unless required by law. Payment of federal income tax, FICA, and any State income tax is the responsibility of the Contractor.

11. MARYLAND LAW

The place of performance of this Contract shall be the State of Maryland. This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

12. COMPLIANCE WITH LAWS

The Contractor hereby warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified.
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, or the Federal Government, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract.
- C. It shall comply with all applicable federal, State and local governmental laws, regulations and standards applicable to its activities and obligations under this Contract.
- D. It shall obtain, at its expense, all licenses, permits, insurance and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

13. PRE-EXISTING REGULATIONS

In accordance with the provisions of §11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in COMAR Title 21 in effect on the date of execution of this Contract are applicable to this Contract.

14. SUBCONTRACTING AND SUCCESSOR IN INTEREST

14.1 The Contractor shall not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State Project Manager. The Contractor shall not assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the State Project Manager. Any such subcontract or assignment, including the terms and conditions of any such agreement, shall be subject to the unilateral determination of the State Project Manager to protect the interest of the State. The Department shall not be responsible for the fulfillment of the Contractor's obligation to the subcontractors.

14.2 The Contractor shall notify the State Project Manager, in writing, regarding its intent or thirty (30) days before its final decision, to merge, acquire or be acquired by another organization (novation). The Contractor shall provide the State Project Manager with the documentation required by COMAR 21.05.02.24.

14.3 The Contractor shall notify the State Project Manager, in writing, within twenty-four (24) hours of a filing of bankruptcy and identify the Department and the State of

Maryland as a secured creditor.

15. PROMPT PAYMENT OF SUBCONTRACTORS

15.1 The Contractor shall ensure that all subcontractors, including MBE subcontractors, are promptly paid any undisputed amount to which the subcontractor is entitled. An undisputed amount is an amount owed by a contractor to a subcontractor for which there is no good faith dispute, including any retainage withheld, and includes an amount withheld because of issues arising out of an agreement or occurrence unrelated to the agreement under which the amount is withheld.

15.2 If the Contractor withholds payment of an undisputed amount to its subcontractors, the Department, may, at its sole option and discretion: a) refuse to process further payments to the Contractor until payment to the subcontractor is verified; b) suspend all or some of the contract work without affecting the completion date(s) for the contract work; c) pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due; d) place a payment for an undisputed amount in an interest-bearing escrow account; or e) take other or further actions as appropriate to resolve the withheld payment.

15.3 Upon completion of the contract, but before final payment or release of retainage or both, the Contractor shall submit a final report, in affidavit form under the penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

15.4 The remedies enumerated above are in addition to those provided under COMAR 21.11.03.13 with respect to subcontractors that have contracted pursuant to the Minority Business Enterprise program.

15.5 To ensure compliance with certified MBE subcontract participation goals, and to monitor compliance with the terms of the contract, the Department shall take action to remedy noncompliance consistent with COMAR 21.11.03.13.

15.6 An act, failure to act, or decision of a procurement officer or a representative of the Department, concerning a withheld payment between the Contractor and subcontractor under Section 15 herein, may not affect the rights of the contracting parties under any other provision of law, be used as evidence on the merits of a dispute between the Agency and the contractor in any other proceeding, or result in liability against or prejudice the rights of the Department.

16. NONDISCRIMINATION IN EMPLOYMENT

The Contractor shall not discriminate against any employee or applicant for employment because of marital status, race, color, religion, sex, age, physical or mental disability, national origin, or sexual orientation. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination because of their race, color, religion, sex, age, physical or mental

disability, national origin, or sexual orientation. The Contractor shall post in conspicuous places, available for employees and applicants for employment, notices to be provided by the State Project Manager or by the governmental agency exercising jurisdiction, setting forth the substance of this clause.

17. NONDISCRIMINATION IN PROGRAMS/AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor agrees that, in providing any aid, benefit, service, program, or activity, under this Contract on behalf of the Department, it will not: (a) deny any individual the opportunity to participate in or benefit from the aid, benefit or service equal to that provided others; (b) provide a qualified individual with a disability with any aid, benefit, or service that is not as effective in affording equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as that provided to others; (c) provide different or separate aid, benefits, or service to individuals or classes of individuals with disabilities than is provided to others unless such action is necessary to provide qualified individuals with disabilities with aids, benefits, or services that are as effective as those provided to others; (d) deny a qualified individual with a disability the opportunity to participate as a member of any planning or advisory boards; or, (e) otherwise limit opportunity enjoyed by others receiving the aid, benefit, or service.

The Contractor agrees further to not utilize criteria or methods of administration that have the effect of subjecting anyone to discrimination on the basis of disability, or have the purpose or effect of defeating or substantially impairing accomplishment of the objectives of the Department of Human Resources' program with respect to individuals with disabilities.

18. CONFIDENTIALITY AND SAFEGUARDING CLIENT INFORMATION

Except in accordance with a court order, neither party shall use or disclose any information concerning a recipient of the services provided under this Contract for any purposes not directly connected with the administration of such services, except upon written consent of the other party and the recipient or his/her responsible parent, guardian, or legal representative or as required by §§ 10-611, et seq., State Government Article and Human Services Article §§ 1-201 to 1-205, Maryland Annotated Code and COMAR 07.01.07.

Nothing in this Contract shall prevent the Department or the Contractor from using and disclosing statistical data derived from information concerning a recipient of the services provided under this Contract so long as that statistical data does not identify any recipient of such services.

19. DELAYS AND EXTENSIONS OF TIME

The Contractor agrees to perform this Contract continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances, regardless of cause, in the performance of services under this Contract. Time extensions

may be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a State Contract, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or the delays of a subcontractor or supplier arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor, subcontractor, or suppliers.

20. INDEMNIFICATION

20.1 The Contractor shall indemnify the State against liability for any suits, actions, or claims of any character arising from or relating to the performance of the Contractor or its subcontractors under this Contract.

20.2 The State has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.

20.3 The State has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract. The State shall only be liable up to the amount for which it is found liable under the Maryland Tort Claims Act, §§ 12-101, *et seq.*, State Government Article, Annotated Code of Maryland.

20.4 The Contractor shall immediately notify the State Project Manager of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under the Contract, and will cooperate, assist, and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's performance under this Contract.

21. SUSPENSION OF WORK

The State Project Manager unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the State may determine to be appropriate for the benefit of the Department.

22. TERMINATION FOR CONVENIENCE

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or, from time to time, in part, whenever the State Project Manager shall determine that such termination is in the best interest of the State. The State will ensure that the Contractor is paid for all reasonable, allowable and allocable costs associated with the termination of this Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the

date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by COMAR 21.07.01.12A (2).

23. TERMINATION FOR DEFAULT

If the Contractor fails to fulfill its obligations under this Contract properly and in a timely manner, or otherwise violates any provision of the Contract, the State may terminate the Contract for default. The State Project Manager shall give the Contractor thirty (30) days prior written notice of such default, and if the Contractor has not submitted a corrective action plan within seven (7) days and cured such default within the thirty (30) day period, the State Project Manager may, by written notice, within five (5) days after expiration of this period, terminate the Contract. The notice shall specify the acts or omissions relied on as cause for termination. All finished or unfinished supplies and services provided by the Contractor shall, at the State's option, become the Department's property. The State shall pay the Contractor fair and equitable compensation for satisfactory performance up to the effective date of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

24. DISPUTES

This Contract shall be subject to the provisions of Title 15, Subtitle 2, State Finance and Procurement Article, Annotated Code of Maryland, and COMAR 21.10. (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Contracts Administrator's decision. Unless a lesser period is provided by statute, regulation, or this Contract, the Contractor must file a written notice of claim with the State Project Manager within thirty (30) days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within thirty (30) days of the filing of a notice of claim, but no later than the date of final payment under this Contract, the Contractor must submit to the State Project Manager its written claim containing the information specified in COMAR 21.10.04.02.

25. MERGER, AMENDMENTS, AND/OR MODIFICATIONS

This Contract, together with the Attachments attached hereto and incorporated herein by reference, represents the complete, entire, total and final Contract between the Department and the Contractor. No other understanding or representation, oral or written, regarding the subject matter of this Contract, shall be deemed to exist or to bind the Department and the Contractor hereto, and any such understanding or representation existing prior to the execution of this Contract is hereby specifically and entirely superseded thereby. The Department and the Contractor expressly reserve the right to amend, alter, vary, modify or waive any provision of this Contract provided only that:

- A. Such amendment, alteration, variation, modification, or waiver must first be approved in writing by the State Project Manager, subject to any additional approvals required by State law; and
- B. After the provisions of (a) above have been fully satisfied, such amendment, alteration, variation, modification, or waiver shall be valid only when reduced to a writing which has been duly signed by each and every signatory to the original of this Contract or, in the alternative, to any and all legal successors to the aforesaid signatories.

The Parties hereby expressly acknowledge the possibility of substantial changes in federal regulations applicable to the Contract and expressly agree to renegotiate this Contract as necessary to comply with such changes.

25.1 The Parties expressly reserve the right to extend the term of the Contract, without additional cost to the State beyond the NTE amount identified in Section 5.1 herein and for services provided beyond the original term of the Contract, provided the extension is for a reasonable, limited, and defined time, and provided that the scope of work under the extension is the same as the original Contract. It is also agreed that all such modifications shall be reduced to writing, signed by the Parties, and may be subject to approval by the Board of Public Works.

26. FINANCIAL DISCLOSURE

The Contractor shall comply with the provisions of §13-221 of the State Finance and Procurement Article, Annotated Code of Maryland, which requires that every business that enters into contracts, leases or other contracts with the State or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within thirty (30) days of the time when the aggregate value of these contracts, leases or other contracts reaches \$100,000, file with the Secretary of State of Maryland a list that contains the name and addresses of: any resident agent of the business; each officer of the business; and if, known, each person who has beneficial ownership of the business.

27. POLITICAL CONTRIBUTION DISCLOSURE

The Contractor shall comply with §§ 14-101 through 14-108, Election Law Article, Annotated Code of Maryland, which requires that every person that enters into contracts, leases or other contracts with the State, a county, or an incorporated municipality, or their agencies, during any 12-month period in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws:

- A. Before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two (2) calendar years; and
- B. If the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on:
 - (i) February 5, to cover the six (6)-month period ending January 31; and
 - (ii) August 5, to cover the six (6)-month period ending July 31.

