



OFFICE OF INSPECTOR GENERAL
U.S. Department of Housing and Urban Development

SEMIANNUAL REPORT TO CONGRESS

For the period October 1, 2020, to March 31, 2021

★★ OFFICE *of* ★★
INSPECTOR GENERAL

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

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HIGHLIGHTS

FOR THE PERIOD OCTOBER 1, 2020, TO MARCH 31, 2021



21

**AUDIT AND EVALUATION
REPORTS PUBLISHED**



\$90,201,682

**COLLECTIONS FROM
AUDITS**



76

**INDICTMENTS -
INFORMATIONS**



\$12,864,667

**RECOMMENDED
QUESTIONED COSTS**



\$18,546,041

**TOTAL RECOVERIES -
RECEIVABLES TO
HUD PROGRAMS**



210

SUBPOENAS



\$438,691,307

**RECOMMENDED FUNDS PUT
TO BETTER USE**



65

**CONVICTIONS-PLEAS -
PRETRIAL DIVERSIONS**



51

ARRESTS



A MESSAGE FROM THE INSPECTOR GENERAL

It is with great pride that I submit the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) Semiannual Report to Congress, which covers the period from October 1, 2020 to March 31, 2021.

We faced challenges during this period unlike any that we have seen before. My office demonstrated our ability to adapt and produce quality, timely reports to inform policymakers and the public, and we continued protecting HUD funds from fraud, waste, and abuse. During this period our audit and evaluation work resulted in the publication of 21 reports identifying over \$438 million in funds put to better use, over \$12 million in questioned costs and \$90 million in collections. Our investigations during this period resulted in over \$18 million in recoveries for HUD programs.

As the period closes, the fight against the COVID-19 pandemic continues and it will remain a central focus for HUD and my office. The assistance and relief provided through HUD's pandemic response is crucial to the stability of American housing and communities. HUD was tasked with disbursing and overseeing more than \$12 billion in grant funding provided under the Coronavirus Aid, Relief, and Economic Stability (CARES) Act, as well as implementing program changes to provide relief from evictions for renters and loan forbearance and foreclosure relief for homeowners. In March 2021, the passage of the American Rescue Plan (ARP) Act provided over \$10 billion through HUD programs to fund emergency housing vouchers, homeless

assistance and supportive services, fair housing initiatives, and housing assistance and supportive services for Native Americans. As an active member of the Pandemic Response Accountability Committee or PRAC, the OIG helps promote transparency and accountability of these funds through our independent oversight.

During this period, we concluded several audits, evaluations, and investigations related to HUD's pandemic response. We used agile approaches and limited-scope reviews to examine HUD's communications with the public regarding eviction protections, the drawdown levels of CARES Act grants, key considerations from prior audits relevant to FHA's implementation of forbearance requirements, and the pandemic-related challenges disaster-recovery grantees were facing.

We also initiated engagements focused on ensuring that timely and effective relief is provided to the intended recipients and those relief efforts are not undermined by fraud, waste, and abuse. We initiated work during the period to examine mortgage loan servicers compliance with HUD's forbearance requirements and HUD's communications to homeowners about forbearance options. We also initiated work to review HUD's administration of \$685 million in supplemental operating funds provided to public housing agencies to prevent, prepare for, and respond to the pandemic. Additionally, we are working jointly with the PRAC to assess HUD's identification of fraud risks in over \$9 billion of CARES Act funding distributed through the Community Development Block Grant and Emergency Shelter Grant programs.

In addition to our pandemic work, we concluded a number of audits, evaluations, and investigations focused on the health and safety of residents in HUD-assisted housing and protecting taxpayer funds. We identified that HUD needs to strengthen its approach for identifying HUD-assisted rental units near contaminated sites and mitigating resident exposure to those hazards. We also identified that the FHA needs to strengthen its controls to prevent ineligible mortgage loans on properties in special flood zones from becoming insured to prevent future losses to the FHA insurance fund. Based on the significant findings in that review, we initiated follow-on work in this area during the period to assess whether borrowers are maintaining flood insurance coverage. Additionally, we continue to utilize the False Claims Act in partnership with HUD and the Department of Justice as primary tool for combating fraud in HUD programs, evidenced by an agreement reached with an FHA lender to pay nearly \$25 million to resolve allegations it knowingly submitting false claim to FHA for insurance benefits on defaulted mortgage loans.

