

**STATE OF MAINE, MAINE STATE HOUSING AUTHORITY (MAINEHOUSING)**

**FY 2014 LIHEAP PROGRAM INTEGRITY ASSESSMENT**

<b>RECENT AUDIT FINDINGS</b>			
<b>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.</b>	<b>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.</b>	<b>If there is no plan in place, please explain why not.</b>	<b>Necessary outcomes from these systems and strategies</b>
MaineHousing received an unqualified opinion on their 2011 A-133 Audit and is classified as a low-risk auditee.	None	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

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<b>COMPLIANCE MONITORING</b>			
<b>Describe the Grantee's FY 2013 strategies that will continue in FY 2014 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.</b>	<b>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.</b>	<b>If you don't have a firm compliance monitoring system in place for FY 2014, please describe how the State is verifying that LIHEAP policy and procedures are being followed.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>MaineHousing's Program Compliance Officers perform annual site audits of the subgrantees. These field audits allow for first-hand observation of program activity. Monitoring tasks include:</p> <ul style="list-style-type: none"> <li>• Reviewing procedures and client file documentation</li> <li>• Confirming and evaluating use of MERAC (LIHEAP statewide database)</li> <li>• Verifying subgrantees are knowledgeable of regulations</li> <li>• Confirming that quality of work meets minimum program standards</li> </ul> <p>Additionally, each subgrantee is audited by an independent public accountant who performs single audit test work. MaineHousing reviews each subgrantee's independent audit, noting any findings and following up on all findings/questioned costs to ensure that they are addressed and corrected in a timely manner.</p>	None	N/A	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

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<b>FRAUD REPORTING MECHANISMS</b>			
For FY 2013 activities continuing in FY 2014, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.	Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.	If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.	Necessary outcomes of these strategies and systems
<p>MaineHousing has zero tolerance for fraud. The Compliance Program Officer investigates any concerns reported by energy vendors, subgrantees, or third-parties.</p> <p>Suspected fraud and abuse may be reported to a dedicated email address: LIHEAPcompliance@mainehousing.org</p> <p>MaineHousing distributes a Vendor Quick Reference Guide to energy vendors at the beginning of each season which includes information about reporting fraudulent activities.</p>	None	N/A	<p><i>Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.</i></p>

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<b>VERIFYING APPLICANT IDENTITIES</b>			
<b>Describe all FY 2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.</b>	<b>Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.</b>	<b>If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.</b>	<b>Necessary outcomes from these systems and strategies</b>
Proof is required, generally in the form of paystubs, utility bills, rent receipts, bank statements, and Social Security numbers.	MaineHousing continues to work with the Federal Health and Human Services (DHHS) to identify best practices for verification of identity.	N/A	<i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i>
<b>SOCIAL SECURITY NUMBER REQUESTS</b>			
<b>Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</b>	<b>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.</b>	<b>If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>LIHEAP applicants must provide Social Security numbers for all household members at the time of application.</p> <p>If the household includes a child under the age of two who has not received a SSN, the application is processed. However, the applicant must provide the child's SSN for subsequent program year applications.</p> <p>Additionally, applicants or household members receiving Social Security income are verified through the Social Security Administration.</p>	Maine's policy for FY2014 is remaining the same.	N/A	<i>All valid household members are reported for correct benefit determination.</i>



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<b>CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b>			
Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2013 and continuing in FY 2014. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)	Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.	If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.	Necessary outcomes from these systems and strategies
<p>Applicants or household members receiving Social Security income are verified through the Social Security Administration</p> <p>Proof of unemployment benefits are also verified through the Department of Labor.</p>	<p>MaineHousing is interested in expanding the identification verification process beyond those that are receiving Social Security income (i.e. include all applicants and household members regardless of income source). MH will look to the results of the National Program Integrity effort for opportunities and guidance for expanding and streamlining such verifications.</p> <p>MaineHousing will continue to work with Department of Labor and subgrantees to streamline unemployment benefits verification.</p>	N/A	<p><i>Use of all available database systems to make sound eligibility determination.</i></p>
<b>VERIFYING APPLICANT INCOME</b>			
Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2013 and continuing in FY 2014.	Please highlight any policies or strategies for using new hire directories which will be newly 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?	Necessary outcomes from these systems and strategies
<p>Currently there is no system in-place/available in the State of Maine.</p>	None	<p>Each household member 18 years of age or older must provide information and documentation to substantiate how they meet their living expenses. Additionally, the household member is required to sign a certification statement attesting to the accuracy of the information they have provided.</p>	<p><i>Effective income determination achieved through coordination across program lines.</i></p>

