ATTACHMENT 5
PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE
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 Grantees' FY2014 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): **Michigan**		Date/Fiscal Year: **2014**	
RECENT AUDIT FINDINGS			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2013 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.	**Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2014.**	**If there is no plan in place, please explain why not.**	**Necessary outcomes from these systems and strategies**

Single Audit 2012
DHS Audit Reference Number 2012-058

Compliance Requirement:
DHS did not maintain documentation to support that households receiving assistance were eligible in 9 (19%) of 47 sampled State Emergency Relief (SER) energy payments. In addition, DHS did not ensure that it considered all client assets when determining client eligibility for SER energy payments.

47 SER energy payments were randomly selected, of which 32 payments were for clients that were categorically eligible and 15 payments were for clients that were not categorically eligible. The review disclosed:

a. DHS did not ensure that 4 (27%) of 15 clients that were not categorically eligible either made the required payments, or showed good cause for not making the required payments, prior to receiving LIHEAP assistance, as required by the LIHEAP State Plan. Questioned Cost = $2,023.

b. DHS did not ensure that 2 (6%) of 32 clients that were categorically eligible provided a shut off notice or an energy bill in the name of the head of household, or the head of household's spouse as required by the LIHEAP State Plan. Questioned Cost = $171.

To reduce known deficiencies, Field Operations issued additional guidance to the local offices on November 25, 2012. FOA Memo 2012-045 included links to updated training wizards to aid staff processing an assistance application for services, the SER/LIHEAP Case Read Form, and the SER fiscal checklist. FOA will partner with the Office of Workforce Development and Training to improve SER training. Caseworkers, managers and supervisors will be required to complete the training.

FOA and the Business Service Centers will develop a plan for targeted case reads. The results of the targeted case reads will be analyzed to determine if there is a reduction of the known deficiencies or if training improvements are needed.

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

c. DHS did not ensure that all household members on the SER application for 2 (6%) of 32 clients that were categorically eligible were not disqualified from the household's FIP, FAP, or SSI benefits as required by the LIHEAP State Plan. Questioned Cost = $485.

d. DHS did not document that it considered all assets for 1 (7%) of 15 clients that were not categorically eligible and had an SER benefit period on or after May 1, 2012. Questioned Cost = $164.

Single Audit 2012
DHS Audit Reference Number 2012-059

Compliance Requirement:
DHS had not implemented a process to periodically reconcile Department of Treasury electronic Home Heating Credit (HHC) claim detail information to the paper reimbursement billings and summary reports provided by the Department of Treasury to ensure the propriety of HHC reimbursements.

The Department of Treasury processes and issues HHC claims and DHS reimburses the Department of Treasury for HHC claims issued. DHS used summary paper reports to determine the amount of HHC claims to reimburse the Department of Treasury. Our review disclosed that the electronic file of detailed HHC claim information did not

Effective October 1, 2012, DHS revised its procedures to reconcile the HHC billings to a data warehouse report on a monthly basis.
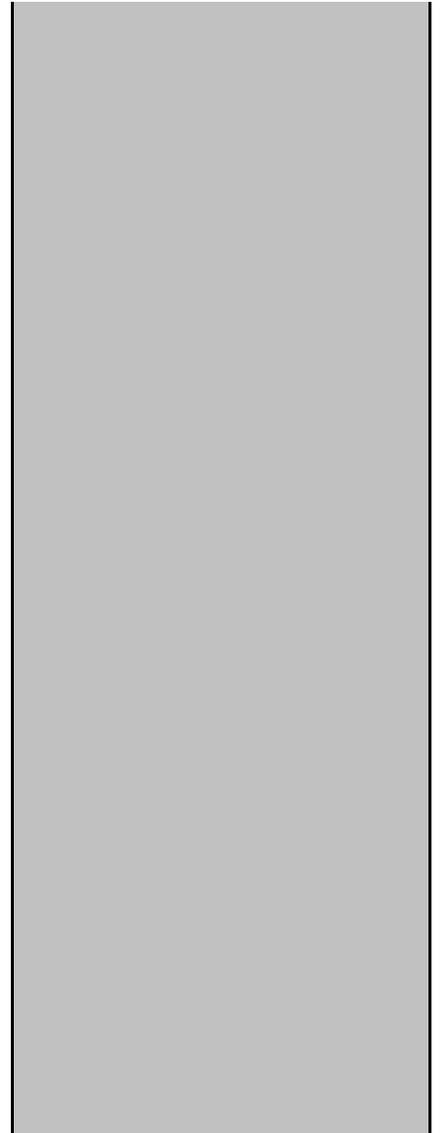
support the summary paper reports for 6 (33%) of 18 sampled HHC processing runs. For these 18 HHC processing runs, the summary paper reports used for the Department of Treasury reimbursement exceeded the amount of the electronic claim detail

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COMPLIANCE MONITORING			
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.	Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.	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.	Necessary outcomes from these systems and strategies
DHS policy requires case reviews for all probationary employees. Eligibility cannot be certified and payments cannot be made until a supervisory review has been completed and the case transaction is approved in the Bridges application.

FOA requires the completion of targeted case reads. The results of the targeted case reads will be analyzed to determine if there is a | Michigan will continue to issue notifications to the field stressing the importance of accuracy and providing guidelines and requirements for LIHEAP case reading.

The program office has completed case review training for various county staff to ensure accurate completion of the targeted case reads. | N/A | *A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.* |

reduction of the known deficiencies or if training improvements are needed.

The DHS 1271, State Emergency Relief/LIHEAP Case Read Form has been created and is accessible to local office staff. This form has been designed to follow the workflow of the Bridges computer system to enhance the case read process. This form allows for the case reader to document if all required information has been verified and entered appropriately in the system. This will ensure that the proper issuances of LIHEAP benefits have been given.

LIHEAP payments made by exception require local office management review, additional review by the program office and must be approved in the Bridges application prior to issuance.

Fiscal staff must reconcile LIHEAP payments and the bills used to make the payments with their ES-440 accounting report. Any discrepancy is researched and rectified. Any overpayment is pursued for refund.

The policy office takes immediate action to update policy and procedural requirements when required. There are several ways to communicate immediate changes to the field to ensure knowledge of procedural and policy changes. One method of correspondence which is regularly used by DHS is an FOA Memo, previously called an L-letter, or directive to the field. FOA Memos are

Updates are being made to the DHS 1271, State Emergency Relief/LIHEAP Case Read Form to ensure compliance with upcoming policy changes.
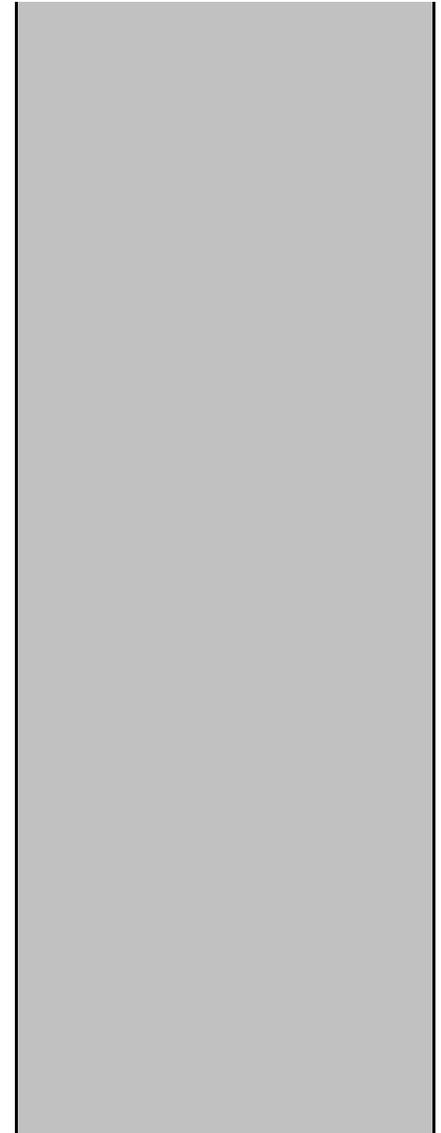
available to all employees and are archived within the Michigan Department of Human Services Intranet for easy reference.