My office has also prioritized oversight of HUD's Office of Fair Housing and Equal Opportunity (FHEO), which plays a vital role in eliminating discrimination in housing. To that end, we initiated an audit to examine how FHEO and its partners process discrimination complaints and determine whether full investigations are necessary.

The OIG continued influencing positive change in HUD programs during this period through our open recommendations "tiger team" collaboration with the Offices of the Chief Financial Officer. This collaboration reduced the number open recommendations to 1,116 at the end of this reporting period, which was 179 fewer than the prior period. HUD has addressed many OIG recommendations in the information technology and financial management

areas resulting in a positive impact on HUD's mission and operations allowing HUD to improve its maturity in financial management and information security.

I want to express my sincere admiration to the staff of HUD OIG for their outstanding accomplishments and dedication. Throughout this challenging period, they demonstrated determination and excellence. Finally, I would like to thank you, our stakeholders, for your continued support and look forward to working together to further our efforts to improve housing opportunities for Americans nation-wide.



Rae Oliver Davis

Inspector General
Rae Oliver Davis

SNAPSHOT

Spotlight

Our Fiscal Year 2021 performance has helped us deliver for the U.S. Department of Housing and Urban Development (HUD), Congress, and our other stakeholders, including HUD communities nationwide. Our work has helped the Department achieve its mission to create strong, sustainable, inclusive communities and quality affordable homes for all. Our scale, reach, and activities range from efforts to identify and mitigate health risks to residents living in HUD-funded properties to providing oversight of relief efforts provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), as well as providing oversight to more than 300 of HUD's programs and operations. This section draws attention to our reports and performance since October 1, 2020.

FHA Insured \$940 Million in Loans for Properties in Flood Zones Without the Required Flood Insurance

HUD's Office of Inspector General (OIG) audited Federal Housing Administration (FHA)-insured loans that originated in calendar year 2019. OIG's audit objective was to determine whether FHA insured loans that were ineligible for insurance because they did not have the required flood insurance coverage. The National Flood Insurance Act of 1968 (Public Law 90-448) established the National Flood Insurance Program (NFIP). NFIP is a Federal program that enables property owners in participating communities to purchase flood insurance as protection against flood losses, while requiring State and local

governments to enforce floodplain management ordinances that aim to reduce future flood damage. The Flood Disaster Protection Act of 1973 (Public Law 93-234) made the purchase of flood insurance mandatory for federally insured loans in special flood hazard areas (SFHA). The Biggert-Waters Insurance Reform Act of 2012 (Public Law 112-141) further amended the Federal flood insurance statutes to encourage private-sector participation. It did not apply to FHA-insured loans but, instead, applied to other types of loans. FHA's current rules regarding the requirement to maintain flood insurance coverage on property located in an SFHA do not permit private flood insurance as an option to satisfy the purchase requirement. To qualify for FHA insurance, properties in an SFHA must be covered by NFIP insurance in an amount equal to either the outstanding balance of the mortgage, less estimated land costs, or the maximum amount of NFIP insurance available, whichever is less.

OIG found that FHA insured at least 3,870 loans that closed in 2019, totaling \$940 million, which were not eligible for insurance because they were made for properties in flood zones without the required flood insurance coverage.

OIG found loans that either did not have the required flood policies or had policies that did not meet the minimum amount required by FHA guidance. These conditions occurred because FHA did not require underwriters to enter information into HUD systems to show compliance with Federal flood insurance regulations. Underwriters did not enter information into FHA's system regarding whether an NFIP flood insurance policy was obtained or the coverage amount. They

also did not enter the flood zone or the site value, both of which would be needed to determine whether insurance was required and if so, the minimum coverage amount. FHA also did not have a control mechanism in place to prevent endorsement of loans that did not comply with the flood insurance requirement.

