

**ATTACHMENT 5**  
**SAMPLE 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):		Date/Fiscal Year:	
<b>RECENT AUDIT FINDINGS</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.	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
The State of Wisconsin Legislative Audit Bureau conducted an audit during the 2011 program year. There were no findings of weaknesses, questioned costs, or other findings cited in the audit. HHS performed a monitoring visit to DES in Wisconsin in April 2013. While DES has not yet received the formal letter that includes findings, no major material weaknesses or findings were mentioned during the visit.			<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

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According to the Paperwork Reduction Act Of 1995 (Pub. L. 104-13), public reporting burden for this collection of information is estimated to average 1 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

<b>COMPLIANCE MONITORING</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.	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
<p>The State of Wisconsin, Department of Administration, Division of Energy Services (DES) conducts regular monitoring of its grantees via onsite Administrative Reviews as well as regular Desktop Monitoring.</p> <p>The DES Administrative Review process covers areas related to contract compliance, program operations, program integrity, staffing, planning, protection of applicants' personal and identifiable information, quality assurance, reporting and claims, and fraud.</p> <p>DES contracts with 79 local county and tribal agencies to administer WHEAP. At minimum, 50% of the local agencies are reviewed annually.</p> <p>Ongoing Desktop Monitoring includes, but is not limited to, the following areas: production activity, outreach activity,</p>			<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

<p>address integrity, accuracy of income (and types) reported, categorical eligibility, invalid Social Security Numbers, citizenship status, extraordinary low and high fuel usages reported, incomplete and canceled applications, client complaint trends, current system access and user security, and overall worker documentation. When variations are discovered, the local agencies are contacted to correct the problems. Many of these inquiries are conducted before benefits are issued to applicants, and questioned cases are set aside from payment until the problem is corrected.</p> <p>The Administrative Review process incorporates DES desk compliance monitoring results in the planned strategy and scope for each review. Together these methods allow DES to determine sound practices for administering the program.</p>			
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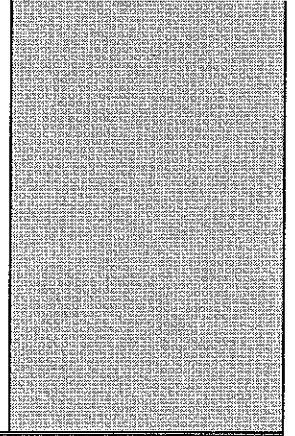
<b>FRAUD REPORTING MECHANISMS</b>			
<p>For FY 2013 activities continuing in FY 2014, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.</p>	<p>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.</p>	<p>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.</p>	<p>Necessary outcomes of these strategies and systems</p>

(a) The public can report fraud, inappropriate payments, waste and abuse in a variety of ways including: directly reporting to the local administering agency; contacting the Division of Energy Services' (DES) toll-free line (866-432-8947); sending letters to DES; emailing DES either by visiting our website ([homeenergyplus.wi.gov](http://homeenergyplus.wi.gov)) or directly ([Heat@wisconsin.gov](mailto:Heat@wisconsin.gov)); contacting their state legislator; contacting the State of Wisconsin's toll-free line specifically for reporting fraud (1-877-FRAUD-17); or contacting the Governor's office. DES currently encourages stakeholders, vendors and local organizations to establish lines of communication with the local office administering LIHEAP through our requirement of local coordination plans. Local coordination efforts are intended to encourage not only services to needy households, but also to provide a way for other community resources and stakeholders to identify potential cases of abuse.

(b) DES does not directly

*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.*

advertise fraud reporting resources. Because fraud should be reported and investigated first at the local levels, DES expects local agencies to make fraud reporting mechanisms available to the public.