Email correspondence was sent state-wide in an ongoing effort to resolve case discrepancies while ensuring accurate benefit amounts, various reports are sent to the field on a regular basis. These reports should be addressed timely to ensure that proper payments are being issued.

**DEPARTMENT POLICY FOR CASE READING REVIEWS**

Local office management resources should be invested in case reading activities. This includes:

- Selecting the case.
- Completing the review.
- Documenting and communicating the findings.
- Monitoring and following up.
- Planning corrective actions.

Overview

A process analysis approach to case reading focuses on systems, policy and procedures in an effort to prevent errors rather than just correct them.

Case readings collect information to improve the accuracy and efficiency of program
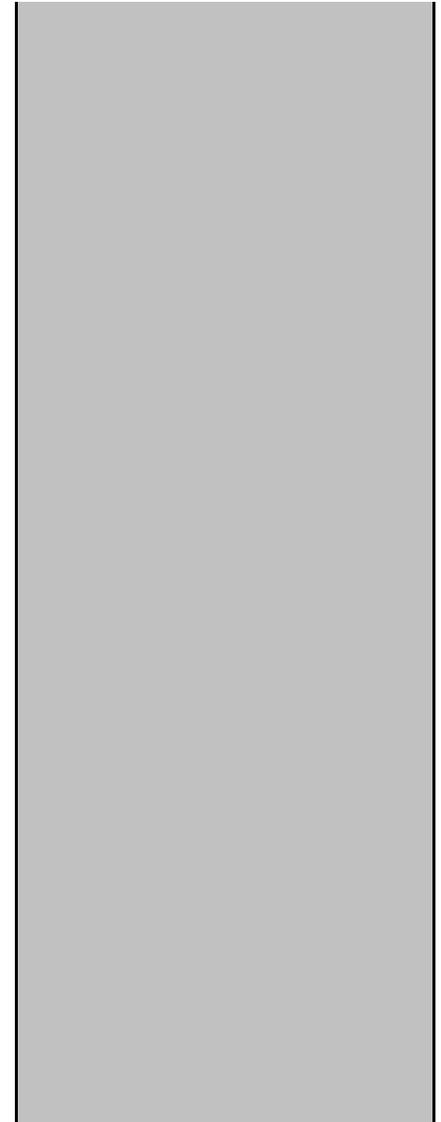
management and the delivery of services. First and second-line managers, quality analysts, lead workers and other designated local office staff may conduct the readings.

Case Review

The case review may be either a **general**, **specific** or **targeted** read. A general read is a review of all eligibility factors for the program(s) read. A specific read is a review of a limited number of eligibility factors iden-tified for a predetermined reason. A targeted read is a review of a limited number of eligibility factors identified by central office for a predetermined reason.

The local office determines the need for evaluation and selects the cases for a general or specific read. Process analysis, accuracy of policy implementation, a special project, worker experience, or other reasons may prompt a review.

Selection of Cases

Depending on the reason for the review, cases are selected at random using one of the sources listed below. Cases are selected randomly by allowing each case an equal chance to be selected.

Computer-generated reports - list cases with certain identifying characteristics
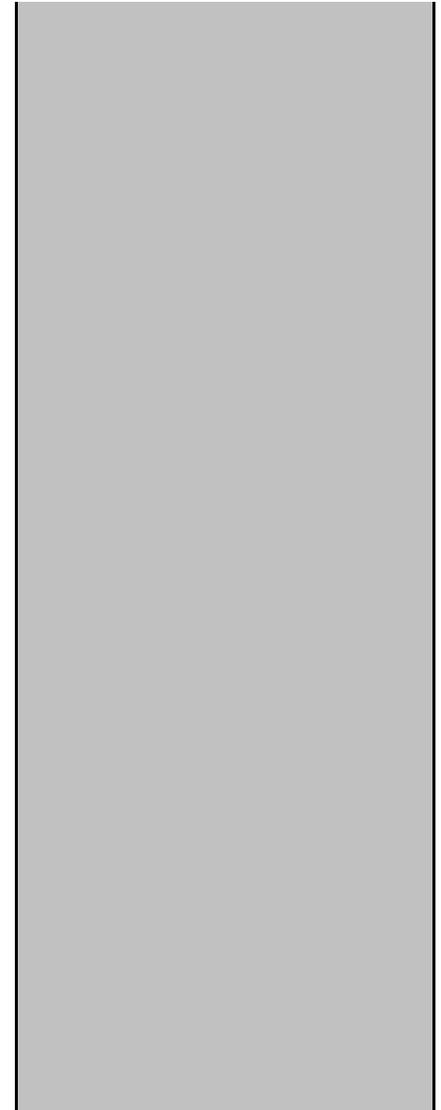
Special Run Reports - used for special projects

Case Actions - based on the experience of specialists

How To Read a Case

A case is reviewed by comparing the actions taken by the specialist to the verification and documentation in the record and determining whether policy was correctly applied in a timely manner.

Use form DHS-4331, Assistance Payments Case Reading, to record and communicate the findings. Check the factors listed on the DHS-4331 to determine that all necessary actions were taken. Use the comment section to inform the specialist of any required action and the reason. Post a follow-up for any action to be completed. The comment section is also used to give positive feedback.

For some actions, oral communication with the specialist promotes better understanding and offers an opportunity to solicit suggestions for improving systems and processes.

Use the Case Reading Guide with the DHS-4331 for consistency in the way factors are reviewed. The guide asks questions for each factor listed on the DSS-4331. The case reading guide is intended to help achieve consistency in the way cases are read. The
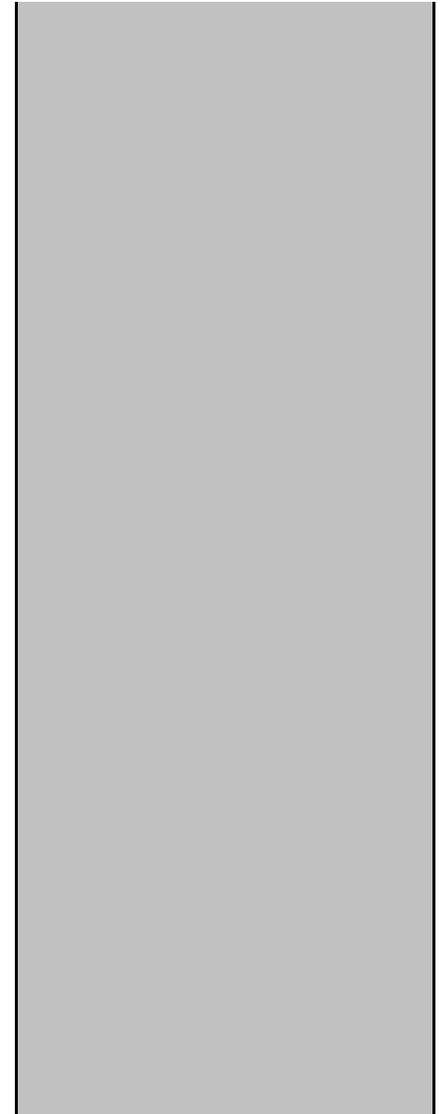
questions are designed to lead the reader to correct case reading results.