OIG recommended that FHA require lenders to provide evidence of sufficient flood insurance or execute indemnification agreements for the 43 loans in the statistical sample that did not have sufficient flood insurance at the time of the audit. OIG also recommended that FHA add to HUD databases the information necessary to ensure that the required flood insurance is obtained. **(Audit Report: 2021-KC-0002)**

Opportunities Exist to Improve HUD's Communication to Renters About Eviction Protections

As part of the CARES Act, OIG reviewed HUD's communication to renters regarding the eviction moratorium found in Section 4024. The Section 4024 eviction moratorium protects millions of households residing in properties that participate in certain housing programs or have federally backed mortgage loans. These households include renters connected to HUD's public housing and rental assistance programs as well as those who rent in FHA-insured single-family homes, FHA-insured multifamily properties, and other properties related to HUD programs. OIG's objective was to highlight HUD's progress and identify areas for

improvement. OIG found that HUD provided critical information to many of these renters through its website and published guidance.

However, OIG identified several aspects of HUD's communication to renters on its website and published guidance that could be strengthened and areas of the joint website that could be improved.

For example, (1) guidance for renters can be difficult to locate, does not cover all impacted renters, and does not consistently provide key information; (2) search tools and other information on its website do not help all impacted renters determine whether they are protected; and (3) HUD's website and published guidance do not consistently inform renters about additional eviction protections available.

While the Section 4024 eviction moratorium expired on July 24, 2020,¹ it is still crucial that HUD have clear, complete, and accessible guidance available to help renters at a time when their health and financial stability may be at risk. If HUD maintains up-to-date and easily accessible information for all impacted renters, it will help to ensure that renters know their rights, maintain housing stability through the pandemic, and avoid homelessness. **(Audit Memorandum: 2021-NY-0801)**

¹Mortgagee Letter 2021-05, published February 16, 2021, extends the foreclosure and eviction moratorium through June 20, 2021.

HUD and Its CDBG-DR Grantees Have Experienced Challenges Related to the COVID-19 Pandemic

OIG completed a survey of the impact of the COVID-19 pandemic on HUD's Community Development Block Grant Disaster Recovery (CDBG-DR) grantees to determine the challenges that HUD and its grantees are experiencing related to the COVID-19 pandemic and to help inform the Office of Community Planning and Development and Congress on the issues faced in responding to the pandemic. The survey focused on key questions regarding the grantees' challenges and experiences with respect to their ability to monitor CDBG-DR activities, future challenges in administering the program as a result of the pandemic, additional support they will need to effectively administer the program, and whether HUD's revised requirements address the challenges.

Many HUD CDBG-DR grantees reported facing challenges with alternative systems-technology and communications with program participants, subrecipients, contractors, and local governments and reported substantial challenges with project construction delays and incurring additional costs due to State-ordered shutdowns and scarcity of materials.

Other challenges reported by the grantees included adjusting to the technology for virtual monitoring, construction resources and lack of capacity, travel restriction impact on tourism-based project activities, fear of possible COVID-19 infection and case resurgence, telework and managing work-home balance, and ensuring having essential equipment and technology. OIG determined that there were eight recurring themes

faced by CDBG-DR grantees and HUD officials during the COVID-19 pandemic. Although HUD's assistance emerged as a recurring theme, grantees identified a range of actions and coordination efforts they received from HUD in response to the pandemic. OIG did not identify HUD assistance as a challenge but an opportunity for HUD to continue to cultivate its relationship with the grantees and collaborate with them to help them navigate and maintain continuity of operations during this emergency situation. OIG issued a memorandum, which contained no recommendations. **(Audit Memorandum: 2021-GA-0801)**

Contaminated Sites Pose Potential Health Risks to Residents at HUD-Funded Properties

The West Calumet Housing Complex (WCHC), located in East Chicago, IN, is a housing development that opened on top of a former lead smelting plant in 1972. WCHC was built on the former site of Anaconda Lead Products and the International Lead Refining Company and downwind of the USS Lead facility, all part of the USS Lead Superfund site. Lead is one of the most commonly found hazards at Superfund sites. In 2009, the Environmental Protection Agency (EPA) put the USS Lead site on the National Priorities List for contamination cleanup. As of 2016, approximately 1,100 residents, about 680 of whom were children, resided in WCHC. On August 3, 2016, HUD officially ordered the relocation of WCHC's residents due to lead contamination. The City of East Chicago began demolition of WCHC in 2018 and completed it by June 2019. OIG's objectives were to determine (1) the circumstances surrounding the resident lead poisoning at WCHC, (2) what steps HUD has taken to determine the potential health risks posed to residents in HUD-funded

properties by Superfund and non-Superfund sites contaminated with heavy metals, and (3) what HUD has done to mitigate these potential health risks.