28. RETENTION OF RECORDS

The Contractor shall retain all books, records, including documents that reflect all direct or indirect costs expended in the performance of this Contract for a period of no less than three (3) years after the date of final payment, in accordance with COMAR 21.07.01.21.

29. RIGHTS TO RECORDS

29.1 The Contractor agrees that all documents and materials, including, but not limited to, reports, work papers, studies, computations, and data prepared by the Contractor for purposes of this Contract shall be the sole property of the Department and shall be available to the Department at any time. To the extent that the Contractor incorporates any of its materials, reports or data into the documents and materials delivered under any Deliverable, the Contractor hereby grants to the State a royalty-free, non-exclusive right to use such Contractor's information solely for the State's use and that of its agents.

29.2 Notwithstanding anything to the contrary in this Contract, Contractor shall have the right to retain a copy of all its work papers and administrative records but shall not be entitled to use such documents except for the benefit of the State or the Contractor's internal record keeping requirements.

29.3 At any time during normal business hours, and as deemed necessary by the State, the Contractor agrees that the State or any of its duly authorized representatives shall have access to and the right to audit any supporting document, including but not limited to all of the records stated above, for a period of five (5) years after completion of the Contract, final payment by the State, or any applicable statute of limitations, whichever is longer. The Contractor shall permit the State to make excerpts or transcripts from the photocopies of all such records the State auditor deems appropriate. The Contractor further agrees that the independent CPA or firm hired by the Contractor will allow the Department to examine any of the working papers considered or used in preparing the audit for the time period detailed above. The Contractor shall give the State or any of its duly authorized representatives explicit authorization to review and copy any records maintained by another government agency which are related to the expenditures incurred by the Contractor in the performance of services under this Contract or in compliance with this Contract and applicable laws and regulations. These agencies may include, but

are not limited to, the Comptroller of the Treasury, State Department of Assessments and Taxation, and State Unemployment Insurance Fund. The Contractor acknowledges that the Department is authorized by it to review and copy any such records, and hereby certifies that its execution of this Contract is evidence of this authorization and may be construed by these agencies as authorizing the release of any such records to the Department upon the request of the Department, with no further written authorization from the Contractor being necessary.

29.4 The State, or its employees, agents or designees, including auditors in the Office of Inspector General, may make unannounced visits to the Contractor's facility at any time. In all other instances, the Contractor shall make its facility available for inspection or visits by the State upon two (2) business days notice.

30. LOSS OF DATA

In the event of loss of any data or records necessary for the performance of this Contract, where such loss is due to the error or negligence of the Contractor, subcontractors, or agents, the Contractor shall be responsible, irrespective of cost to the Contractor, for recreating such lost data or records on a schedule set by the State Project Manager.

31. CONTINGENT FEE PROTECTION

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, agent, or salesperson, or commercial selling agency working for the Contractor, to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or salesperson, or commercial selling agency, any fee or other consideration contingent on the making of this contract.

32. COMMERCIAL NONDISCRIMINATION

32.1 As a condition of entering into this Agreement, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of Contractor from participating

in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

32.2 The Contractor shall include the above Commercial Nondiscrimination clause, or similar clause approved by DHR, in all sub-contracts.

32.3 As a condition of entering into this Agreement, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. Contractor understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

33. PURCHASE AND TREATMENT OF ASSETS

- A. Contractor shall obtain written approval of the Department for any purchase of assets with funds paid under this contract, excluding ordinary office supplies, except that such is not required with regard to purchase of assets described in the Appendix attached hereto.
- B. Title to all property purchased by the Department shall remain in the Department. Title to all property acquired by the Contractor at a cost of over five hundred (\$500) dollars including purchase by lease-purchase agreement for the cost of which the Contractor is to be reimbursed under this contract, shall immediately vest in the Department upon (i) issuance for use of such property in the performance of this Contract, or (ii) reimbursement of the cost thereof by the Department, whichever occurs first.
- C. The Contractor shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of the Department's property so as to assure its full availability and usefulness for the performance of this Contract.
- D. The Department's property shall, unless otherwise provided herein, or approved in writing by the Department, be used only for the performance of this Contract.
- E. In the event that the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Department's property, it shall use the proceeds to repair, renovate, or replace the Department's property involved, or shall credit such proceeds against the

cost of the work covered by the Contract, or shall otherwise reimburse the Department as directed by the Department.

- F. At the conclusion of the term of this Contract, the Contractor shall deliver to the Department a listing of all the Department's property purchased hereunder, showing the following information as to each property item:
- (i) Description of the property;
 - (ii) Manufacturer's serial number or other identification number;
 - (iii) Acquisition date and cost;
 - (iv) Source of the property;
 - (v) Percentage of Federal funds used in acquisition of the property;
and
 - (vi) Location, use and condition of the property.

33.1 Upon termination of the Contract, the Department may require the Contractor to deliver to the Department any property specifically produced or acquired for the performance of this Contract.

34. ADMINISTRATIVE

State Project Manager. All matters relating to compliance with this Contract shall be referred to the State Project Manager for determination.

Procurement Officer. All matters relating to the interpretation of this Contract shall be referred to the Procurement Officer for determination.

Notices. All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

If to the State:

If to the Contractor:

35. TECHNICAL ASSISTANCE AND CONSULTATION

The Department shall furnish the Contractor with such technical assistance and consultation by the Department's staff as is reasonably necessary to assure satisfactory performance in providing the services required by this Contract and be it readily available elsewhere.

The use of funds under this Contract by the Contractor to hire consultants shall require the prior approval by the Department's designated Procurement Officer, of any such arrangement and the proposed work plan of the consultant(s) involved.

36. PUBLICITY

The Contractor, if providing direct services to the Department's clients, agrees to include an acknowledgement of funding received from the Department under this Contract in any and all related publications. "Related Publications" are not limited to publications funded under the Contract.

37. DRUG AND ALCOHOL FREE WORKPLACE

The Contractor shall maintain a drug and alcohol free workplace, in accordance with COMAR 21.11.08, Drug and Alcohol Free Work Place.

IN WITNESS WHEREOF, the Parties have executed this Contract and have caused their respective seals to be affixed hereto.

ATTEST:

FOR: CONTRACTOR

Witness

By:

Type Title Here
Title

Date Signed

FOR: DEPARTMENT OF HUMAN RESOURCES

Witness

By:

Type Title Here
Title

Date Signed

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

ASSISTANT ATTORNEY GENERAL

(Date)

APPROVED BY BPW:

(BPW Item #)

(Date)

Attachment 1-10 – Employee Security Advisory



STATE OF MARYLAND

DEPARTMENT OF HUMAN RESOURCES – HRDT

EMPLOYEE SECURITY ADVISORY

This form is an acknowledgment of the responsibilities of employees in regard to the use of computer equipment, data, and software, including; mainframe computers, mini-computers, personal computers, either stand-alone or connected to local area networks (LANS), wide area networks (WANS), the Internet, an intranet, etc. Authorized access to and use of information and computer resources is limited to the PURPOSE for which these privileges are granted. Violation of this policy can result in disciplinary action including suspension and/or termination of employment. This advisory is initiated for informational purposes only. The following paragraphs shall in no way be construed as a waiver by an employee of the rights and protection provided to employees by the Merit System Law (State Personnel & Pension Article of the Annotated Code of Maryland).

The Department of Human Resources adheres to the State Policy: Data Processing Resources Security, as authorized by the Governor's Executive Order 01.01. 1983.18 entitled "Privacy and State Data System Security"; the State Data Security Committee, State Agency Data System Security Practices; Article 27, Section 45A and 146 of the Annotated Code of Maryland. In addition, other Federal and State Laws and Regulations affect the access to and use of computer information such as the U.S. Computer Crime Statute 18 U.S.C. Section 1030, Computer Security Act of 1987, Privacy Act of 1974, Freedom of Information Act, Computer Software Rental Amendments Act (1990), Fair Credit Reporting Act, Computer Fraud and Abuse Act (1986) Computer Abuse Amendments Act (1994), and Federal copyright Law.

Specifically, PROHIBITED ACTS include, but are not limited to:

- 1. Unauthorized access to or use of a computer, data, or software.
2. Unauthorized copying of software.
3. Use of unauthorized or unlicensed software.
4. Unauthorized obtaining, copying, or disclosure of confidential information.
5. Unauthorized modification to or altering of data or software.
6. Introduction of false information to public records.
7. Disruption or interruption of the operation of a computer.
8. Disruption of government operations or public services by means of a computer.
9. Unauthorized taking or destroying data or software.
10. Unauthorized creating / altering a financial instrument or fund transfer.
11. Misuse or disclosure of passwords and LOGON IDs.
12. Unauthorized breaching a computer security system.
13. Damaging, destroying, or the unauthorized altering / removal of computer equipment or supplies.
14. Devising or executing a scheme to defraud.
15. Obtaining or controlling money, property, information, or services under false pretenses.
16. Use of equipment, software, or data for other than the business of the State of Maryland.

All authorized users during the term of their granted access and thereafter, shall hold in strictest confidence and not willfully disclose to any person, firm or corporation without the express authorization of the Department of Human Resources Data Security Officer, any information related to security, operations, techniques, procedures, or any other automated system matter.

Any breach of security must be promptly reported to the Department of Human Resources, OIM Data Security Division, and the OIG.

I acknowledge that I have read and understand this security advisory.

Date: _____ Signature: _____

Name (Print): _____

Date: _____ Witness Signature: _____

Witness Name (Print): _____

Attachment 1-11 – FIA Action Transmittal 11-01



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

Family Investment Administration
ACTION TRANSMITTAL

Control Number: #11-01

Effective Date: UPON RECEIPT

Issuance Date: July 19, 2010

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

**FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR
CARNITRA WHITE, EXECUTIVE DIRECTOR, SOCIAL SERVICES
ADMINISTRATION**

**RE: CONFIDENTIALITY AND SAFEGUARDING PERSONALLY
IDENTIFIABLE INFORMATION (PII)**

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA), TEMPORARY
DISABILITY ASSISTANCE PROGRAM (TDAP), PUBLIC
ASSISTANCE TO ADULTS (PAA), FOSTER CARE (FC)**

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

The purpose of this Action Transmittal is to provide additional information on the procedures for safeguarding the confidentiality of Interim Assistance Reimbursement (IAR) data, customer personally identifiable information (PII) and the limitations on the use of that data. This AT speaks specifically to IAR information, but is in conjunction with other information on confidentiality and safeguarding information that was previously issued.