The case reading guide, along with the DHS-4331, Assistance Payments Case Reading, is a tool to help identify error-prone areas that might require further attention. It is not intended to cover all specific policy situations and exceptions. Likewise, all questions do not apply to every program.

A secondary use of this guide is as a self-assessment tool. DHS specialists can use the guide to see whether required case actions were taken.

Data Evaluation

The information from case reading may be used to identify unmet needs in programs and areas of policy. Local office staff should decide whether policy clarification, policy revision, local office procedural changes or training is appropriate to pursue.

General case reading data may also be compiled, summarized and reported upwards. However, a roll-up of case reading data cannot be assumed to be statistically valid due to issues such as lack of a random sample, managers using different selection criteria, and managers using different case reading methods. Targeted case readings may be designed to avoid these problems, through
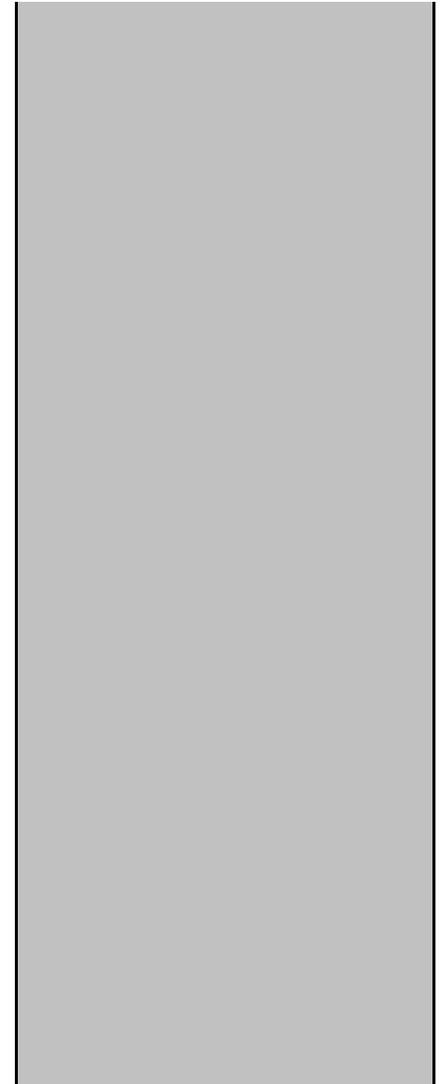
careful planning.

Questions for SER Case Review

Some of the questions listed below may be addressed on the reading form.

The questions which are unique to SER are addressed here.

Is there a current signed DHS-1514 or online application in the case?

Was the emergency request registered timely?

Is the emergency a covered service?

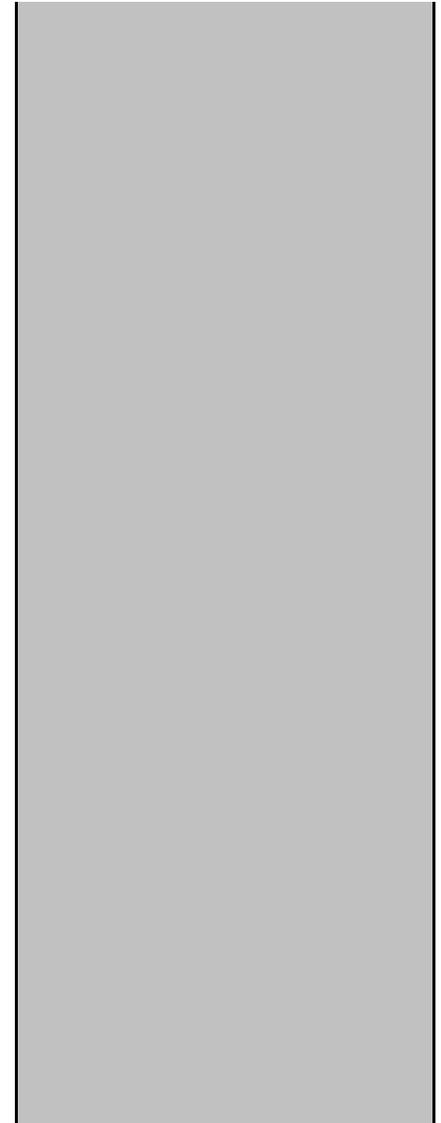Were repeat request criteria and required payments correctly determined and documented?

Will the payment resolve the emergency?

If the emergency was approved, did the case meet the asset limit?

Was the need verified and documented?

Was all projected income for the 30-day budget period used in doing the budget?

Does the requested need meet the affordability criteria?

If there were excess income and/or cash assets, did the client make the copayment? Were potential resources explored and necessary repay agreements signed? Was the amount authorized within the maximum allowed? If an exception was granted, is the necessary documentation in the case? Was the client sent a DHS-1419, Decision Notice?			

FRAUD REPORTING MECHANISMS

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**

DHS currently has more than 3000 active energy providers. DHS maintains a close relationship with providers and has regular contact with many of them. The department relies on the information shared by the providers regarding possible fraud and/or overissuances by our mutual customers. Providers give information which can be useful in clarifying discrepant information reported by clients, offer information on overpayments and share information on a clients' living arrangement, including address changes that may not be known to the department. The information provided may prevent incorrect issuance of benefits or be used by the department to recover over-issued benefits, including those received fraudulently. The Emergency Relief Manual (ERM), Bridges Administrative Manual (BAM), and the Accounting Manual (ACM), provide guidance and policy to DHS staff. ERM 401 states: An SER overpayment is an amount of assistance issued that the SER group was not eligible to receive. The Department attempts to obtain repayment from the provider for all SER overpayments. SER overpayments are recouped only by requesting the SER group or provider to repay the amount overpaid in cash (cash	If payment is not returned upon request by the local fiscal unit, overissuance referrals will be sent to recoupment specialists, after eligibility specialists determine if the overrissuance is due to agency or client error. The recoupment specialists will review and process all overissances. They will pursue repayments of any misissued funds and maintain recoupment reports.	N/A	*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.*

recoupment).

Inform the local office fiscal unit when an SER overpayment is discovered. Provide the fiscal unit with the amount of the overpayment and the date the overpayment was issued. The fiscal unit collects receipts and records cash payments from the SER group. No other local office staff collects or accepts any cash payments.

The Accounting Manual outlines the process for establishing an account receivable record for repayment when an overissuance is identified. Local office fiscal staff must also follow procedures in the Accounting Manual for cash recoupment on inactive cases.

Fiscal staff must reconcile LIHEAP payments and the bills used to make the payments with their ES-440 accounting report. Any discrepancy is researched and rectified. Any overpayment is pursued for refund.