<b>VERIFYING APPLICANT IDENTITIES</b>			
<b>Describe all FY 2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.</b>	<b>Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.</b>	<b>If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>All new applicant case heads must provide photo identification when applying for benefits.</p>	<p>A data exchange agreement between the Social Security Administration (SSA) and the Wisconsin Department of Administration has been established, which allows the Division of Energy Services (DES) to access SSA data to administer its Low Income Home Energy Assistance Program (LIHEAP). DES has been added to the Wisconsin Department of Health Services' (DHS) agreement with SSA and this agreement allows for real-time verification of SSNs (along with legal name, date of birth, and gender) for all household members with the DHS Master Customer Index data. Full WHEAP system implementation of positive SSN match as well as indication of 'deceased' was completed in August 2013.</p>		<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>
<b>SOCIAL SECURITY NUMBER REQUESTS</b>			
<b>Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</b>	<b>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.</b>	<b>If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.</b>	<b>Necessary outcomes from these systems and strategies</b>

Wisconsin has required Social Security numbers (SSNs) for all household members for several years. Households not providing SSNs for all household members have not completed the application and will not be paid.

The policy of requiring Social Security numbers for all household members will remain the same, but will now include verification with the Social Security Administration (SSA), as referenced above in the "VERIFYING APPLICANT IDENTITIES" section.

*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 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>A data exchange agreement between the Social Security Administration (SSA) and the Wisconsin Department of Administration has been established, which allows the Division of Energy Services (DES) to access SSA data to administer LIHEAP. DES has been added to the Wisconsin Department of Health Services' (DHS) agreement with SSA and this agreement allows for real-time verification of Social Security numbers, legal name, date of birth, and gender for all household members with the DHS Master Customer Index data. Full WHEAP system implementation of positive SSN match was completed in August 2013. This verification was required for early 2014 applications starting in August 2013 and will continue throughout 2014.</p>	<p>( See information in previous column)</p>		<p><i>Use of all available database systems to make sound eligibility determination.</i></p>

**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



The Wisconsin Division of Energy Services (DES) has attempted to secure access to other State Department databases such as Department of Workforce Development (DWD), which would allow querying of new hires and employer reported wage information to confirm income eligibility. To date, however, DES has been unsuccessful in these access attempts.

DES will again pursue gaining access for purposes of confirming income eligibility. It is DES's understanding that lack of agreement with SSA was a main reason that access has been denied for WHEAP eligibility determination, so the new data exchange agreement with SSA may prove helpful in securing further access to state records.

In the meantime, the current policies will remain the same for worker inspection of income documents including, but not limited to: pay stubs/statements, award letters, tax returns, W-2s and bank statements. The counties/tribes with which DES contracts have access to DWD data through Client Assistance for Re-employment and Economic Support (CARES) records for other state programs, and use this data when verifying income for WHEAP.

*Effective income determination achieved through coordination across program lines.*

<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>The Wisconsin Division of Energy Services (DES) limits access to the database that contains applicant information. Wisconsin does not share applicant information with outside organizations, limits internal use to the energy programs operated or evaluated by the State and limits any external use to programs operated in conjunction with energy assistance (arrearage reduction programs conducted by fuel providers, for example). Wisconsin expressly requires safe guards of confidentiality in the contract with local agencies, Article 26. DES has also limited the visibility of the Social Security Number and other personally identifiable information from all but the necessary local agency worker.</p>	<p>DES strengthened the policy from FY 2012 entitled "Contracted Agency Guidelines for Handling Sensitive Data" to further enhance privacy protection. DES trained agencies on the new strengthened policy in a webinar session for local agencies recorded in August 2013, and via in-person agency trainings in September and October 2013.</p>		<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

<b>LIHEAP BENEFITS POLICY</b>			
<b>Describe FY 2013 Grantee policies continuing in FY 2014 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.</b>	<b>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.</b>	<b>If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.</b>	<b>Necessary outcomes from these systems and strategies</b>

The Wisconsin Division of Energy Services (DES) has several control factors in place to protect against improper payments. Some of these policies include: the Wisconsin Home Energy Assistance Program (WHEAP) system automatically calculates the amount of the benefit based on application data entered (workers do not manually calculate benefit amounts, nor do they have the authority to make changes to the benefit amount), and DES pays the energy vendors directly which reduces the incentive and opportunity for inappropriate payments. Only a relatively small number of applicants receive direct payments and this is limited to households that do not have an account with a vendor (landlord pays for the heat or the household burns wood). The system for determining benefits uses several factors such as household income, annual energy costs, number of rooms in the dwelling, type of fuel and the number of eligible household members. The use of many factors to calculate the benefit makes anticipating the potential benefit difficult for an individual to adjust factors to increase the benefit amount. DES uses address checking software to ensure addresses are real, are used for residential purposes and represent the actual residence of the applicant.