IAR information is subject to the Privacy Act, the Federal Information Security Management Act (FISMA) (Public Law 107-347, Title III, section 301) as it applies to the electronic storage, transport of records between agencies, and the internal processing of records received by the state under the terms of its agreement with the Federal government. Federal law (e.g., 42U.S.C. subsection 1306(a), 5 U.S.C. subsections 552 and 552a, and implementing regulations 20 CFR Part 401) further protect IAR data.

All employees must properly safeguard PII furnished by SSA under the IAR agreement from loss, theft or inadvertent disclosure. Employees must understand that they are responsible for safeguarding this information at all times, regardless of whether or not the State employee or the contractor/agent is at his or her regular work site.

SSA at its discretion may conduct onsite inspections to monitor compliance with FISMA regulations.

IAR data includes the:

- Interim Reimbursement Authorization form (DHR/FIA340)
- automated data that the state transmits to Social Security
- notice provided to individuals advising how the SSI reimbursement was calculated
- electronic accounting information SSA sends to the state

Personally Identifiable Information (PII) includes:

- Social Security Number
- Name of individual
- Date of Birth
- Address of individual

ACTION REQUIRED:

Local departments must ensure that the following safeguards are in place:

1. Access to the data will be restricted to only those authorized staff who need it to perform their official duties in connection with the intended use of the data;
2. The data will be stored using a secure Internet process or in an area that is physically safe from access by unauthorized persons during duty hours as well as non-duty hours or when not in use;
3. The data will be processed under the immediate supervision and control of authorized personnel in a manner which will protect the confidentiality of the data, and in such a way that unauthorized persons cannot retrieve the data by means of computer, remote terminal or other means; and
4. All personnel who have access to the data will be :
 - advised of the confidential nature of the information,
 - the safeguards required to protect the information, and
 - the sanctions for noncompliance with those safeguards

Incident Reporting

All staff must properly safeguard PII from loss, theft or inadvertent disclosure. Employees must understand that they are responsible for safeguarding this information at all times, regardless of whether or not the employee or the contractor/agent is at his or her regular work site.

- All laptops and other electronic devices/media containing PII and used by staff or contractors must be encrypted and/or password protected.

- Email containing PII must only be e-mailed to and from addresses that are secure or encrypted.
- All employees must adhere to these procedures.
- The disclosure of customer information and details relating to a potential or real PII loss is limited to those with a need to know only.
- When an employee becomes aware of the possible or suspected loss of PII, the supervisor and designated local department staff must be notified of the incident immediately.
 - LDSS administrative staff must immediately contact Vesta Kimble at 410-767-7947 or Rosemary Malone at 410-767-7949 or their designees.
 - State staff must notify the SSA regional office contact or if for some other reason, e.g., it is outside the regional office's normal business hours, the State staff must call SSA's Network Customer Service Center (NCSC) at 410-965-7777 or toll free at 1-888-772-6111.
- In the event of a potential or suspected loss, updates must be provided to the SSA using the required Worksheet for Reporting Loss or Potential Loss of Personally Identifiable Information (PII) (see attached).
- The State and/or contractor/agent must use the worksheet to quickly gather and organize information about the incident.

ACTION DUE: Upon receipt

INQUIRIES: Please direct all TCA inquiries to Marilyn Lorenzo at 410-767-7333 or mlorenzo@dhr.state.md.us or Gretchen Simpson at 410-767-7937 or gsimpson@dhr.state.md.us.

cc: DHR Executive Staff
FIA Management Staff
Constituent Services
DHR Help Desk

**Worksheet for Reporting Loss or Potential Loss
of Personally Identifiable Information (PII)**

1. Information about the individual making the report:

Name					
Position					
State Agency/Company					
Phone Numbers					
Work		Cell		Home/Other	
Email Address					
Position Type (<i>select one</i>)					
<input type="checkbox"/>	Management Official	<input type="checkbox"/>	Security Officer	<input type="checkbox"/>	Non-Management

2. Information about the data that was lost/stolen:

Describe what was lost or stolen (*e.g., case file, MBR data*):

Which element(s) of PII did the data contain?

Name		Bank Account Information	
SSN		Medical/Health Information	
Date of Birth		Benefit Payment Information	
Place of Birth		Mother's Maiden Name	
Address			
Other (<i>describe</i>)			
Estimated volume of records involved			

3. How was the data physically stored, packaged and/or contained?

Paper or Electronic (*circle one and continue below*):

If Electronic, what type of device?

Laptop	<input type="checkbox"/>	Tablet	<input type="checkbox"/>	Backup Tape	<input type="checkbox"/>	Blackberry	<input type="checkbox"/>
Workstation	<input type="checkbox"/>	Server	<input type="checkbox"/>	CD/DVD	<input type="checkbox"/>	Blackberry Phone #	<input type="checkbox"/>
Hard Drive	<input type="checkbox"/>	Floppy Disk	<input type="checkbox"/>	USB Drive	<input type="checkbox"/>		<input type="checkbox"/>
Other (<i>describe</i>)							

Additional questions, if electronic:

	Yes	No	Not Sure
a. Was the device encrypted?			
b. Was the device password protected?			
c. If a laptop or tablet, was a VPN SmartCard lost?			
Cardholder's Name			

**Worksheet for Reporting Loss or Potential Loss
of Personally Identifiable Information (PII)**

Cardholder's SSA logon PIN	
Hardware Make/Model	
Hardware Serial #	

If Paper:

	Yes	No	Not Sure
a. Was the information in a locked briefcase?			
b. Was the information in a locked cabinet or drawer?			
c. Was the information in a locked vehicle trunk?			
d. Was the information redacted (personal information deleted or blacked out)?			
e. Other (<i>describe</i>)			

4. Information about the individual in possession of the data at the time of loss (if same individual as in #1, please indicate "Same as in #1"):

Name			
Position			
State Agency/Company			
Phone Numbers:			
Work	Cell	Home/Other	
Email Address			

If person who was in possession of the data or assigned to the data is a contractor employee:

Contractor	
State Agency Contract Identification Number (<i>if known</i>)	

5. Circumstances of the loss:

a. When was it lost/stolen?
b. Brief description of how the loss/theft occurred:
c. When was it reported to an SSA management official (<i>date and time</i>)?

**Worksheet for Reporting Loss or Potential Loss
of Personally Identifiable Information (PII)**

6. Have any other SSA components/individuals been contacted? If so, who? (include Deputy Commissioner-level, Agency-level, Regional/Associate-level component names)

Name	SSA Component	Phone Number

7. What reports have been filed? (include local police, and SSA reports)

Report Filed	Yes	No	Report Number
Local Police			
Other (<i>describe</i>)			

Attachment 1-12 – Supplier Memorandum of Agreement

**MEMORANDUM OF AGREEMENT
BETWEEN
THE MARYLAND DEPARTMENT OF HUMAN RESOURCES
AND**

**_____ ,
A COMPANY SUPPLYING HOME ENERGY UNDER THE
HOME ENERGY ASSISTANCE ACT OF 1981 AS AMENDED BY CONGRESS**

THIS MEMORANDUM OF AGREEMENT ("MOU" or "Agreement") is entered into and effective this _____ day of _____, 2011 by the State of Maryland, by and through the Maryland Department of Human Resources, Office of Home Energy Programs (the "Department"), located at 311 W. Saratoga Street, Baltimore, Maryland 21201, and _____ ("Supplier"), whose principal address is _____.

The Supplier's Federal Tax Identification Number and Special Fuel Seller's License (oil and kerosene Suppliers) Numbers are _____.

WHEREAS, the Department is seeking to enter into agreements with Suppliers of oil, propane or kerosene, coal, wood, or other fuel used to heat a residence, for the purpose of to supplying qualified applicants with home energy; and

WHEREAS, Supplier agrees to deliver home energy to qualified applicants based upon the terms and conditions set forth below.

NOW THEREFORE, the Parties mutually agree as follows:

I. DEFINITIONS

For purposes of this Agreement, the following terms have the meaning indicated:

- A. **Eligible Household** means an applicant whose household (as defined in 42 USC Section 8622 (5)) is authorized for home heating assistance under the grant received by the State of Maryland pursuant to the Low Income Home Energy Assistance Act of 1981, as amended (the "Act").
- B. **Home Energy** means oil, kerosene, propane, coal, wood, or any other source of heating used in a residential dwelling.
- C. **Department** means the Maryland Department of Human Resources
- D. **Energy Delivery Statement ("EDS")** means a list of program eligible households containing necessary customer and benefit information and serves as the authorization to deliver.
- E. **Energy Deliver Record ("EDR")** means an annual summary of payments issued to the Supplier during the program year.
- F. **Grant** means the maximum payment amount authorized by the OHEP for the purchase of home energy by a household.

- G. *Local Administering Agency (s) ("LAA")* means local organizations under contract or agreement to the OHEP to manage and make payment for home energy deliveries in each county jurisdiction.
- H. *Maryland Energy Assistance Program ("MEAP")* the local home energy assistance program created under the federal Low Income Home Energy Assistance Act of 1981.
- I. *Office of Home Energy Program ("OHEP")* means the unit within the Department responsible for implementing the Maryland energy assistance program.

II. PAYMENT AND DISCOUNT

OHEP, acting through the LAA as its agent, will make cash payments to the Supplier for home energy supplied to eligible households during the term of this Agreement. The Supplier shall deliver, to each assigned household, home energy up to the dollar amount stated on the Energy Delivery Statement (EDS) for that household. The Supplier shall charge the household, in the normal billing process, the difference, if any, between the actual cost of the energy supplied and the amount of the payment made by the OHEP, except that the household shall not be charged the three percent (3%) discount established below.