BAM 700 provides policy and procedures for handling benefit overissuances. It includes the following Fraud Hotline procedures:

WELFARE FRAUD HOTLINE REFERRAL PROCEDURES

A toll-free hotline number (1-800-222-8558) is provided to the public for use in filing complaints regarding all programs where possible fraudulent activities may be
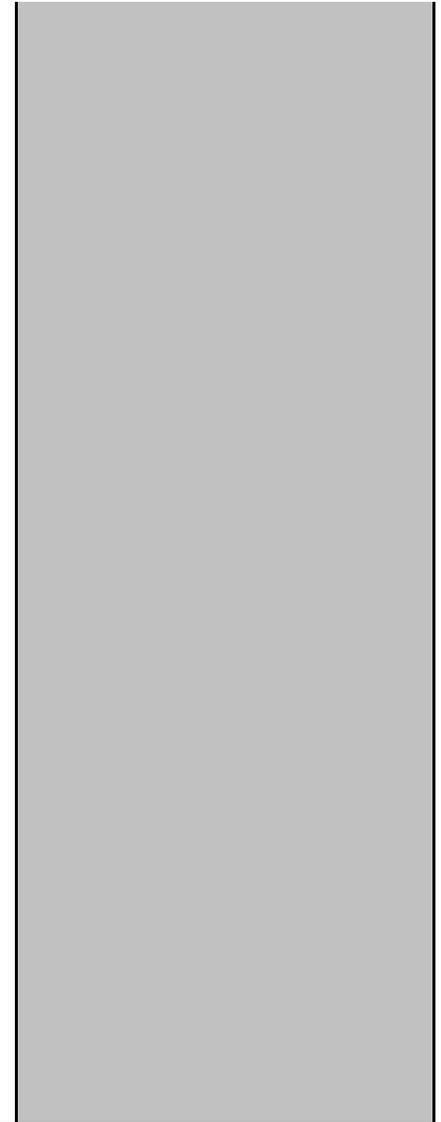
occurring. The Customer Service Unit located in central office receives these calls. An electronic database is now available to refer, monitor and dispose of fraud referrals.

Hotlines, including Fraud Reporting are available at this link;
http://www.michigan.gov/dhs/0,1607,7-124-8994-17514--,00.html

L-Letter 07-071 was issued regarding the DHS Fraud Hotline Referral System.
Beginning June 1, 2007, Fraud Hotline Referrals are entered into an electronic database. This database was developed to respond to audit findings that have indicated that DHS provides fraud referrals to the local offices but does not have a way to centrally monitor the disposition of the referrals. Fraud referrals that come through the toll free fraud number or Web site will go to a designated fraud coordinator in each local office via email. The coordinator will send the fraud referral to the appropriate worker and their FIM for investigation. The investigation findings will be reported back to the fraud coordinator electronically and then back to central office for monitoring purposes. The referrals will appear on the contact manager's main screen when they log into the referral system. It is the contact manager's responsibility to periodically log into the system and see the referrals that are assigned to their county.
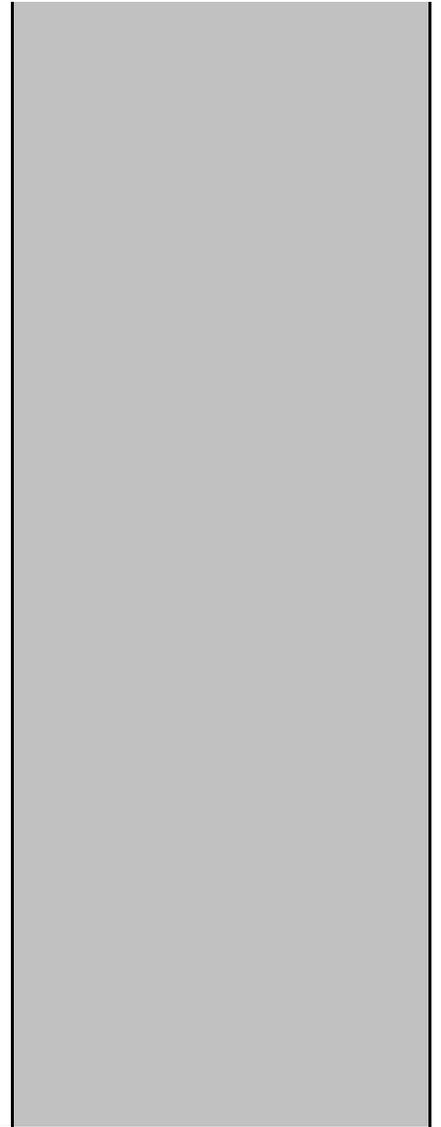
BAM 700 also includes the following policy:

DEPARTMENT POLICY

All Programs

When a client group receives more benefits than they are entitled to receive, DHS must attempt to recoup the overissuance (OI). This item explains OI types and standards of promptness (SOP).

A client or provider may voluntarily repay any program benefits even when there is no overissuance. These situations are referred to the local office fiscal unit.

PREVENTION OF OVERISSUANCES

DHS must inform clients of their reporting responsibilities and act on the information reported within the SOP.

During eligibility determination and while the case is active, clients are repeatedly reminded of reporting responsibilities, including:

- Acknowledgments on the application form.

- Explanation at application/redetermination interviews.

- Client notices and program
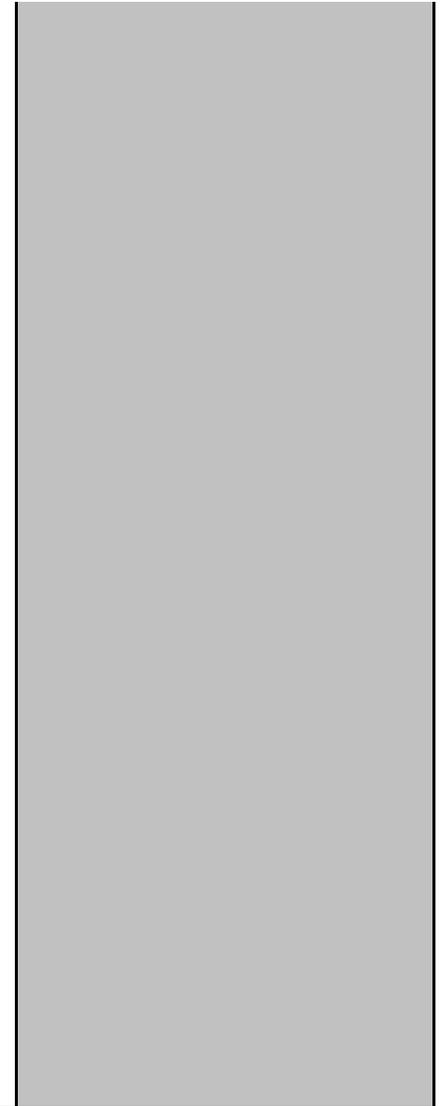
pamphlets.

DHS must prevent OI by informing the client or authorized representative (AR) of the following:

- Applicants and recipients are required by law to give complete and accurate information about their circumstances.

- Applicants and recipients are required by law to promptly notify DHS of all non-income changes in circumstances within 10 days. Income related changes must be reported within 10 days of receiving their first payment.

- Incorrect, late reported or omitted information causing an OI can result in cash repayment or benefit reduction.