HUD developed two environmental review regulations in response to the National Environmental Policy Act of 1969 (NEPA). The objective of NEPA was, in part, to stimulate the health and welfare of the people. NEPA also established a national policy that would encourage harmony between people and their environment and promoted efforts to prevent or eliminate damage to the environment. Both regulations state that it is HUD policy that “[a]ll property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.”

“They also state that particular attention should be given to any proposed site on or in the general proximity of such areas as dumps, landfills, industrial sites, or other locations that contain hazardous wastes.”

HUD’s Office of Environment and Energy, within the Office of Community Planning and Development, has overall departmental responsibility for policies and procedures that implement NEPA and related laws and authorities known as compliance factors.

HUD and other agencies missed multiple opportunities to identify site contamination at WHCH, resulting in residents’ continuing to live in unsafe conditions for decades, and inadequate oversight led to the lead poisoning

of children. HUD would have become aware of lead contamination at WCHC sooner if HUD and the City of East Chicago had properly conducted environmental reviews or if better communication among Federal, State, and City authorities had occurred. HUD partnered with and relied on the EPA to identify and develop a mitigation strategy for contaminated HUD-funded properties. Since 2016, HUD and EPA have been working to update a list of HUD-funded properties on or near contaminated sites, and while HUD has taken steps to improve communication with EPA, it can do more with the information it receives to understand how contaminated sites might impact HUD-funded properties. OIG recommended that HUD develop and implement strategies to research properties and determine whether site contamination should be considered in future reviews and monitor those reviews. Also, OIG recommended that HUD monitor completed environmental reviews for properties identified as potentially contaminated to ensure that site contamination was appropriately considered. **(Evaluation Report: 2019-OE-0003)**

Making an impact

OIG's oversight work results in recommendations to encourage improvements in the conduct of government programs and operations. This section highlights connections between OIG's work and positive impact for HUD's programs, operations, mission, and beneficiaries. While there are many factors that may cause programmatic change, OIG's reviews and other work often play a role. This section draws attention to recommendations closed during this semiannual reporting period that have made a positive impact on HUD's mission and operations.

HUD Program Area: Office of the Chief Information Officer

HUD closed 27 recommendations associated with information technology (IT) and information security evaluations completed by HUD OIG. Some of those recommendations had been longstanding since 2014. Most of those recommendation impacted one of the eight Federal Information Security Modernization Act of 2014 (FISMA) domains. Three of the FISMA domains, including Risk Management, IT Security Training, and Incident Response, had maturity level improvements.

OIG's fiscal year (FY) 2020 FISMA evaluation found that HUD consistently implemented the IT security metrics that are used to measure the maturity of HUD's IT security program.

HUD's maturity had been at the "defined" level since FY 2018 when all Federal agencies began conducting annual evaluations in accordance with the maturity model criteria. The concerted effort to close

recommendations correlates to HUD's increased maturity level. This is a stepping-stone toward HUD's achieving the next maturity level of "managed and measurable," which the Office of Management and Budget associates with an effective program.

The Office of the Chief Financial Officer, Ginnie Mae, FHA

HUD closed 10 recommendations that focused on deobligating funds not needed, correctly accounting for and taking appropriate action to track and pursue funds owed to HUD, and recognizing unrecorded assets and liabilities related to leasehold improvements. The Government National Mortgage Association (Ginnie Mae), HUD's component entity, also closed seven recommendations that focused on improving Ginnie Mae's financial management governance, specifically in the areas of models used for its estimates and its financial systems.

Further, HUD closed three significant deficiencies and two instances of noncompliance with laws and regulations, Ginnie Mae closed two material weaknesses and one instance of noncompliance, and FHA closed one significant deficiency and reported no internal control findings or instances of noncompliance with laws and regulations in its audit report. Many of these findings represented longstanding deficiencies in HUD's overall financial management environment.

The work that HUD and its component entities have done over the past year, along with the closure of recommendations and internal control findings during this semiannual reporting period, have helped HUD and Ginnie Mae to achieve clean opinions on their financial statements for the first time in 8 years.

This work reflects the improvements HUD and its component entities have made in their financial management environment, which we have reported as one of HUD's top management challenges for the last several years.