OHEP will deduct three percent (3%) of the total dollars paid for each EDS as a discount for payment in advance of energy deliveries. OHEP will pay the Supplier ninety-seven percent (97%) of the value of individual household grants on the EDS. When a refund of an individual household's undelivered grant is required either during the program year or at the close of the heating season, the refund is calculated on a proportional basis, for example, ninety-seven percent (97%) of the undelivered grant is refunded to the LAA.

III. DELIVERY PRICE

Payment for delivery is based on the Supplier's lowest applicable residential price per unit on the day of delivery. The residential price for MEAP households must be, at the minimum, equivalent to the cash price if the Supplier offers such a price. This residential price need not include any special discount (e.g. senior, automatic delivery discount). Crisis deliveries made before payment are exempt from the lowest applicable residential price requirement offered by the Supplier.

IV. ENERGY DELIVERY STATEMENT (EDS) WITH ONE PAYMENT CHECK

OHEP, acting through the LAA as its agent, will send to the Supplier a list of eligible households, known as an EDS, that shows the dollar value of each eligible household's grant. The EDS represents OHEP's authorization to deliver up to the full amount of the eligible household's grant. The actual payment to Supplier is ninety-seven percent (97%) of the household's grant. A single check will be included with the EDS for those households on whose behalf the payment is

made. When the EDS is received, disputes with regard to the determination of eligibility and/or maximum grant and/or potential fraud should be resolved between the LAA and the Supplier before delivery is made.

V. AVAILABILITY OF FEDERAL FUNDS

Payment of all grants is contingent upon the Department receiving funds to pay for the cost of home energy from the federal Department of Health and Human Services. In the event the Department does not receive sufficient funds to satisfy its total obligations for the projected number of households, the Department shall have the sole discretion as to the disbursement of funds according to the provisions of the Low Income Home Energy Assistance Act and any other applicable laws.

VI. NOTIFICATION OF GRANT TO ELIGIBLE HOUSEHOLD

OHEP, acting through the LAA as its agent, will give notice to the eligible household when it certifies the application of the amount of assistance to be paid on the household's behalf, the type of energy to be delivered, and the name of the participating Supplier chosen by the household at the time of application.

VII. CRISIS ASSISTANCE

The Federal regulations require that households applying for crisis grants receive assistance either within eighteen (18) hours if life-threatening, or forty-eight (48) hours from the time the client contacts the LAA. Supplier shall deliver crisis assistance portion of the grant within the deadline given by the LAA. Payment for delivery of the crisis assistance is to be deducted from the amount of grant that the household is eligible to receive on the EDS unless the full grant is issued as the crisis payment. OHEP is not responsible for actual energy delivery costs of crisis assistance above the dollar amount stated on the EDS.

VIII. TIMELY DELIVERY AFTER EDS AND BILLING PROCESS

The Supplier shall provide home energy after receiving notification by means of the EDS, except that at the household's request, deliveries may be delayed. All deliveries are made based on the Supplier's unit price as specified in Section III. above.

Billing disputes, other than the determination of eligibility and/or the maximum grant, shall be resolved in accordance with the Supplier's generally applicable procedure. A copy of the supplier's procedures shall be submitted to OHEP within thirty (30) days from the effective date of the Contract.

In the event that a past due balance is owed to the Supplier prior to receipt of the EDS, the grant may be used to resolve the past due amount, but only to the extent the eligible household can receive the Supplier's minimum delivery amount of fuel.

IX. NON-DISCRIMINATION IN PROGRAM

The Supplier shall not discriminate against any eligible household covered by this Agreement in its terms and conditions of sale, credit, delivery or price, including service charges, reconnection charges and payment plan arrangements, or in any other services provided. No household receiving assistance pursuant to this Agreement shall be treated either adversely or differently from any other household because of such assistance under applicable provisions of federal, State, or public law and regulations.

X. NO DIRECT PAYMENT OF GRANT TO HOUSEHOLDS

Unless officially notified by the OHEP, the Supplier is prohibited from making direct cash payments of energy assistance grants to any household. Direct payments by Supplier to any eligible household, including credits to refunds due OHEP are prohibited and shall be grounds for termination.

XI. RETURN OF GRANT FUNDS

When a customer who has received energy assistance dies, moves from the Supplier's service area, changes fuel type, or becomes institutionalized, and there are no other eligible household members, the Supplier's obligation to the household under the Agreement terminates. The Supplier is required to return the undelivered balance attributable to that household, if any, to the LAA. Undelivered funds shall be refunded within thirty (30) days of the time the account is terminated or at the time the Energy Delivery Record (EDR) is received, or earlier if the LAA requests such a return.

XII. YEAR-END RECONCILIATION OF GRANT FUNDS

Funds paid for household grants not delivered by May 15th of each year, or later if designated by the OHEP, shall be returned by the Supplier to the LAA, where there is no active account or upon specific request by the LAA or OHEP. On or about May 15th, OHEP will provide the Supplier with an EDR form to record information as to the cost of all deliveries charged to each household grant and the remaining MEAP balance. The Supplier shall complete and return each EDR form and forward a check for the sum total of any undelivered grants along with the EDR.

The Supplier may substitute a report with the same information as required on the EDR form if a waiver is requested and approved by the OHEP.

XIII. TERMINATION OF DELIVERY SERVICE

The Supplier agrees that in the event it terminates service to a household, which has received home energy under this Agreement, it will do so in accordance with its generally applicable procedures. A copy of the supplier's procedures shall be submitted to OHEP within thirty (30) days of the effective date of the Contract.

XIV. FISCAL RECORDS AND AUDIT REVIEW

The Supplier shall establish such fiscal control and fund accounting procedures as is necessary to assure the proper invoicing, disbursement of and accounting for funds paid under this Agreement. The Supplier shall maintain an accounting system and supporting fiscal records adequate to allow OHEP to verify the amount of home energy delivered to eligible households covered by this Agreement and the amount of the payments made for home energy by or on behalf of such eligible households. The Supplier's records, for the period of this Agreement, shall be maintained for three (3) years after the heating delivery year or upon disposition of audit findings, whichever is later, and shall be made available for inspection and copying by OHEP representatives upon reasonable notice to the Supplier. Upon request from OHEP, the Supplier agrees to submit to OHEP information related to units delivered, dates of delivery, and costs per unit of home energy.

The Department may require an audit of the energy assistance program to be conducted by State Legislative Auditors or by an independent auditor. The independent audit shall be at the expense of the supplier.

XV. FEDERAL AND STATE COMPLIANCE

As a condition of OHEP's obligation to perform under this Agreement, the Supplier shall comply with all applicable federal, State, and local governmental regulations, standards, licensing and permit laws and ordinances, and such other requirements as are necessary for the lawful providing of the services required of the Supplier under the terms of this Agreement.

XVI. CONFIDENTIALITY OF INFORMATION

The use or disclosure by any Party of any information concerning a recipient of the services for any purpose inconsistent with the responsibilities and/or official duties of OHEP or Supplier under this Agreement or applicable provision of law is prohibited, except on written consent of the other Party and the recipient, or, if he is under a disability, his responsible parent, guardian or legal representative.

XVII. NON-DISCRIMINATION

The Supplier will not on the grounds of race, religion, color, national origin, sex, physical or mental disability, or age exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under, the grant program funded under this Agreement.

XVIII. NON-HIRING OF EMPLOYEES

No employee of the State of Maryland, or any department, commission, agency, or branch thereof, whose duties as such employee include matters related to or affecting the subject matter of this Agreement shall, while in such employment, become or be an employee of the Supplier.

XIX. AMENDMENTS AND MODIFICATIONS

This Agreement may be amended as the OHEP and Supplier mutually agree in writing. Except for the specific provision which is thereby amended, the Agreement shall remain in full force and effect after such amendment subject to the same laws, obligations, conditions, rules, provisions, and regulations as it was prior to said amendment.

XX. MARYLAND LAW

The laws of the State of Maryland shall govern the terms of this Agreement.

XXI. TERM OF THE AGREEMENT

This MOU is effective as per the date first written above and shall remain in effect for a period of five (5) years. The Parties, however, may mutually agree in writing to an earlier termination, or the Department, in its sole discretion, may serve upon the Supplier a written notification of intent to terminate the Agreement at any time. Termination is effective thirty (30) days from the date of the receipt of such notice. The rights of eligible households, which have received home energy under this Agreement, shall not be prejudiced in the event of early termination of this Agreement.

XXII. MISCELLANEOUS TERMS AND CONDITIONS

As a condition of this Agreement, the Supplier is to submit an Energy Supplier Data Form to the Department with this signed Agreement. Periodically, as requested by the OHEP, an updated Energy Supplier Data Form may be requested.

Suppliers are to notify the OHEP within thirty (30) days of any change in address or business operation, which affects the payment of benefits to the Supplier.

OHEP will notify all Suppliers, in writing, where Agreements are not renewed for failure to supply requested information, or where monitoring reviews reveal lack of compliance with Agreement requirements.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Agreement for the supply of home energy assistance as indicated below.

ATTEST:

FOR the Supplier:

Signature of Witness

Signature

Printed Name

Title

Date Signed

ATTEST:

FOR the Department of Human Resources:

Signature of Witness

Rosemary Malone

Interim Executive Director, Family Investment Administration
Title

Date

Approved as to form and legal sufficiency by the Office of the Attorney General,

This _____ day of _____, 2011.