The client's comments and/or questions about the above responsibilities must be recorded on the application.

DISCOVERY OF SUSPECTED OVERISSUANCES

An OI may be discovered through normal casework or by one of the following:

Case readings.
Computer cross-matches.
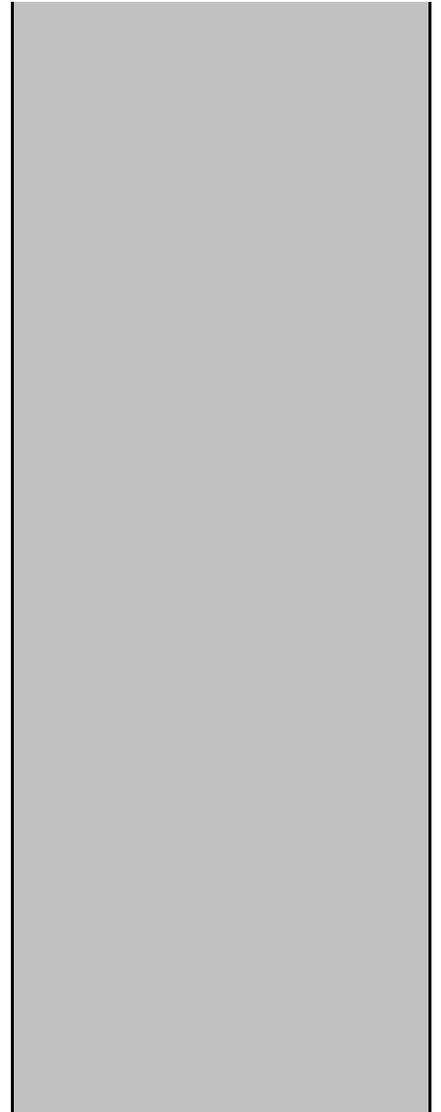
Quality Control audit findings.
Welfare Fraud Hotline referrals.
Non-honored repay agreements.
State Office of Administrative Hearings and
    Rules.

Client Suspected Intentional Program Violation

Suspected IPV means an OI exists for which all three of the following conditions exist:

The client intentionally failed to report
    information **or** intentionally gave
    incomplete or inaccurate information
    needed to make a correct benefit
    determination.

The client was clearly instructed regarding his
    or her reporting responsibilities.

The client has no apparent physical or mental
    impairment that limits his or her
    understanding or ability to fulfill his
    reporting responsibilities.

IPV is suspected when there is clear and convincing evidence that the client has **intentionally** withheld or misrepresented information for the **purpose** of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility.

OIG Referral

Suspected IPV OIs are referred to the Office of
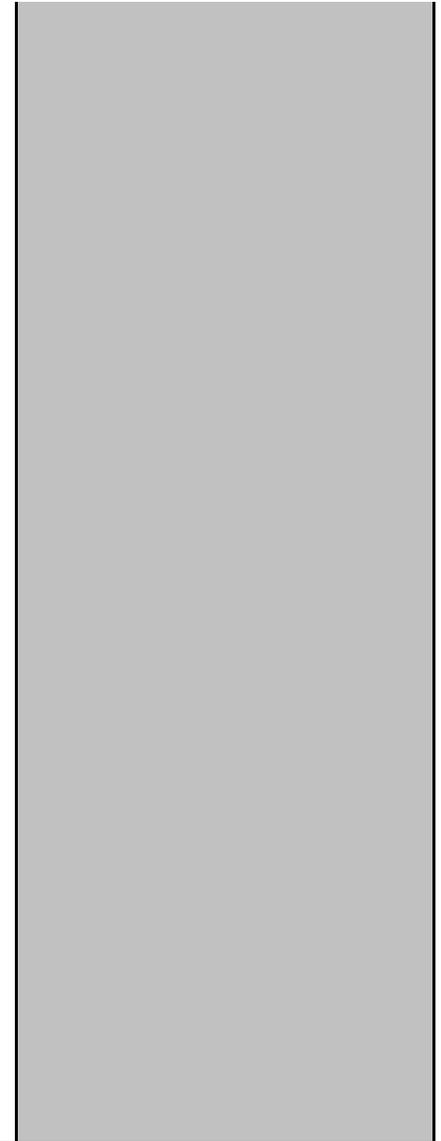
Inspector General (OIG) on the DHS-834, Fraud Investigation Request. Evidence for the OI and suspected IPV must be attached to the DHS-834.

Prudent judgment should be used in evaluating an OI for suspected IPV. Consider the following questions when reviewing the case:

Does the record show that department staff advised the client of their rights and responsibilities?

Does the record show the client's acknowledgment of these rights and responsibilities?

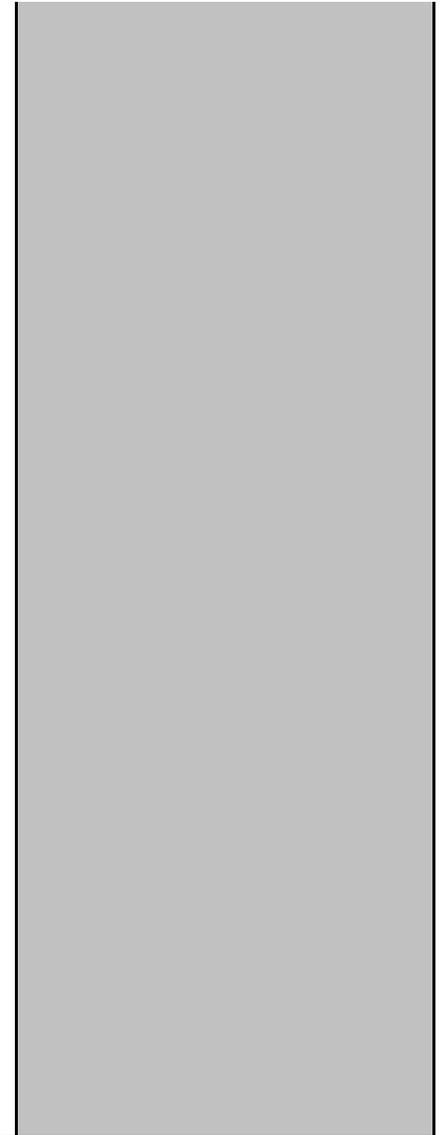Did the client neglect to report timely when required to do so?

Did the client make false or misleading statements?

Does the client error meet suspected IPV criteria?

Does the OI amount meet the OIG threshold (see below)?

Suspected IPVs are referred to OIG when:

From preliminary review, it appears that the OI falls within the definition of suspected IPV found in this item, and

• The total OI amount for all programs combined is $500 or more, or • The total OI amount for all programs combined is less than $500, and • The group has a previous IPV, or • The OI involves concurrent receipt of assistance. Or • The alleged fraud is committed by a state government employee. OIG or the Recoupment Specialist (RS) will inform the local fiscal unit when an account needs to be established for cash collections.			

VERIFYING APPLICANT IDENTITIES			
Describe all FY 2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.	**Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.**	**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.**	**Necessary outcomes from these systems and strategies**
ERM 103 policy states:	N/A	N/A	*Income and energy supplier data*

VERIFICATION

Clients must be informed of all verifications that are required and where to return verifications. The due date is eight calendar days beginning with the date of application. If the application is not processed on the application date the deadline to return verification is eight calendar days from the date verification is requested. This does not change the standard of promptness date.