A clean opinion provides stakeholders of HUD's financial statements with reasonable assurance that the information contained in HUD's financial statements is accurate, which helps stakeholders make more informed decisions about HUD's current operations and future needs. It also gives HUD more credibility with the public. Further, reducing material weaknesses and significant deficiencies in HUD's controls is essential to building sound financial management. These improvements have allowed HUD to improve its financial management posture, based upon the U.S. Department of the Treasury's Financial Management Maturity Model.



HOUSING

The Office of Housing plays a vital role for the nation's homebuyers, homeowners, renters, and communities through its nationally administered programs. It includes Single Family Housing, Multifamily Housing, and the Federal Housing Administration (FHA), the largest mortgage insurer in the world. FHA single-family programs provide mortgage insurance to mortgage lenders that, in turn, provide financing to enable individuals and families to purchase, rehabilitate, or construct homes. With the multifamily housing developments with the Office of Housing and Urban Development-held (HUD) or HUD-insured mortgages and the Office of Healthcare Programs, HUD subsidizes rents for low-income households, finances the construction or rehabilitation of rental housing, and provides support services for the elderly and disabled. Some of the highlights from this semiannual period are noted in this chapter.

AUDIT



5

KEY PROGRAM RESULTS



\$437,835,534

RECOMMENDED FUNDS PUT TO BETTER USE



\$0

RECOMMENDED QUESTIONED COSTS

INVESTIGATION



\$32,908,467

INVESTIGATIVE RECOVERIES



25

CONVICTIONS - PLEAS - PRETRIAL DIVERSIONS



13

ADMINISTRATIVE - CIVIL ACTIONS

OFFICE OF AUDIT

Key Considerations From Prior Audits of the Single Family Default Monitoring System and the Partial Claim Loss Mitigation Option

The Office of Inspector General (OIG) provided a memorandum to HUD with key considerations from prior audits of the HUD Single Family Default Monitoring System (SFDMS) and the partial claim loss mitigation option. In past audits, OIG identified HUD's lack of effective controls for ensuring that lenders reported timely and accurate information on defaults and promptly filed for partial claims and that partial claims fully reinstated delinquent loans. Additionally, OIG identified that the current design of partial claims results in an inferior lien position on the securing property during a foreclosure sale. OIG recommended that HUD address this situation now to ensure program integrity and minimize the risk of financial loss during the COVID-19 pandemic.

Agencywide, Audit Memorandum: 2021-KC-0801

Necessary System Interfaces Between HERMIT and the National Servicing Center Were Not in Place

OIG audited selected general and application controls of the FHA Home Equity Reverse Mortgage Information Technology (HERMIT) system as part of the internal control assessments required for the fiscal year 2019 financial statement audit under the Chief Financial Officer's Act of 1990. OIG's objective was to review the selected controls over HERMIT

for compliance with HUD information technology policies and Federal information system security and financial management requirements. This report is not available for public disclosure.

Agencywide, Audit Report: 2021-DP-0002

FHA Insured \$940 Million in Loans for Properties in Flood Zones Without the Required Flood Insurance

OIG audited FHA-insured loans that originated in calendar year 2019. OIG's objective was to determine whether FHA insured loans that were not eligible for insurance because they did not have the required flood insurance coverage. OIG found that FHA insured at least 3,870 loans that closed in 2019, totaling \$940 million, which were not eligible for insurance because they were made for properties in flood zones without the required flood insurance coverage. OIG recommended that FHA require lenders to provide evidence of sufficient flood insurance or execute indemnification agreements for the 43 loans in the statistical sample that did not have sufficient flood insurance at the time of the audit. OIG also recommended that FHA add to HUD databases the information necessary to ensure that the required flood insurance is in place at loan origination.

Agencywide, Audit Report: 2021-KC-0002

HUD’s Office of Multifamily Housing Programs Did Not Always Follow Mitigation Requirements for Its FHA-Insured Multifamily Projects

OIG audited HUD’s Office of Multifamily Housing Programs. The objective was to determine whether (1) a complainant’s allegations were substantiated for the 8 properties reviewed and (2) HUD properly followed mitigation requirements for the 17 properties reviewed. OIG found that HUD did not always properly follow mitigation requirements for its Federal Housing Administration-insured multifamily projects and did not conduct the required radon mitigation for one of its projects before final endorsement because multifamily HUD Environmental Review Online System (HEROS) users lacked training, HUD did not have procedures in place, and radon requirements were not updated on the closing documents. OIG recommended that HUD (1) conduct and make available internal HEROS training for all multifamily HEROS users on how to document the environmental review mitigation measures, (2) establish and implement written procedures specifying which multifamily employees are required to upload mitigation resolutions after construction completion and at final endorsement, (3) upload the 17 missing mitigation resolutions and the 1 missing radon testing document into HEROS for the projects in this finding, (4) strengthen HEROS or internal procedures to add a requirement confirming that the mitigation resolutions have been uploaded at final endorsement, and (5) strengthen HEROS by adding a column on the dashboard to show the progress of the overall mitigation status.