Aretha J. Ector, Assistant Attorney General

CONTRACT AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the _____ (title) _____ and the duly authorized representative of _____ (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic ___) (foreign ___) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: _____
Address: _____

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated _____, 20__, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____
By: _____ (Authorized Representative and Affiant)

OHEP Energy Supplier Data Form

Company Name (To appear on checks.): _____

Business Address: _____

City: _____ State: _____ Zip: _____

Mailing Address (If same as above leave blank):

P.O. Box: _____

P.O. Box City: _____ P.O. Box State: _____ Zip: _____

Phones Numbers General: _____

Toll Free: _____ FAX: _____

Other 1: _____ Other 2: _____

Type of Corporation (Check): Incorporation Partnership Sole Ownership

Contact Persons (Please put OHEP/MEAP contact first. Include name, title, e-mail):

1: _____ Phone/Ext _____ e-mail: _____

2: _____ Phone/Ext _____ e-mail _____

3: _____ Phone/Ext _____ e-mail _____

Minority Business Enterprise (MBE) Designation (Circle): Yes No

MBE State of Registration: _____ MBE Number: _____

Federal Tax ID Number or Social Security Number: _____

Do you give the 3% Discount on Crisis Deliveries (Non-utilities only- Circle): Yes No

Fuel Dealer License Number: _____

Minimum Delivery Quantity: _____

Describe any special conditions that apply to deliveries, such as minimum delivery amounts, special charges, etc.:

Describe any special discounts or service your company offers (Attach a separate page, if necessary):

What fuels do you provide to consumers? (Check all that apply):

- | | | |
|--------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Propane | <input type="checkbox"/> Wood |
| <input type="checkbox"/> Natural Gas | <input type="checkbox"/> Kerosene | <input type="checkbox"/> Corn |
| <input type="checkbox"/> Oil | <input type="checkbox"/> Coal | <input type="checkbox"/> Other (Specify fuel) |

In what Maryland counties do you deliver the above fuel/s? (Check all that apply)

- | | | | |
|---|-------------------------------------|--|-------------------------------------|
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cecil | <input type="checkbox"/> Howard | <input type="checkbox"/> St. Mary's |
| <input type="checkbox"/> Anne Arundel | <input type="checkbox"/> Charles | <input type="checkbox"/> Kent | <input type="checkbox"/> Talbot |
| <input type="checkbox"/> Baltimore City | <input type="checkbox"/> Dorchester | <input type="checkbox"/> Montgomery | <input type="checkbox"/> Washington |
| <input type="checkbox"/> Baltimore | <input type="checkbox"/> Frederick | <input type="checkbox"/> Prince George's | <input type="checkbox"/> Wicomico |
| <input type="checkbox"/> Calvert | <input type="checkbox"/> Garrett | <input type="checkbox"/> Queen Anne's | <input type="checkbox"/> Worcester |
| <input type="checkbox"/> Caroline | <input type="checkbox"/> Harford | <input type="checkbox"/> Somerset | |
| <input type="checkbox"/> Carroll | | | |

Printed name and phone number of person completing this form: _____

Signature of person completing this form: _____

Name

Title

Date

Attachment 1-13 – Landlord Agreement

MARYLAND OFFICE OF HOME ENERGY PROGRAMS
LANDLORD AGREEMENT

I, _____, affirm that I am the Landlord (or Landlord's representative) of an applicant for energy assistance who resides in a rental unit at that I manage.

Please initial the appropriate lines below:

I do not wish to participate in the Maryland Energy Assistance Program.

I wish to participate and affirm that heating costs are:

included in the tenants' rent payments: or,
 payable as a separate utility charge as billed.

The tenant's heat is subsidized with the rent (Section 8 HUD--Housing & Urban Development).

The above named housing unit has been funded through the Department of Housing & Urban Development's Below Market interest Rate Program (BMIR).

The tenant's rent is subsidized through a State of Maryland program. Please indicate the name of the program. _____

Please circle the fuel type by which heat is provided: Gas Electric Oil Propane

I hereby agree to the following:

- 1) If the tenant is determined to be eligible for assistance under the Maryland Energy Assistance Program, a benefit to pay towards heating costs will be sent to me and
 I will apply the full benefit to any MEAP certified tenant's rent payment(s), reducing the amount owed by the tenant accordingly until the benefit is exhausted.; or,
 I will apply the full benefit to the utility charge until the benefit is exhausted.
 In the event of a Liability Offset reduction in the benefit check I understand that the requirements above must be met.

NOTE: Payments issued by the State of Maryland are subject to a Liability Offset. This means that each payment being issued by the State is reviewed for any obligations owed to the State. If found, it will be deducted from the check. Your obligation is still to credit the full amount of the benefit to the tenant.

- 2) I will not apply the tenant's MEAP benefit toward a security deposit or retain OHEP benefit in lieu of dwelling damages.

I will immediately notify the Agency named below should any eligible tenant move from the above address, prior to exhaustion of benefits and return the balance to OHEP.

I will notify the Agency named below if I decide to no longer participate in the Maryland Energy Assistance Program.

Landlords of roomers/boarders complete this section:

Current residents of each room may receive one benefit per room. If current residents leave, new tenants may receive a benefit for that room.

(Landlord Agreement continued)

NUMBER of rooms being rented: _____

CURRENT RESIDENTS of each room. Please list below:

Room #1: _____

Room #2: _____

Room #3: _____

Use additional space if necessary.

I am aware that anyone who knowingly provides false information in connection with the Maryland Energy Assistance Program will be fined not more than \$10,000 or imprisoned not more than five years or both.

Landlord/Company Name

Signature of Landlord or Authorized Representative

Date Signed Telephone Number

Office Address

Federal Tax I.D. Number or Social Security

Number

Note: This agreement is not valid if a Federal Tax I.D. or Social Security Number is not provided.

OFFICE USE ONLY
Date received:

Attachment 1-14 – Chapter 10 – Program Integrity

Chapter 10 – Program Integrity

I. Program Integrity Policy and Procedure

This outlines the Department of Human Resources, Family Investment Administration, and Office of Home Energy Programs (OHEP) for handling program integrity policy of the program, i.e., fraud.

Fraud may take the form of potential fraud or suspected fraud. Each local administering agency must implement procedures that minimize potential fraud or misrepresentation by applicants, energy suppliers, and employees .

Item #7 of the OHEP application, consented to by applicant signature, provides authorization for the LAA to screen, ask, and obtain information from various sources in order to determine eligibility for the OHEP programs. Therefore, investigative procedures do not result in a violation of privacy or personal dignity, constitute harassment or violate constitutional rights.

II. Identifying Applicant Fraud

- A. Applicant suspected program fraud could include, but is not limited to the following:
1. Willfully making a false statement or representation regarding household and/or financial condition (Such as claiming zero income for more than one program year or adding household members after initial application); or
 2. Willfully failing to disclose all information regarding household and/or financial condition; or
 3. Falsifying identification, income statement, or other fraudulent device.
- B. Duplicate Application Report – *[Report will correct errors such as duplicate applications with wrong social security numbers, addresses, wrong names, etc, to avoid duplicate payments to utilities]*
1. State OHEP will send a reminder email to LAA once per week (usually on Tuesday mornings)
 2. LAA will run the report as indicated on the reminder e-mail and make corrections to all outstanding errors
 - a. Corrections may require complex changes in the OHEP System. If necessary, LAAs should contact the Database Administrator for assistance.
 3. State OHEP will run the same report in the afternoon and, if errors were found, will send listing of the errors to LAA for a response
 4. State OHEP will maintain a running list of errors by County called the Bimonthly Quality Assurance Report
 - a. State OHEP will send out Bimonthly Quality Assurance Report every other month with total number of errors found
 - b. If the LAA continues to experience a high volume of errors training opportunities may be recommended and considered.

- C. Social Security Verification (SSNV) Report – *[Report will correct any SSN that is returned from Social Security Administration (SSA) with an Error Code]*
1. State OHEP will send a reminder email to LAA Once Per week (usually on Monday Mornings with a message to check the SSNV count)
 2. LAA will run the report as indicated and begin to make corrections as needed to achieve a zero SSNV code (State OHEP recommends correcting at least twenty SSNs daily)
 - a. Corrections may require complex changes in the OHEP System. If necessary, LAAs should contact the Database Administrator for assistance.
 3. LAA will create an excel spreadsheet to document those Error Codes that did not result from data entry omissions
 4. State OHEP will create a form letter that LAA can modify to send to applicants whose SSN error was not caused by data-entry omissions.
 5. State OHEP will maintain a running list of Errors for each LAA
- D. Prison and Death Record – *[Report will match names on Death Record to the names on current applicants. Records are monitored on a bimonthly basis. OHEP file is sent to Office of Inspector General (OIG) for Matches]*
1. State OHEP receives data from OIG and reviews it for matches.
 2. State OHEP matches the names on the record against current applicants, if the dates of incarceration or death precedes the dates of application, State OHEP will contact LAA via email for a review
 3. State OHEP will develop an excel spreadsheet with said title and the responsible LAA will investigate the applicant and findings will be reported to State OHEP staff.
 4. State OHEP will maintain a running list of matches found for each LAA

III. Responding to Suspected Fraud

- A. LAA Responsibilities (When evidence does NOT support suspected applicant fraud):
1. The LAA must be diligent in reviewing, screening, and cross referencing all information presented in the application for accuracy and completeness. If attached documents do not support the facts on the application, LAA must request additional information from the applicant with a specific response time. If the applicant fails to respond within the allowable time, that application must be denied for lack of information. Comments must be placed in the OHEP Database 'Notes' Section regarding the lack of adequate documentation to substantiate claims made on the application.
 2. The LAA must send a letter of denial for assistance to the applicant. The applicant can reapply with true, correct, and complete information following the applicant denial with the intention to evaluate the application thoroughly.

3. If the LAA's evaluation of the case record and documentation indicates that the applicant was confused about the processes or error was made on behalf of an LAA's employee and not the applicant, the LAA must immediately contact the applicant to make them aware of the confusion and the application must be processed immediately.