The client must make a reasonable effort to obtain required verifications. The specialist must assist if the applicant needs and requests help. If neither the client nor the specialist can obtain the verifications despite a reasonable effort, use the best available information. If no evidence is available, the specialist must use their best judgment.

Identity

The client's identity must be verified. If an authorized representative (AR) applies on behalf of a group, the AR must verify his own **and** the client's identity.

Documents used to verify identity may be originals or copies of the original document. Facsimiles or emails are **not** acceptable documents for identity.

The following are examples of acceptable

that allow program benefits to be provided to eligible individuals.

verification of identity: Driver's license. State-issued identification. School-issued identification. Document indicating a client's receipt of benefits under a program which requires verification of identity (SSI, RSDI). Identification for health benefits. Voter registration card. Birth certificate/record. U.S. military card or draft record. U.S. passport. Certificate of Naturalization (Department of Homeland Security (DHS) forms N-550 or N-570). Certificate of U.S. citizenship (DHS forms N-560 or N-561). Military dependent's identification card. Certificate of Degree of Indian Blood, or other U.S. American Indian/Alaska native tribal document.			

U.S. Coast Guard Merchant Mariner card.			

SOCIAL SECURITY NUMBER REQUESTS

Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.	Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.	If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.	Necessary outcomes from these systems and strategies
Policy in Bridges Eligibility Manual (BEM) 223 states: **DEPARTMENT POLICY** **SER** **SSN** refers to a Social Security number. **SSA** refers to the Social Security Administration. Policy in ERM 202 includes the following: Verify the SSN of each household member as well as the status of each person identified as an alien; see BEM 225 for acceptable verification sources. The data match with SSA is sufficient verification of citizenship. When an individual does not have a SSN,	Policy will remain the same for FY2014	N/A	*All valid household members are reported for correct benefit determination.*

provide an SS-5, Application for a Social Security Card, or refer them to http://ssa.gov/ssnumber/ for application instructions.

SSNs are checked with SSA for accuracy. A check in the Validated by SSA box on Bridges means SSA has verified that SSN for that individual. If SSA is unable to confirm the SSN, the specialist will receive a Bridges enumeration task that requires action. The client must cooperate in resolving any errors.

MORE THAN ONE SSN

Procedures are in place to reconcile more than one SSN for a person.

VERIFICATION REQUIREMENTS

Record the SSN verification source in Bridges for each SSN for which the Validated by SSA box is not checked. If an individual's SSN is not verified or the source is not valid for the individual's program(s), Bridges will list verification of SSN is needed on a DHS-3503, Verification Checklist, for each individual who's SSN must be verified.

All Programs

Verify cooperation in obtaining an SSN at application and when adding a member.
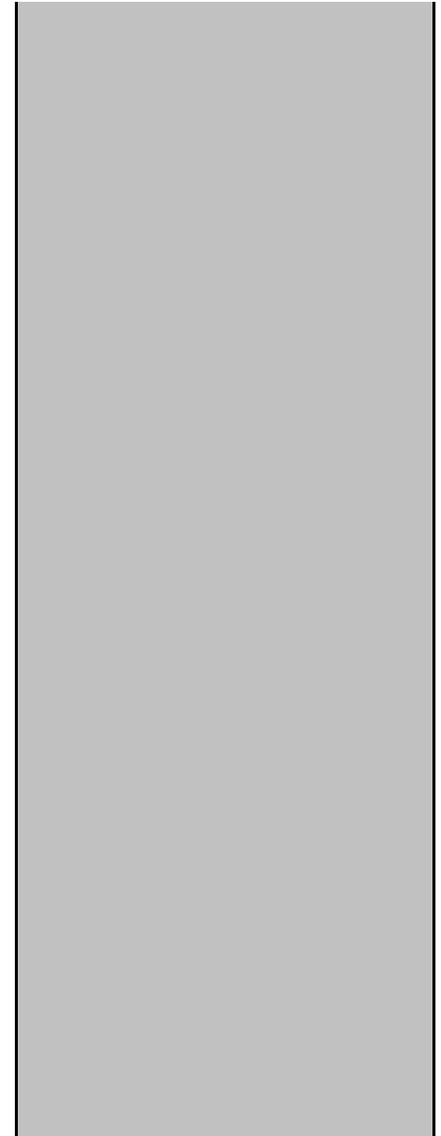
File a photocopy of the client's verification of SSN application or SS-5 in the physical case record.

Verification of an SSN may be needed to resolve an enumeration task or when two people claim the same SSN.

Verification Sources

The following sources in the SSN Application Verification field in Bridges are valid verification of an SSN application.

SS-5, Application for a Social Security Card.

SSA-5028, Receipt for Application for a Social Security number (allowed only for refugees for FIP, SDA, RAP, MA or AMP; allowed for all individuals for FAP).
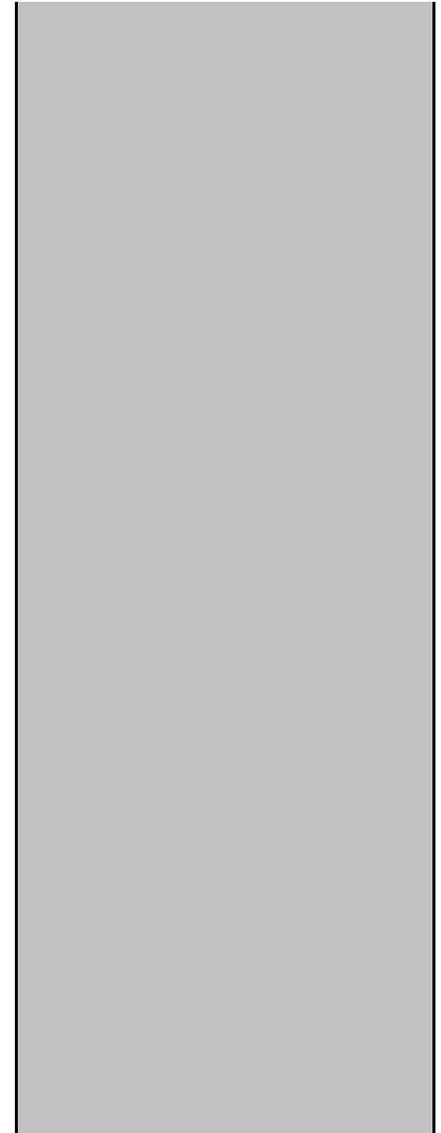
DHS-4557, Information About Your Baby's Social Security Card.

SSA-2853, Information About When You Will Receive Your Baby's Social Security Card.

Michigan birth certificate with box 10b marked that an SSN and card were requested.

Modified birth document that includes the minimum required information

The minimum required information on a

modified birth document is:

Child's name.
Child's date of birth.
Parent(s) name(s).
Name of hospital where child was born.
Signature of hospital representative.
Dated and check-marked annotation that SSN was requested.

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 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
BAM 800 STATES: **DEPARTMENT POLICY** The Department of Human Services (DHS) routinely matches recipient and applicant data with other public and private agencies through computer data exchanges. Acknowledgments in DHS applications inform clients of the data matching process. Data exchanges assist in the verification of income, assets and other eligibility factors for	Michigan plans to enhance the use of the verification systems to include a data match with the Michigan State Police to identify fugitive felons. This data match will include LIHEAP applicants and household members.	N/A	*Use of all available database systems to make sound eligibility determination.*

DHS recipients and applicants.