Agencywide, Audit Report: 2021-KC-0001

Interim Audit Memorandum – The HUD Single Family Insurance Operations Division Should Take Additional Action To Inform Homeowners of Changes to Its FHA Refund Process Resulting From the COVID-19 Pandemic

OIG audited HUD’s response to COVID-19 to determine (1) whether it appropriately, effectively, and efficiently tracked, monitored, and issued FHA refunds owed to homeowners with terminated loans, and (2) how COVID-19 has affected policies, procedures, and distribution of FHA refunds and whether HUD’s response was appropriate. OIG determined that COVID-19 generally did not affect the Single Family Insurance Operations Division’s (SFIOD) FHA refund policies and procedures; however, SFIOD did not fully notify homeowners of operational changes to its physical mail procedures, which potentially impacted its distribution of refunds. The audit prompted HUD to take immediate corrective action for all three recommendations, one of which will be closed concurrently with the issuance of this memorandum and two of which will be completed during audit resolution.

Agencywide, Audit Memorandum: 2021-LA-0802

OFFICE OF INVESTIGATION

HUD-Approved Direct Endorsement Lender Agrees To Pay \$24.9 Million

Guild Mortgage Company, a HUD-approved direct endorsement lender, entered into a settlement agreement with the United States and agreed to pay \$24.9 million, of which \$16.9 million will be paid to FHA to resolve allegations that the lender violated the False Claims Act. Guild Mortgage Company failed to comply with program rules that require lenders to maintain quality control programs and failed to follow the self-reporting requirements. Although Guild Mortgage Company's participation in this settlement did not constitute an admission of liability, the defined unallowable costs make it clear that the company certified and approved loans that were not eligible for FHA mortgage insurance and that without the lender's actions, HUD would not have insured or guaranteed the loans. The lender also indicated in the agreement that it would identify similar situations not covered by this agreement and reimburse the United States for additional unallowable costs.

Washington, DC

Investors Agree To Pay HUD \$200,000 in Real Estate-Owned Flipping Scheme

Laziza Abdullaeva and Aziz Ashurov, real estate investors, entered into a settlement agreement with the United States and agreed to pay \$200,000 to HUD to resolve allegations that they violated HUD's real estate-owned (REO) program rules. During the purchase of four REO properties, Abdullaeva and Ashurov falsely represented to HUD that they intended to occupy the

properties as a primary residence for a period of 12 months. Abdullaeva and Ashurov failed to comply with the residency requirement and, instead, purchased, renovated, and resold the properties through their real estate investment company, Capital Invest, LLC. HUD OIG conducted this investigation.

Nashville, TN

Trio Sentenced in Mortgage Loan Modification Scheme

Sara Cordry and Ruby Price, co-owners of The Arize Group, Incorporated (AGI), and Tylor Korn, co-owner of Reliant Home Financial Group (RHFG), were collectively sentenced in U.S. District Court to 63 months incarceration, 6 years supervised release, and 1 year probation. Cordry was convicted of conspiracy, mail fraud, and wire fraud. She also pleaded guilty to defrauding HUD and was ordered to pay more than \$1 million in restitution to FHA. Korn and Price were ordered to pay jointly and severally more than \$1.3 million in restitution to individual victims in connection with their guilty pleas to conspiracy to commit mail and wire fraud. During a 1-year span, the conspirators, through AGI and RHFG, orchestrated a mortgage loan modification scheme, whereby they promised struggling homeowners that they would provide them with mortgage modification services in exchange for an advance fee. However, no modification services were provided, and the homeowners often found themselves worse off financially than they were before dealing with the conspirators. HUD OIG and the Federal Housing Finance Agency OIG conducted this investigation.