B. LAA Responsibilities (When the evidence SUPPORTS suspected applicant fraud):

1. The LAA must review and analyze the evidence provided and, where applicable, make contact with sources to verify and/or confirm information presented by applicant as proof to ensure that all facts have been cross-referenced for accuracy and completeness. All contacts made aside of applicant's information, must be documented with dates, names, and sources used to verify information must be included in the summary.
2. In cases of Zero Income claims the LAA, where applicable, must screen the applicant using MABS, CARES, WORK# or other similar legal databases to verify the claim. If LAA does not have access to these databases, the LAA must complete and send a screening request to the State OHEP staff for assistance.
3. The LAA can no longer send a referral directly to OIG. All referrals must be sent to State OHEP office and State staff will determine appropriateness of the referrals as needed. However, LAA must provide written information with evidence as needed to support claim of fraud and OIG referral.
4. If LAA verifies all information and finds that fraud was committed, the LAA must complete a summary with as much details as necessary, including actions the LAA has taken to further clarify or verify information and sent to the State OHEP office, along with any other documentation obtained during the LAA investigation.
5. The LAA must place the application in 'Pending' and the LAA must invite the applicant for a face to face interview to go over findings of facts. If at that time the applicant confesses to the fraudulent activity the LAA must obtain the confession in writing. If funds have been disbursed the applicant will be given the Promissory Note and Confessed Judgment documents. A schedule of payment plan will be made with applicant's approval.
6. If the applicant does not confess to fraudulent activity, the State OHEP staff will review the case and determine if the case should be referred to the OIG. A copy of the referral will be sent to the LAA. Once the case is referred, the application must be denied and a letter of denial sent to the applicant.
7. If after reviewing the documents, the LAA discovered that the applicant was at fault, the LAA must follow the regular fraud procedures as described above and any restitution must accompany a Promissory Note and Confessed Judgment protocols, and where applicable, a referral to OIG would ensue thereafter.
8. All outstanding restitution payments must be handled by State OHEP staff and the OIG, Attorney General's Office, and the Maryland Central Collection Unit (MCCU) may be

included and additional fees may apply to the total outstanding balance if cases were referred to the MCCU for collection

9. All court cases will be handled by State OHEP staff and the OIG. The LAA may be called to testify as to the factual evidence of the case. The LAA must maintain consistent record keeping with factual information that is supported by evidence for all fraud cases.
10. All applicants' fraud court correspondences will be coordinated by the State OHEP office, OIG, Attorney General's Office, and where applicable, the LAA will be notified by the State OHEP staff on the activities of the case and when additional information or witness is needed to testify.
11. The LAA must notify the State OHEP Office of any case in which criminal charges are filed and may not give notice to an applicant (or recipient) that a referral has been made to the State's Attorney's office prior to filing of charges. The LAA must maintain a file of all client fraud cases including all documentation and correspondence issued or received.

C. Questionable Income Applicant Investigation:

1. If the suspected fraud raises questions regarding employment income, where applicable, the LAA will complete the Wage Screening Request Form for all adult household members with zero income claims and email them to State OHEP staff for assistance with wage screening procedure (as needed when LAA do not have access to databases).

The LAA will send to the identified employer(s) a letter requesting completion of the Wage Verification Form for the named employee during the 90-day time period current to the application (or annual income if applicable) only if the applicant refused to provide this verification or if the applicants deny employment with the said employer. A copy of the client's signed Release of Information Form and a self-addressed, stamped envelope should be enclosed. The LAA must notify the applicant that additional information is being requested on their behalf from the employer.

2. Suspicions related to other income sources (such as public assistance, Social Security, Veteran's Administration, Unemployment Insurance or other monthly assistance programs) must be verified in writing by the agency providing the income and must indicate dollar amounts received during the period in question.
3. Other questionable income sources such as child support, room/board, etc., must be documented as outlined in Chapter Four.
4. If the suspected fraud relates to household members, the LAA must attempt to verify the number of residents through neighbors, energy suppliers, agency records, landlords, or other reliable sources.

Chapter 10 – Program Integrity

D. Uncooperative Applicant Fraud:

If a client does not cooperate with procedures as described above, the LAA must evaluate the case record and document evidence completely to ensure that the error was not caused by intake worker, certifier, incomplete information, and/or employee assisted fraud.

IV. Energy Supplier/Vendor Fraud

Energy supplier fraud, or non-compliance with the terms of the OHEP contract, may be evidence by: unusual changes in fuel price; delivery of incorrect amounts (e.g. amounts larger than volume of client's fuel tank); patterns of non-delivery; steering of benefits to favored energy suppliers by staff.

- A. The LAA must monitor all complaints received about energy suppliers. All complaints must be investigated and all follow-up actions must be documented.
- B. The LAA is responsible for collecting documented evidence to support complaints, including, as appropriate
 - 1. Applicant confirmations
 - 2. Delivery tickets
 - 3. Invoices
 - 4. Home visits to Benefits Recipients
 - 5. Statement of energy supplier/vendor or agency staff
- C. The LAA must suspend benefit payments to any energy supplier showing a pattern of non-delivery or against whom documentation of charges has been obtained. The LAA must notify the OHEP State Office immediately of any energy supplier to whom payments have been suspended.
- D. The LAA must request in writing from the energy suppliers (described above) return of all undelivered benefits.
- E. The LAA must send a first and second letter as needed via registered mail to the President of the company (within 14 calendar days of each other) requesting an immediate return of funds and a copy of that letter must be sent to the State OHEP office. The State OHEP office will be responsible for seeking restitution from the energy supplier.
- F. If no response is received after fourteen (14) calendar days from the second letter, the State OHEP office will refer the case to MCCU for collection and will consult with the OIG for further action. The LAA shall pay the amount of undelivered benefits to an alternative energy supplier for the affected applicant.
- G. The LAA must maintain a file of all energy supplier fraud cases including all documentation and correspondence issued or received.

Chapter 10 – Program Integrity

V. LAA Employee Irregularities or Fraud

- A. The LAA managers must be diligent in monitoring irregularities among LAA employees regarding the administration of energy assistance benefits. Examples of irregularities include, but not limited to the following:
1. Misrepresentation of information on an application resulting in a payment to the employee or to a third party. For example, if employee A used incorrect information to obtain benefits for Person B who does not work with the OHEP program. Employee A and Person B are both liable;
 2. An unauthorized change in a benefit amount that results in personal gain for the employee; or discrepancies in payments that result in personal gain for the employee;
 3. Untrue, incorrect, and incomplete representation by the employee for the purpose of obtaining benefits that otherwise would not have been obtained without the misrepresentation;

All employee irregularities must be documented and reported to the State OHEP office immediately following discovery. Local Department of Social Services (DSS) OHEP staff must follow the Department's protocol for employee fraud. All others such as Community Action Agency OHEP staff must report the incident to the State OHEP office, OIG, and the Local Attorney General's Office in their jurisdiction for further action.

The employee involved in the incident must be released of all OHEP duties and responsibilities pending investigation. The State OHEP office will consult with the Department's AG's office and the OIG for further action.

General Information:

When the public reports suspected fraud to the local agency, the reporting person is to be directed to the DHR Fraud Hotline at 1-800-332-6347, DHR/OIG Program Fraud Director at 443-378-4000 or the DHR website for reporting fraud at www.dhr.maryland.gov/oig/fraud.phd

VI. Social Security Verification and Prison/Death Records

- A. As recommended in the program integrity supplemental requirements, OHEP has implemented a Social Security Verification procedure through the federal Social Security Administration (SSA). Secured electronic transmittals of Social Security Numbers are sent to SSA on a weekly basis and those records are returned with various error codes. State OHEP staff will monitor these records and contacts will be made to the LAA by State OHEP staff for corrective action and /or investigation as needed.

State OHEP staff will send via a secured email transmittals current listing of applicants to OIG on a bimonthly basis for verification of the Prison/Death records. Once the file is returned with results, the State OHEP staff will compile and compare these lists of applicants against

Chapter 10 – Program Integrity

applicants on the active OHEP applications. When a match is found, the State OHEP staff will contact the LAA for corrective actions as needed.

B. The LAA Responsibility:

1. The LAA is required to RUN the Social Security Verification report weekly and make corrections as necessary to rectify the error codes.
2. In cases, where the LAA was unable to correct the error, the LAA must contact the State OHEP office for further action.
3. Upon receiving the Prison/Death records, the LAA must verify the dates of application to ensure that the dates on the application for the applicants listed in the Prison/Death records, did not precede the application date.
4. In cases where a Prison/Death date preceded the application date, the LAA must contact the household for verification and follow procedures listed above if fraud is suspected.
5. The LAA must maintain records of all Social Security and Prison/Death reports in a secured and locked area.

Attachment 1-15 – Regulations - Access to Records

07.01.02.00

Title 07 DEPARTMENT OF HUMAN RESOURCES

Subtitle 01 OFFICE OF THE SECRETARY

Chapter 02 Procedures for Access to Records

**Authority: Article 88A, §5; State Government Article, §10-611 et seq.; Article 41, Title 6;
Annotated Code of Maryland**

07.01.02.01

.01 Scope.

This chapter establishes procedures for requesting and gaining access to records and information of the Department of Human Resources and the local departments of social services.

07.01.02.02

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

- (1) "Act" means the Public Information Act, State Government Article, §10-611 et seq., Annotated Code of Maryland.
- (2) "Administration" means any of the following administrations within the Department of Human Resources:
 - (a) Social Services Administration;
 - (b) Family Investment Administration;
 - (c) Child Support Enforcement Administration.
- (3) "Custodian" means an authorized employee of the Department, an administration, or a local department having actual control and custody of a record.
- (4) "Department" means the Department of Human Resources, its administrations, and the local departments.
- (5) "Information" means any part of a record, in any form.

(6) "Local department" means the department of social services in a county or Baltimore City, and the Montgomery County Department of Health and Human Services.

(7) "Official custodian" means the executive head of the Department, administration, or local department in which a record is located.

(8) "Record" means the original or any copy of any documentary material, in any form, in the transaction of public business, that is made by, received by, or received from:

(a) The State;

(b) Any county or city of the State; or

(c) Any subdivision or agency of the State, a county, or a city.

(9) "Requestor" means a person requesting disclosure of or access to a record.

(10) "State" means the State of Maryland.

(11) "Working day" means a day other than a Saturday, Sunday, State holiday, or other day on which State offices are not open for official business.

07.01.02.03

.03 Requestor's Procedure for Requesting Disclosure or Personal Review of a Record.

A. A request for information from, or an opportunity to review, a record of the Department, an administration, or a local department shall be made to the custodian of the record.

B. Requests to personally review a record shall be in writing.

C. Requests For Information From a Record.

(1) Requests may be made orally or in writing.

(2) The custodian may require that an oral request be made in writing, if the custodian reasonably believes that having the request in writing will assist the custodian in responding to the request.

D. A written or oral request shall include:

(1) The name, title, address, and telephone number of the requestor;

(2) A reasonable identification of the records sought;

(3) The signature of the requestor, if the request is in writing; and

(4) A general statement of the purpose for the records, if the request is for records of Social Services, Family Investment, Community Services, Child Support Enforcement, or Medical Assistance programs.

07.01.02.04

.04 Department's Procedures for Responding to a Request for Disclosure or Personal Review of a Record.