Data exchange reports must be reconciled with information contained in DHS case records.

DATA EXCHANGES

Data is currently exchanged with the following agencies:
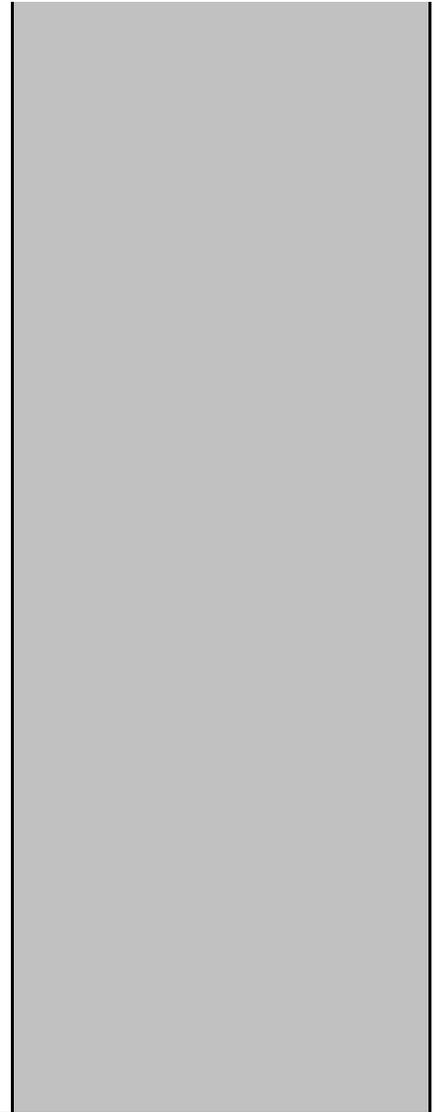
Social Security Administration (SSA).
Michigan Unemployment Insurance Agency
        (UIA).
Michigan Department of Treasury (DOT).
Internal Revenue Services (IRS).
Michigan Department of Corrections (DOC).
Specialists receive this information through the Consolidated Inquiry tool in Bridges that incorporates both earned and unearned income and through Bridges alerts called Task/Reminder.

DATA EXCHANGE RECONCILIATION

Information received from any computer data exchange must be reviewed and compared with the recipient's DHS record. Any discrepancies must be clarified.

The standard of promptness for resolving information received from a computer match is 45 calendar days. Wage match information must be resolved within 30 days. The standard of promptness for resolving

information received from new hires is **21 calendar days**.			

VERIFYING APPLICANT INCOME			
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**
BAM 802 STATES: **DEPARTMENT POLICY** The Michigan Department of Human Services (DHS) regularly matches recipient employment data with the Michigan Department of Labor & Economic Growth Unemployment Insurance Agency (UIA) through computer data exchange processes. Acknowledgments in DHS applications (DHS-1171, -4575, -4574B, DCH-373) inform clients of the data exchange process. These data exchanges assist in the verification of potential current employment, past employment history, and unemployment	Michigan plans to enhance the use of the verification systems in place for the FIP, SDA, CDC, MA and FAP programs to include LIHEAP-only applicants.	N/A	*Effective income determination achieved through coordination across program lines.*

benefits.

Department of Treasury Data Exchange

The only data exchange with Treasury is New Hires. This process cross matches active DHS recipients with Treasury files established from W-4 records submitted by employers for new employees.

Consolidated Inquiry

Eligibility specialists are required to use the consolidated inquiry in Bridges to verify earned and unearned income that is made available through data exchange. Verification of social security benefits, unemployment benefits and child support payments is valid through this inquiry.

TALX Work Number

A contract for the TALX Work Number has been in effect for employment verification purposes since spring of 2008. This system offers real time access to employment records by allowing staff to search the employer database by the client's Social Security number.

L-Letter L-10-020 was issued in an ongoing effort to ensure accurate income is being used to determine eligibility whenever a recipient or applicant reports earned income at the
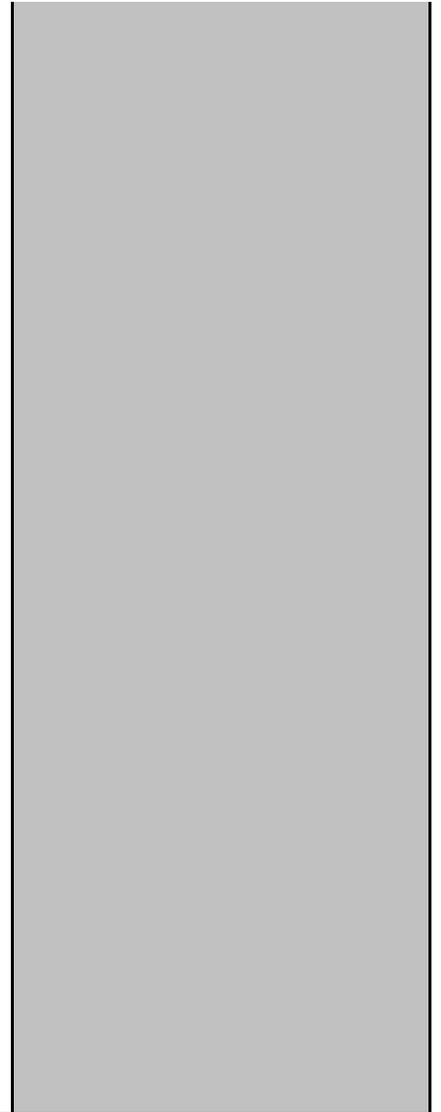
time of application.

PRIVACY-PROTECTION AND CONFIDENTIALITY

Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 to protect client information against improper use or disclosure.	Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.	If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.	Necessary outcomes from these systems and strategies
DEPARTMENT POLICY Information contained in all program case records is confidential and may be released **only** under limited circumstances for five general purposes: program administration, other government officials' access, charitable organization access, general public access, and client access. You must **not** discuss with unauthorized persons, either during or after working hours, information about individual clients that you learn through your employment. A signed application for assistance provides	N/A	N/A	*Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.*

consent for purposes of program administration. No other written consent is required.

If you are **not** sure the requested information is necessary to administer programs, **inform the client** of the request and obtain a **signed consent** before making the information available.

Encryption of Private Information and Social Security Numbers

The encryption of private information, particularly social security numbers is required when emails are sent to an email account outside state government. Emails sent through government networks are automatically encrypted.

Emails sent outside state government are at a much higher security risk than those sent through government emails. Identity theft is a problematic issue. The Department of Human Services has an obligation to protect private information and social security numbers.