Kansas City, KS

PUBLIC AND INDIAN HOUSING

The U.S. Department of Housing and Urban Development (HUD) provides grants and subsidies to more than 3,100 public housing agencies (PHA) nationwide. Many PHAs administer both public housing and Section 8 programs. HUD also provides assistance directly to PHAs' resident organizations to encourage increased resident management entities and resident skills programs. Programs administered by PHAs are designed to enable low-income families, the elderly, and persons with disabilities to obtain and reside in housing that is safe, decent, sanitary, and in good repair. Some of the highlights from this semiannual period are noted in this chapter.

AUDIT



3

KEY PROGRAM RESULTS



\$1,550

RECOMMENDED FUNDS PUT TO BETTER USE



\$0

RECOMMENDED QUESTIONED COSTS

INVESTIGATION



\$3,699,065

INVESTIGATIVE RECOVERIES



21

CONVICTIONS - PLEAS - PRETRIAL DIVERSIONS



45

ADMINISTRATIVE - CIVIL ACTIONS

OFFICE OF AUDIT

HUD's PIH Office of Field Operations Generally Confirmed That PHAs Complied With the Implementing Guidance of HUD's Smoke-Free Policy Requirements

HUD's Office of Inspector General (OIG) audited HUD's Office of Public and Indian Housing (PIH), Office of Field Operations' (OFO) oversight of PHA compliance in implementing HUD's smoke-free policy. OIG's objective was to determine whether OFO ensured that PHAs complied with implementation guidance for HUD's smoke-free policy requirements in public housing programs. OFO generally confirmed that it provided technical assistance to PHAs before the implementation deadline to help ensure their compliance and obtained self-reporting from a majority of more than 3,000 PHAs that they had obtained their board's approval for implementing the policy and had amended their tenants' leases as required. This report contains no recommendations.

Agencywide, Audit Report: 2021-AT-0001

Use of Landlord Incentives in the Housing Choice Voucher Program

OIG conducted a limited review to determine the use of landlord incentives to increase landlord participation and retention and expand housing options for program participants outside areas of low-income or minority concentration. The majority (28 of 34) of responsive Moving to Work (MTW) PHAs used the program and funding flexibilities of the MTW program to offer landlord incentives. These PHAs generally stated that the incentives they offered were somewhat effective, but it should

be acknowledged that the effectiveness of an incentive varied widely. HUD should consider conducting further studies of incentives to better understand their effectiveness, which can help HUD better serve and connect with its landlords.

Agencywide, Audit Memorandum: 2021-LA-0803

Review of the Nampa Housing Authority's Public Housing Program

OIG audited the Nampa Housing Authority's public housing program. The objective was to determine whether the Authority followed HUD public housing requirements pertaining to (1) calculating contract rents, (2) maintaining its waiting lists, (3) providing its staff the credentials needed to access HUD systems, and (4) storing and securing tenant files. OIG found that the Authority charged 11 tenants the incorrect rent for at least 1 month, improperly maintained its waiting lists for housing tenants out of order, could not show that all HUD system users had proper credentials and that only employees with credentials accessed the system, and generally stored and secured tenant files properly. OIG recommended that HUD require the Authority to (1) reimburse the six tenants who overpaid rent totaling \$1,550 using non-Federal funds; (2) develop and implement internal control procedures that support its policy and ensure a proper tenant selection process when selecting tenants for housing; and (3) ensure that it follows all applicable HUD requirements related to accessing, using, and safeguarding credentials of HUD systems.

Nampa, ID, Audit Memorandum: 2021-SE-1801

OFFICE OF INVESTIGATION

Landlord Agrees to Pay \$180,000 After Collecting Illegal Rents From HUD-Assisted Tenants

Hans Kuhn, Housing Choice Voucher Program (HCVP) landlord and owner of QN Corporation, entered into a settlement agreement with the United States and agreed to pay \$180,000, of which \$140,000 will be paid to HUD, to resolve allegations that he and QN Corporation knowingly violated the False Claims Act when they charged and collected rents from multiple tenants who received rental assistance through HUD's HCVP. The additional rents collected violated contractual and regulatory certifications and conditions for rental subsidy payments by including rents for units subsidized under HUD's HCVP that exceeded rents permitted by contract and the PHA. HUD OIG conducted this investigation.