A. Oral Requests for Information.

(1) If the individual who receives a request is not the custodian of the record, the individual shall immediately provide the requestor with reasonably obtainable information as to the identity and location of the custodian of the record.

(2) Within 10 working days of receiving a request, the custodian of a requested record shall take the needed actions set forth in §A(3) of this regulation that are permitted by this chapter and other applicable State and federal confidentiality regulations and laws.

(3) The custodian shall:

(a) Provide the requestor, either orally, in writing, or by sending or faxing a copy of the relevant documents, with whatever requested information may be released;

(b) Deny the request as to information which cannot be disclosed as a matter of law; or

(c) Advise the requestor to submit a written request in accordance with §B of this regulation and Regulation .03C of this chapter.

(4) In denying an oral request for information, the custodian shall give the reason for the denial.

B. Written Requests for Information or for Access to a Record.

(1) If the individual who receives a written request is not the custodian of the record, the individual shall, within 10 working days of receipt of the request, provide the requestor with reasonably obtainable information as to the identity and location of the custodian of the record.

(2) The custodian of a requested record shall respond in writing to a written request within 30 working days of receipt of the request. The response shall include:

(a) Disclosure of that part of the requested information which the custodian determines may be disclosed as a matter of State and federal confidentiality law, except as provided in Regulation .05 of this chapter;

(b) If requested, permission to personally review records which may be disclosed as a matter of law, except as provided in Regulation .05 of this chapter;

(c) Denial of disclosure of that part of the requested information which the custodian determines may not be disclosed as a matter of law or pursuant to Regulation .05 of this chapter;

(d) If the custodian grants a request to personally review records, notification to the requestor of a reasonable date and hour, within 30 days following the receipt of the request, when the records will be available for inspection and copying; and

(e) Notification to the requestor of any requested record which does not exist or has been lost or destroyed.

(3) If, after arranging a time for inspection or copying, the custodian learns that a requested record has been lost or destroyed, the custodian shall notify the requestor of that fact within 10 working days of learning of the loss or destruction.

(4) A custodian's denial of a written request for disclosure or review of a record shall include a written statement of the:

(a) Reason for the denial;

(b) Regulation upon which the denial is based; and

(c) Procedures for obtaining review of the denial as set forth in Regulation .07 of this chapter.

C. With the consent of the requestor, a custodian may extend a time period established by this regulation for an additional period not to exceed 30 days. The custodian shall document the consent of the requestor to an extension in the record.

07.01.02.05

.05 Court-Ordered Denial of Disclosure.

If the official custodian believes that disclosure of a record would cause substantial injury to the public interest, but no other regulation or law permits denial of the request, the custodian may:

A. Temporarily deny disclosure of the record; and

B. Within 10 working days of the denial, petition the circuit court for the jurisdiction in which the record is located for an order permitting continued denial of inspection.

07.01.02.06

.06 Response to a Subpoena.

A. If, under a subpoena, a custodian is required to produce or testify about a record, disclosure of which is not permitted by this chapter, the custodian shall:

(1) Call the court's attention to this chapter and any other relevant confidentiality law, including applicable federal regulations; and

(2) Ask the court for permission not to comply with the subpoena.

B. If the court denies the request for permission not to comply with a subpoena to produce records, the custodian shall:

(1) Request the court to review the documents in chambers and to order disclosure only as required by due process; and

(2) Specifically request that only a summary, which shall exclude the identity of the reporter of any allegation of child abuse or neglect, of the information contained in the record be disclosed.

C. If the court orders disclosure of the actual record, the custodian shall request permission to delete the identity of the reporter of any allegations of child abuse or neglect.

D. If the court orders that the custodian provide copies of the records, the custodian shall also request that the agency be permitted to charge appropriate fees to the party requesting the records, in accordance with Regulation .10 of this chapter.

07.01.02.07

.07 Administrative and Judicial Review of Denial.

A. If the custodian denies a written request for inspection for a reason other than because the official custodian has obtained a court order under Regulation .05 of this chapter, the requestor may:

- (1) Within 30 days of receipt of notice of the denial, request an administrative hearing on the denial; or
- (2) File an appropriate action in circuit court in accordance with State Government Article, §10-623, Annotated Code of Maryland.

B. Appeals. A requestor may:

- (1) Only appeal a written request for access to a record to an administrative hearing or a circuit court; or
- (2) Submit a written request for disclosure or personal review of the record containing the information sought, if denied an oral request for information.

C. An administrative hearing authorized by this regulation shall be conducted in accordance with the Department's regulations and procedures for fair hearings.

D. If the agency's final decision on an administrative hearing is a total or partial denial of a request, the requestor may appeal to the appropriate circuit court pursuant to State Government Article, §10-222, Annotated Code of Maryland.

07.01.02.08

.08 Time and Place of Inspection.

If the custodian grants a request to review a record, the requestor may inspect the record at the agency at which the public record is located, during the agency's normal working hours, or at a more suitable and convenient place for inspection requested by the requestor and approved by the custodian.

07.01.02.09

.09 Copies.

A requestor who is authorized to review a record is entitled to receive a copy of that record.

07.01.02.10

.10 Fees.

A. The custodian may charge the requestor the fee set forth in §B of this regulation for the search for, and preparation, reproduction, and delivery of, a record authorized to be disclosed.

B. Unless provided otherwise by other statute or regulation, the duplication fee schedule is:

- (1) 25 cents a page when reproduction can be made by a photocopying machine located within the agency of the custodian of the record;
- (2) The actual cost of reproduction when the record is not susceptible to photocopying or needs to be copied outside the agency;
- (3) An additional \$1 a page if the requestor asks that a copy be certified as a true copy of the original;
- (4) A reasonable fee for any time in excess of 2 hours which is spent by agency staff searching for the record, preparing the record for inspection, or copying the record; and
- (5) If the requestor asks that copies be mailed or delivered to the requestor, the cost of postage or delivery.

C. Before reproducing the record, the custodian:

- (1) Shall estimate the cost of reproduction and obtain the requestor's agreement to pay the cost; and
- (2) May require prepayment of an estimated fee before reproducing the record.

D. If fees for copies, printouts, photographs, or certified copies are specifically set out by a law other than the Act or this regulation, that specific fee controls.

07.01.02.11

.11 Criminal Penalty.

A court may find a willful or knowing violation of this chapter to be a criminal misdemeanor punishable by a fine not exceeding \$1,000.

07.01.02.9999

Administrative History

Effective date: February 1, 1973

Regulation .04D amended effective December 10, 1975 (2:28 Md. R. 1666); December 2, 1985 (12:24 Md. R. 2346)

Regulations .01—.07, Confidential Nature of Records, repealed effective October 28, 1991 (18:21 Md. R. 2305)

Regulations .01—.11, Procedures for Access to Records, adopted effective October 28, 1991 (18:21 Md. R. 2305)

Chapter revised effective April 5, 1999 (26:7 Md. R. 540)

Regulation .02B amended June 18, 2007 (34:11 Md. R. 971)

Regulation .04A, B amended June 18, 2007 (34:11 Md. R. 971)

Attachment 1-16 – Consent Form to Access Records



DEPARTMENT OF HUMAN RESOURCES (DHR)

Consent for Release of Information to Third Party

Pursuant to COMAR 07.01.07.05, I, _____, authorize the Department of Human
Print Name

Resources, Office of Home Energy Programs, to release the following information: (NOTE: This form cannot authorize the release of Child Protective Services or Adult Protective Services records):

_____ to the following person or agency: _____

Reason for the release of the information: _____

Date of the request: _____

I declare under penalty of perjury that I am the individual to whom the information/record applies and that I have examined all the information that I provided on this form and that it is true and correct to the best of my knowledge, information, and belief. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be criminally prosecuted and sent to prison, face other penalties, or both.

Signature: _____

Date: _____

CHECK HERE TO INDICATE THAT THE INDIVIDUAL WHO IS REQUESTING THIS INFORMATION IS SIXTEEN (16) YEARS OF AGE OR OLDER. PROGRAM INFORMATION WILL NOT BE RELEASED TO OR ABOUT ANY INDIVIDUAL LESS THAN SIXTEEN (16) YEARS OF AGE EXCEPT AS PROVIDED BY COMAR 07.01.07.05.

Signature of Authorized DHR Employee

Date

Attachment 1-17 – Regulations - Confidentiality

Title 07 DEPARTMENT OF HUMAN RESOURCES

Subtitle 01 OFFICE OF THE SECRETARY

Chapter 07 Confidentiality of Records

**Authority: Article 88A, §§5 and 6; State Government Article, §10-611 et seq.;
Article 41, Title 6; Annotated Code of Maryland**

07.01.07.01

.01 Scope.

A. With the exception of child protective services records, this chapter governs confidentiality of records and information of the Department of Human Resources and local departments. COMAR 07.02.07 governs the confidentiality of child protective services records.

B. If this chapter conflicts with any other applicable State or federal regulation or law, the provision which more strictly protects confidentiality of records applies.

07.01.07.02

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Act" means the Public Information Act, State Government Article, §10-611 et seq., Annotated Code of Maryland.

(2) "Administration" means any of the following administrations within the Department of Human Resources:

(a) Social Services Administration;

(b) Family Investment Administration;

(c) Community Services Administration; or

(d) Child Support Enforcement Administration.

(3) "Custodian" means an authorized employee of the Department, an administration, or a local department having actual control and custody of a record.

(4) "Department" means the Department of Human Resources, its administrations, and the local departments.

(5) "Fugitive felon" means an individual who:

(a) Is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or an attempt to commit a crime that, under the law of the place the individual is fleeing, is a felony; or

(b) Is in violation of a condition of probation or parole.

(6) "Information" means any part of a record, in any form.

(7) License.

(a) "License" means formal written permission required by law to:

(i) Perform an act or provide a service; and

(ii) Be obtained from the Department.

(b) "License" includes terms used for similar forms including "registration".

(8) "Local department" means the local department of social services in a county or Baltimore City, and the Montgomery County Department of Health and Human Services.

(9) "Official custodian" means the executive head of the Department, administration, or local department in which a record is located.

(10) "Record" means the original or any copy of documentary material, in any form that, in the transaction of public business, is made by, received by, or received from:

(a) The State;

(b) Any county or city of the State; or

(c) Any subdivision or agency of the State, or a county or city.