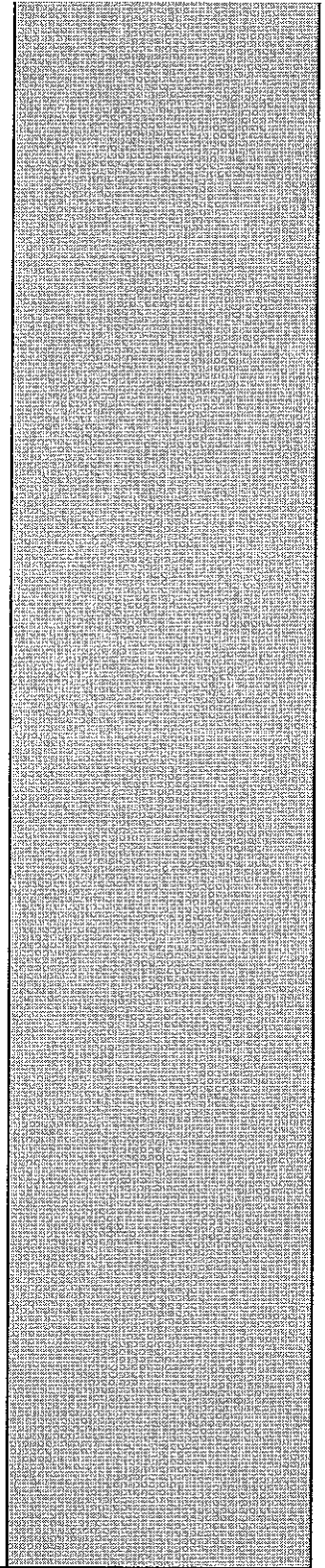
DES has used the Wisconsin Energy Fuel Information Web

DES will require a comprehensive WHEAP Quality Assurance Plan from each grantee, and defined quality assurance activities (determining a required percentage of total cases to be reviewed, criteria for correcting errors found, etc.) will be required starting in FY 2014.

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

Service Solution (WEFI) since FY 2013. WEFI is a data validation function used by local intake workers to confirm direct pay electric or natural gas Class A utility account numbers and annual fuel usage and cost amounts. Intake workers must review the data returned by WEFI for accuracy prior to adopting the cost data into the fuel page. WEFI web service will return all available cost data for the application address for 12 months prior to the application date, if the account is active on the day of the web service call. WEFI will not provide cost data for closed accounts. Use of WEFI is also required on crisis applications. Intake workers may manually enter cost data and cost basis for a closed account if issuing payment to the account is allowed by WHEAP Policy.

DES also has a required Internal Quality Assurance Review Policy for Emergency Furnace Program review at the local level, defining the percentage of cases which must be reviewed for both furnace repairs and replacements. Local agencies are instructed to turn all indications of deceit and fraud to the local fraud unit for additional investigation and potential prosecution as well as report to DES.



<b>PROCEDURES FOR UNREGULATED ENERGY VENDORS</b>			
<b>Describe the Grantee's FY 2013 procedures continuing in FY 2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other unregulated energy utilities.</b>	<b>Please highlight any strategies policy in this area which will be newly implemented in FY 2014.</b>	<b>If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>All vendors must register with the Wisconsin Home Energy Assistance Program (WHEAP) by submitting a complete and signed vendor agreement before any payments will be made to the vendor. The vendor access to the WHEAP system is limited and does not allow vendors to enter information into the system. Vendor payments are WHEAP system generated and based on approved applications. All vendors in Wisconsin must sign the standard vendor agreement after which they are placed on a registered vendor list.</p>			<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>
<b>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
<b>Describe Grantee FY 2013 policies continuing in FY 2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.</b>	<b>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.</b>	<b>If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Vendors are only allowed to participate in the program (become eligible to receive payments) after referral by a local energy assistance agency and completion of a vendor agreement and information sheet. Vendors can only be entered into the system by Division of Energy Services</p>			<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