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<b>PRIVACY-PROTECTION AND CONFIDENTIALITY</b>			
<b>Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 to protect client information against improper use or disclosure.</b>	<b>Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.</b>	<b>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.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Any information obtained by grantee or subgrantee, its employees, agents, contractors, or any other representatives in the administration of Programs, whether obtained from the applicant or household or from a third-party, shall be kept confidential and shall not be made available for public inspection or released to any person, entity or agency unless: there is written consent to do so; information is required for an audit or the like; applicant or household has released such information for participation in a fair hearing; or disclosure of said information is required by law (Home Energy Assistance Program Rule, page 25, letter E).</p> <p>Any statements of financial condition or information concerning LIHEAP or ECIP applicants or recipients submitted to vendors, or its employees, agents, contractors or other representatives is kept confidential.</p> <p>Contracts with subgrantees and energy vendors include specific guidelines for protecting client confidentiality and personally identifiable information. Keeping protected information secure is an obligation mandated by contractual agreements between MaineHousing and its partners.</p> <p>Additionally, MaineHousing has an Acceptable Use Policy in-place with subgrantees.</p>	<p>MH will conduct training for subgrantees.</p>	<p>N/A</p>	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

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<b>LIHEAP BENEFITS POLICY</b>			
<b>Describe FY 2013 Grantee policies continuing in FY 2014 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.</b>	<b>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.</b>	<b>If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Vendors must maintain records, including delivery tickets, for all customer deliveries. Each year MaineHousing audits approximately 40 vendors on a rotating basis. MaineHousing verifies the vendor's compliance with LIHEAP policies and procedures and selects for review, at a minimum, a 10% sample of client accounts. Delivery tickets are verified to ensure that the vendor is making deliveries and is providing the required discount.</p> <p>If significant problems are found, Maine Housing places the vendor on a "Watch List". The vendor will receive benefit payments post-delivery and will be closely monitored by MaineHousing.</p> <p>MaineHousing investigates any and all client, subgrantee, or third-party reports of vendor issues and pursues corrective action with the vendor as warranted (including placement on the Watch List).</p>	None	N/A	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>

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<b>PROCEDURES FOR UNREGULATED ENERGY VENDORS</b>			
Describe the Grantee's FY 2013 procedures continuing in FY 2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.	Please highlight any strategies policy in this area which will be newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
MaineHousing uses Vendor Agreements, annual reports provided by all contracted vendors, and on-site monitoring (State Plan, page 23, ref 2605(b) (7) (B) & (C)). LIHEAP household shall select vendor who has entered into a Vendor Agreement to provide Home Energy; HEAP benefits are paid directly to vendor (Home Energy Assistance Program Rule, page 17, section 5).	None	N/A	<i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i>
<b>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
Describe Grantee FY 2013 policies continuing in FY 2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.	Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.	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?	Necessary outcomes from these systems and strategies
Contracts are made only with responsible vendors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement with consideration given to matters such as vendor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources (Home Energy Assistance Program Rule, page 30, section 13). All vendors must supply valid TIN number, or Social Security number, in the contracting process.	None	N/A	<i>An effective process that effectively confirms the existence of entities receiving federal funds.</i>



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<b>TRAINING AND TECHNICAL ASSISTANCE</b>			
<p>In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.</p>	<p>Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2014.</p>	<p>If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>MaineHousing provides training and technical assistance to all subgrantees through regular monthly meetings and to both subgrantees and vendors through monitoring visits. Additionally, MaineHousing will, upon request from the subgrantee or in response to needs MaineHousing identifies, provide technical assistance.</p> <p>The MaineHousing Vendor Handbook includes language on identifying potential abuse under the program, and outlines the reporting process. LIHEAP application requires the primary applicant to sign, attesting that all information provided is accurate.</p>	<p>None</p>	<p>N/A</p>	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>

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<b>AUDITS OF LOCAL ADMINISTERING AGENCIES</b>			
<b>Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.</b>	<b>Please describe new policies or strategies to be implemented in FY 2014.</b>	<b>If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Subgrantees are required to have an A-133 audit by an independent auditor, in accordance with the Comptroller General's Standards for Audit of Governmental Organizations, Programs, Activities and Functions and A-133 (State Plan, page 24).</p> <p>MaineHousing conducts program and fiscal monitoring of subgrantees at least once per year for compliance with Federal and State rules and regulations in a manner consistent with applicable state law and the HEAP Act (Home Energy Assistance Program Rule, page 25, letter F). Subgrantees shall require contractors to maintain all required records for three years after final payments have been made and all other pending matter are closed (Home Energy Assistance Program Rule, page 28, letter H, 1).</p>	None	N/A	<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>