Below is information from the Department of Information Technology regarding the secure transfer methods for sensitive information and in particular client social security numbers:

• Establish a State of Michigan email account for the intended recipient. (The State of Michigan email system is maintained in an encrypted format).
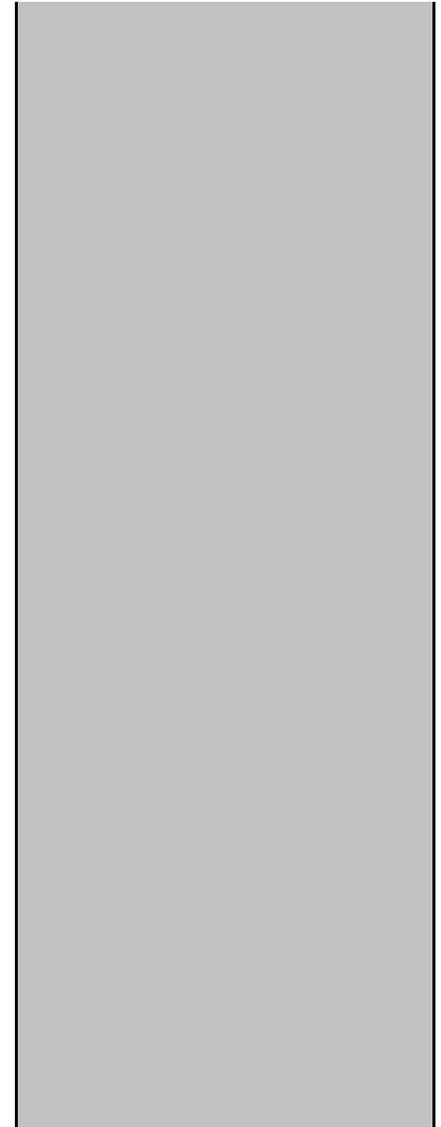
• Use WinZip encryption feature to encrypt the file. Send the encrypted file as an attachment to an email message. The recipient will need to use WinZip to read the file. Send a separate email containing the password to the recipient. The WinZip encryption process is attached.

LIHEAP BENEFITS POLICY

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.	Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
Michigan establishes yearly limits for each LIHEAP service. The limit is also referred to as the yearly issuance cap. This cap is the maximum amount that can be paid for a particular service. Payments are applied to the cap of the client. Client means the applicant for or recipient of SER and includes all group members. So every individual in the group, who benefits from the payment, including minor children, will have payments applied to their individual cap. The payments made to cap follow the individual even if they move from one household to another. The individuals can receive assistance more than once in a fiscal year but only up to the yearly	Local offices are not allowed to pay energy bills using local office funds. All payments to energy providers must be made through Bridges. Both state policy and Bridges supports centralized payments to providers. Policy also identifies the procedure for collecting any overpayment or incorrect issuance to a provider.	N/A	*Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.*

cap amount. To ensure that duplicate benefits are not issued, Bridges tracks all energy service authorizations and cap limits for each individual. This policy is supported by State Administrative Rules and is also located in the SER Business Process document which is available to all staff. There are edits built into the computer system to prevent issuances that exceed the cap. Any payments made that exceed the cap must be approved by the program office as an exception.

PROCEDURES FOR UNREGULATED ENERGY VENDORS

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
PROVIDERS Energy providers are enrolled in the Low Income Home Energy Assistance Program (LIHEAP). All LIHEAP providers are enrolled in Bridges by Central Office. **PROVIDER ENROLLMENT** All provider enrollments will be made in Bridges and is called the Provider Management System. Provider numbers will be assigned by Provider Management.	The provider enrollment form (DHS-355) was revised to require the provider to supply their date of birth (DOB) if they are using their Social Security Number (SSN). A work request was submitted to upgrade Bridges to allow for a monthly death match which will close the provider if there is a match. The DOB is needed in order to complete the death match.	N/A	*Participating vendors are thoroughly researched and inspected before benefits are issued.*

Payments will continue to be made through the Bridges payroll system.

A file clearance using the provider inquiry format must be done to determine if a provider is already enrolled, and to obtain the provider ID number used in making payments to that particular provider.

When a provider is initially enrolled, the provider's name, address, telephone number, tax identification number and eligibility type. Bridges Provider Management now stores the user ID of the person who enrolls or maintains the provider. This is an internal control measure.

CHANGES TO PROVIDER ENROLLMENT

The provider must request changes to the Provider Management System (e.g., name, address) in writing. The request should include the new information, the provider's tax identification number & provider ID number.

Changes to name, address, telephone number or tax identification number information for LIHEAP providers may only be made by central office.

Provider Enrollment Terminations - Central Office

Local offices cannot delete or end date the LIHEAP providers. When action is needed, the provider must notify DHS in writing and send the notification to DHS central office. **UNREGULATED VENDORS** Complaints about unregulated vendors are made directly to the Department of Attorney General's Consumer Protection Division. Once the complaint is filed, the AG's Consumer Protection Division contacts the vendor to resolve the complaint.			

VERIFYING THE AUTHENTICITY OF ENERGY VENDORS

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
The provider enrollment form (DHS-355) was revised to require the provider to supply their date of birth if they are using their SSN. Bridges will do a monthly death match and will close the provider if there is a match. The DOB is needed in order to do this match. When a provider is initially enrolled, the provider's name, address, telephone number, tax identification number, eligibility type are entered on the Provider Management System.	N/A	N/A	*An effective process that effectively confirms the existence of entities receiving federal funds.*

A file clearance using the provider inquiry format must be done to determine if a provider is already enrolled on the Provider Management System and to obtain the provider ID number. The LIHEAP provider must request changes to the MPS provider file information (e.g., name, address) in writing. The request should include the new information, the provider's tax identification number and the provider ID number. Provider information may be updated ONLY by central office.			

TRAINING AND TECHNICAL ASSISTANCE

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.	**Please highlight specific elements of your training regiment and technical assistance resources from your plan which will represent newly implemented in FY 2014.**	**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.**	**Necessary outcomes from these systems and strategies**

New DHS employees receive extensive training on our integrated eligibility system, Bridges. Continued computer-based training is also available for all employees to enhance their skills and knowledge. Meetings with participating energy providers, including technical staff, are held to ensure accuracy of data exchanged through a web service used for electronic applications. DHS provides training as requested for interested parties (legislative staff, Administrative Law Judges, energy providers, etc.) to explain LIHEAP and eligibility requirements. Bridges provides help screens and wizards for technical assistance. A Bridges wizard is an online tool that provides step-by-step instructions on how to complete a specific, common task within Bridges. Help screens are also provided for clients who opt to submit their LIHEAP application through the online process. The DHS public website provides LIHEAP benefit information, forms and instructions for LIHEAP applications. In addition, the SER eligibility manual is available for viewing online. The manual provides eligibility and verification requirements that must be met in order to receive a crisis payment.	The program office is currently working directly with various energy providers in the state to create a training tool for local office staff. This training will indicate how to access and navigate the provider's online verification system.	N/A	*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 FY 2013 that will continue into FY 2014	Please describe new policies or strategies to be implemented in FY 2014.	If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.	Necessary outcomes from these systems and strategies
WEATHERIZATION MONITORING Community Action Agencies and Limited Purpose Agency: Program and fiscal operations of sub-grantees are monitored using the following: • Contracts with Weatherization and crisis assistance sub-grantees require compliance with mutually agreed upon budgets and established accounting procedures. • DHS staff conducts on-site visits to each sub-grantee reviewing application processes, eligibility documentation, payment systems, accounting procedures, service delivery, compliance with technical weatherization requirements and other contractual responsibilities. • DHS Office of Internal Audit review of sub-grantee A-133 Audit reports. • Staff review of regularly submitted sub-grantee reports.	N/A	N/A	*Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.*

OMB Approval No. 0970-0075, Expiration Date: 04/30/2014

• Routine staff telephone contact with sub-grantees to answer questions regarding program operation.			