<p>(DES) staff. Very few changes occur in the approved vendor list from year to year. The most common type of change generally relates to the consolidation of vendors, not the addition of new vendors. Changes in the vendor information are only made after receipt of a written document.</p>			
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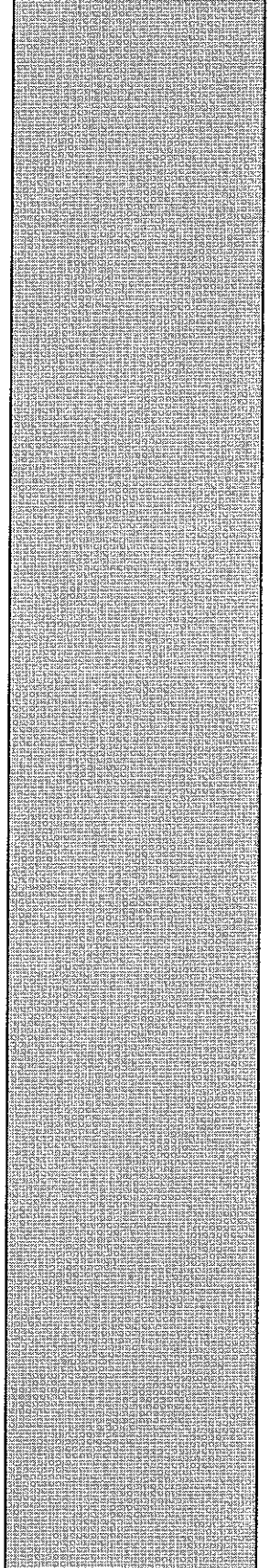
<p><b>TRAINING AND TECHNICAL ASSISTANCE</b></p>			
<p>In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.</p>	<p>Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2014.</p>	<p>If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>The Wisconsin Division of Energy Services (DES) conducts a two-day 'Intake Training' program to provide local energy assistance staff with a detailed overview of eligibility criteria and procedures for</p>	<p>DES includes new training content related to the implementation of the SSN verification/data exchange system (referenced above in the "CROSS-CHECKING SOCIAL SECURITY NUMBERS..." section) in the Intake Training,</p>		<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>

taking applications. DES also provides a two-day 'WHEAP Coordinator' training program geared towards effective administration at the local level. Both of these programs address some key issues related to prevention of fraud, waste, abuse, and issuance of improper payments.

Each August DES conducts an 'Update' session for local energy assistance staff, utility staff and other stakeholders. This session focuses on changes for the coming program year, specific policy and procedural changes, problems identified in monitoring that need to be addressed, and topics of special interest. Most of the discussion is focused on policy and procedures and is intended to avoid improper payments and avoid fraud.

Each winter (usually in February) Wisconsin conducts a two-day training conference for local agency staff and Home Energy Plus vendors. This conference has many purposes, but one of the underlying aims is to help local staff to understand and follow the program policies and procedures. As staff better understand policy and procedures, they help identify and prevent fraud and inappropriate payments. Wisconsin has an annual training contract with Wisconsin Energy Conservation Corporation (WECC) to organize and operate