(11) "Requestor" means a person requesting disclosure of or access to a record.

(12) "State" means the State of Maryland.

07.01.07.03

.03 General Right to Information.

Except as prohibited by federal or State law, including this chapter, a custodian shall grant the proper request of a person for access to any record of the Department if provisions are made for the protection of the identity of:

A. The reporter of child abuse or neglect, or of abuse, neglect, self-neglect, or exploitation of a vulnerable adult; or

B. Any other individual whose life or safety may be endangered by disclosing the information.

07.01.07.04

.04 Program Records.

A. Except as permitted by other law or regulation, a custodian shall deny a request for disclosure of any information or record concerning an applicant for service or customer under the following programs:

- (1) Social Services;
- (2) Family Investment;
- (3) Purchase of Child Care;
- (4) Community Services;
- (5) Child Support Enforcement; and
- (6) Medical Assistance.

B. Disclosure of Information.

(1) Information described in §A of this regulation may be disclosed as follows:

- (a) Under a court order;
 - (b) To a State, local government, or federal official or employee, for a purpose directly connected with the administration of the programs specified in §A of this regulation including, but not limited to:
 - (i) Verification of eligibility, and
 - (ii) Audits or criminal investigation of these programs;
 - (c) To a volunteer or contractor of a State or federal agency for a purpose directly connected with the administration of a program listed in §A of this regulation if the volunteer or contractor has been informed of, and has executed a written agreement to abide by, State and federal confidentiality laws and regulations.
- (2) Medical Assistance records and information may be disclosed only for a purpose directly connected with the administration of the program including assisting the Child Support Enforcement Administration in locating absent parents.
- (3) The custodian shall disclose the current address of a customer to a federal, State, or local law enforcement officer who:
- (a) Can be properly identified as a law enforcement officer;
 - (b) Shows the custodian a signed warrant for the arrest of the customer which establishes that the customer is a fugitive felon; and
 - (c) Provides the name and Social Security number of the customer.

(4) With regard to a fugitive felon in a food stamp case, the custodian shall disclose the current address, the Social Security number, and, if available, a photograph of a food stamp household member to a federal, State, or local law enforcement officer who:

(a) Can be properly identified as a law enforcement officer engaged in official duties which include locating or arresting the food stamp household member;

(b) Demonstrates that the food stamp household member either:

(i) Is a fugitive felon, or

(ii) Has information concerning a fugitive felon; and

(c) Provides the name of the food stamp household member.

C. Notice of Record Disclosure.

(1) When §B of this regulation does not apply, and disclosure is permitted under State law or regulation, the Department shall:

(a) Notify an applicant or customer described in §A of this regulation, when possible, of the request for a record concerning the applicant or customer; and

(b) Obtain the applicant's or customer's consent to disclose the record.

(2) The Department:

(a) May require the requestor to obtain the applicant or customer's consent pursuant to Regulation .05 of this chapter;

(b) May not provide a requestor with any information regarding whether:

(i) Records exist for an individual, or

(ii) An individual is an applicant or customer; and

(c) In an emergency, may disclose information without prior consent if the Department notifies the applicant or customer of the disclosure:

(i) Orally or in writing, and

(ii) Within 2 working days of the disclosure.

D. Food Stamps.

(1) Upon receipt of a written request from a responsible member of a household receiving food stamp assistance, the Department shall allow the individual to review the food stamp records for the household.

(2) Before review by the household member, the Department shall remove from the record:

(a) Names and identifying information of individuals who have disclosed information to the Department without the household's knowledge; and

(b) Information about any criminal prosecutions.

E. Research. The Department may disclose:

(1) Identifying information to an individual engaged in a research project only if:

(a) An applicant or a customer who is the subject of a record to be disclosed has signed a written consent form for the disclosure, in accordance with Regulation .05 of this chapter, and

(b) The official custodian has given prior written permission for the research project; and

(2) Nonidentifying information for research purposes without the consent of the applicant or customer.

07.01.07.05

.05 Disclosure by Consent.

A. An applicant or customer may consent to disclosure of specific information to a third party, if the requirements of this regulation are met.

B. An applicant or customer identified in the record shall sign a written consent form, which includes the:

(1) Specific information to be disclosed;

(2) Person or agency requesting the information;

(3) Person or agency to receive the information;

(4) Purpose for the disclosure;

(5) Date of the request;

(6) Signature of the applicant or customer; and

(7) Date signed.

C. The applicant or customer shall verify the applicant's or customer's identity to the custodian, either in person or by affidavit or notarized consent form.

D. An applicant or customer who is 16 years old or older may sign the applicant's or customer's own consent form.

E. If an applicant or customer is a child younger than 16 years old, the child's parent, guardian, or attorney may consent under this regulation to release of information from the child's records, if:

(1) The consenting individual is not alleged to have abused or neglected the child or any of the child's siblings; and

(2) Disclosure is in the child's best interest.

07.01.07.06

**.06 Mandatory Denial of a Request for Disclosure of Other Records-----
General.**

A. A custodian of a record shall deny a request for disclosure:

(1) If the disclosure requested is contrary to any:

(a) State or federal statute or regulation,

(b) Maryland Rule of Procedure, or

(c) Court order;

(2) Of a personnel record including, but not limited to an employee's:

(a) Letters of reference, and

(b) Home address or telephone number;

(3) Of information concerning the security of an information system;

(4) Of a trade secret or confidential commercial information; and

(5) Subject to §B of this regulation, of information about the licensing of an individual.

B. Licensing Records. Only the following information may be disclosed from a licensing record:

(1) A licensee's:

(a) Name,

(b) Business address, or, if the business address is not available, the home address,

(c) Business telephone number,

(d) Educational and occupational background,

(e) Professional qualifications;

(2) Findings and orders that result from formal disciplinary actions;

(3) Evidence that has been provided to the custodian to meet the requirements of a statute regarding financial responsibility;

(4) Other licensing information which the official custodian determines should be disclosed to fulfill a compelling public purpose; and

(5) Except for the identity of a reporter of any allegation of child abuse or neglect, or of abuse, neglect, self-neglect, exploitation of a vulnerable adult, information requested by a licensee who is the subject of the requested record.

07.01.07.07

.07 Discretionary Denial of Request for Disclosure of Records.

An official custodian may deny disclosure or personal review of a record otherwise required to be disclosed if:

A. The official custodian believes that disclosure is contrary to:

- (1) The public interest;
- (2) In a child abuse or neglect case, the best interest of a child who was allegedly subject to abuse or neglect, of the child's siblings, or of other children in the household, family, or care of the alleged abuser or neglecter; or
- (3) In an adult protective service case, the best interest of a vulnerable adult who was allegedly subject to abuse, neglect, self-neglect, or exploitation; and

B. One of the following circumstances exists:

- (1) A State or federal statute or regulation, a Maryland Rule of Procedure, or a court order gives the custodian discretion to deny disclosure,
- (2) The official custodian determines, after consulting with counsel, that the record is subject to an attorney-client, attorney work-product, executive, or other privilege,
- (3) The information requested consists of specific details of a research project conducted by a State agency, except that the name, title, expenditures, and availability date of the final project summary shall be disclosed upon request, or
- (4) The record concerns a law enforcement investigation, or is an investigatory file compiled for a law enforcement, judicial, or prosecution purpose, to the extent permitted by State Government Article, §10-618, Annotated Code of Maryland.

07.01.07.08

.08 Reporting Crimes, Child Abuse, and Neglect.

The following prevail over the confidentiality provisions of this chapter:

- A. Suspected child abuse or neglect, or abuse, neglect, self-neglect, or exploitation of a vulnerable adult, shall be reported in accordance with the provisions of Family Law Article, Annotated Code of Maryland;
- B. Suspected fraud in the administration of a Department program shall be reported as required by the regulations for that program;

C. Any ongoing or imminent criminal conduct of an applicant or customer may be reported to appropriate law enforcement personnel.

07.01.07.09

.09 Continuing Requirements of Confidentiality.

When the custodian of the record discloses confidential information to an individual other than an employee of the Department or a law enforcement agency in accordance with this chapter and COMAR 07.01.02, the custodian shall inform the individual to whom the disclosure is made of the obligation to keep the information confidential, in accordance with Article 88A, §6, Annotated Code of Maryland.

07.01.07.10

.10 Criminal Penalty.

A court may find a disclosure of confidential information in violation of this chapter to:

A. Be a criminal offense punishable by a fine of not more than \$500, or by 90 days imprisonment, or both; and

B. Result in civil liability for damages.

07.01.07.11

.11 Limitations on Information Sent to Customers.

A. Materials sent or distributed to an applicant for service or customer, or to vendors of medical services provided to customers of public assistance, shall:

(1) Be directly connected to the administration of the respective program and have no political implications; and

(2) Contain the names only of individuals directly connected with the administration of the program, identified only in their official capacity with the Department.

B. This regulation does not prohibit:

(1) The distribution of information as part of the administration of a program, including, but not limited to:

(a) Notice of the availability of free medical examinations,

(b) Notice of the availability of surplus food, or

(c) Consumer protection information; or

(2) Having on display, or otherwise making available in agency offices, materials containing public interest information, including voting materials.

07.01.07.12

.12 Protection of Customer Case Files and Other Public Records.

A. A local department shall have written policies establishing procedures for the:

- (1) Maintenance of customer case files; and
- (2) Removal and return of materials to customer case files.

B. The Department shall safeguard information obtained from any State agency, or other state or federal agencies in accordance with the procedures, if any, established by that state or agency.

07.01.07.9999

Administrative History

Effective date: March 11, 1985 (12:5 Md. R. 481)

Regulations .01—12, Access to Public Records, repealed effective October 28, 1991 (18:21 Md. R. 2306)

Regulations .01—12, Confidentiality of Records, adopted effective October 28, 1991 (18:21 Md. R. 2306)

Regulation .04C, F amended effective May 24, 1993 (20:10 Md. R. 849)

Regulation .05B amended effective May 24, 1993 (20:10 Md. R. 849)

Chapter revised effective June 28, 1999 (26:13 Md. R. 1018)

Regulation .02B amended effective October 8, 2007 (34:20 Md. R. 1735)