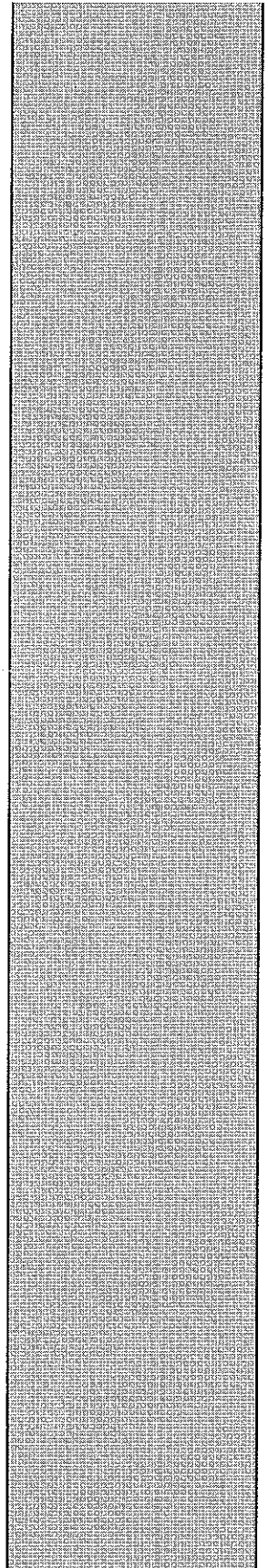
Coordinator Training, Update Session, and Home Energy Plus Conference materials.



designated training events and special topic training events of interest to workers throughout the state. DES also provides annual training to HVAC and Emergency Furnace Program vendors to communicate Home Energy Plus Program expectations.

All Home Energy Plus applicants must sign the *Client Certification Page*, which contains attestations regarding providing accurate information to determine program eligibility. Applicants are instructed to consult with the local WHEAP worker if they do not understand any item on the *Client Certification Page*. All WHEAP workers must sign off on the DES Conflict of Interest Policy at the beginning of each heating season.

DES operates a Help Desk dedicated to responding to questions and needs of local energy assistance program staff and vendor staff. This provides DES staff the opportunity to directly intervene in problems and to understand issues that should be addressed in other training areas. A portion of what DES staff does onsite during agency visits is providing training and technical assistance to the local agencies. DES also uses its email system to send out special training advice to all workers and vendors when there is a need, when changes occur and when reminders are appropriate. DES staff have regular internal discussions and

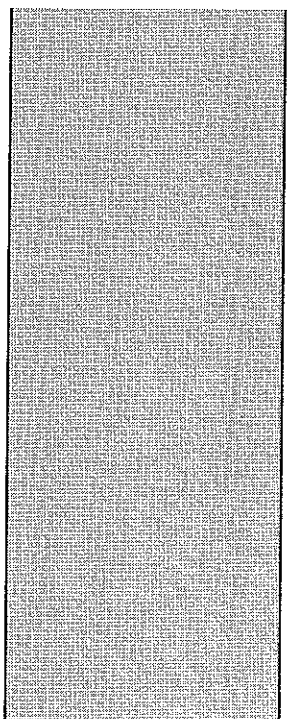




<p>meetings which contain the topics of fraud, waste and abuse.</p> <p>A webinar training launching the new Internal Quality Assurance Review policy, tool and mini-guide referenced above in the "LIHEAP BENEFITS POLICY" section.</p>			
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**AUDITS OF LOCAL ADMINISTERING AGENCIES**

<p>Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.</p>	<p>Please describe new policies or strategies to be implemented in FY 2014.</p>	<p>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.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>The contract with the local agencies (counties and tribes) sets forth the audit requirement of Wisconsin and of the Single Audit Act. Article 29 of the contract sets forth the audit requirements. These requirements have been in place and will be continued. DES explains its expectations in the Fuel Supplier/Vendor Agreement as well as the letter that is sent to vendors. All vendors must also complete and submit to DES the <i>Wisconsin Home Energy Assistance Program (WHEAP) Computer Access Request For WHEAP Program Vendors</i>. This form is to request access or a change for DOA Energy Services Computer System. This form contains an attestation which the individual must sign agreeing to abide by Wis. Stat. 943.70(2).</p>			<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>

<p>The DES Administrative Review process covers areas related to contract compliance, program operations, program integrity, staffing, planning, protection of applicants' personal and identifiable information, quality assurance, reporting and claims, and fraud. DES staff travel to local administering agencies to conduct administrative reviews. DES contracts with 79 local county and tribal agencies to administer WHEAP; at minimum, 50% of the local agencies are reviewed annually.</p>			
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**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.