Chicago, IL

Former Public Housing Agency Executive Director Sentenced to 5 Years Probation

Tana Gutierrez, former executive director of a PHA, was sentenced in U.S. District Court in connection to her earlier guilty plea to theft from programs receiving Federal funds. Gutierrez was sentenced to 5 years probation and ordered to pay a \$23,258 special assessment to HUD. For more than 3 years, Gutierrez awarded herself duplicate payroll checks, unauthorized overtime payments, and unauthorized payments from the PHA's Public Housing Capital Fund program, resulting in an overpayment

of payroll and bonuses, which were not approved by the PHA's board of directors. HUD OIG and the Federal Bureau of Investigation conducted this investigation.

Del Rio, TX

Convicted Sex Offender Found Living in HUD-Subsidized Housing Sentenced to 10 Years Incarceration

Kristopher Boutin, a previously convicted sex offender subject to lifetime sex offender registration, was sentenced in U.S. District Court to 10 years incarceration for failing to register as a sex offender with the State of California upon his arrival in the State in 2013 in violation of the Sex Offender Registration and Notification Act. While in California, Boutin resided in a HUD-subsidized Continuum of Care rental unit as an unauthorized tenant in violation of HUD's program regulations. HUD OIG, the U.S. Marshals Service-Sex Offender Investigations Branch, and Homeland Security Investigations conducted this investigation.

Los Angeles, CA

COMMUNITY PLANNING AND DEVELOPMENT

The Office of Community Planning and Development (CPD) seeks to develop viable communities by promoting integrated approaches that provide decent housing, suitable living environments, and expanded economic opportunities for low- and moderate-income persons. The primary means toward this end is the development of partnerships among all levels of government and the private sector. Some of the highlights from this semiannual period are outlined in this chapter. Additionally, in response to disasters, Congress may appropriate additional funding to Community Development Block Grant Disaster Recovery (CDBG-DR) to rebuild the affected areas and provide crucial seed money to start the recovery process. Since fiscal year 2001, the U.S. Department of Housing and Urban Development (HUD) has allocated \$89.8 billion in CDBG-DR and CDBG Mitigation (CDBG-MIT) grants to help cities, counties, and States recover from presidentially declared disasters. Of the \$89.8 billion in disaster allocations that have been allocated nationwide, nearly \$69.3 billion has been obligated and more than \$45.3 billion has been disbursed as of the end of the period.

AUDIT



4

KEY PROGRAM RESULTS



\$854,223

RECOMMENDED FUNDS PUT TO BETTER USE



\$7,101,383

RECOMMENDED QUESTIONED COSTS

INVESTIGATION



\$4,020,006

INVESTIGATIVE RECOVERIES



19

CONVICTIONS - PLEAS - PRETRIAL DIVERSIONS



8

ADMINISTRATIVE - CIVIL ACTIONS

OFFICE OF AUDIT

HUD and its CDBG-DR grantees have experienced challenges related to the COVID-19 Pandemic

HUD's Office of Inspector General (OIG) completed a survey of the impact of the COVID-19 pandemic on HUD's CDBG-DR grantees to determine the challenges that HUD and its grantees are experiencing related to the COVID-19 pandemic and to help inform HUD and Congress on the issues faced in responding to the pandemic. Many HUD CDBG-DR grantees reported facing challenges with systems-technology and communications and reported substantial challenges with project construction delays and incurring additional costs. Other challenges reported by the grantees included monitoring, construction resources and lack of capacity, travel restrictions and telework, and work-home balance. OIG determined that there were eight recurring themes faced by CDBG-DR grantees and HUD officials during the COVID-19 pandemic. OIG issued a memorandum, which contained no recommendations.

Agencywide, Audit Memorandum: 2021-GA-0801

Neighborhood Housing Services of Los Angeles County, Los Angeles, CA, Did Not Always Follow Program Requirements in Administering Its NSP2

OIG audited the Neighborhood Housing Services of Los Angeles County's (NHSLA) Neighborhood Stabilization Program 2 (NSP2). The objective was to determine whether NHSLA administered its NSP2 in accordance with program requirements, focusing on procurement and contracting expenditures of program income. NHSLA did not always follow program

requirements in administering its NSP2. OIG found that HUD did not have assurance that more than \$5.1 million in program income was used for its NSP2, \$1.7 million in salary expenditures was in accordance with program requirements, and \$85,692 in construction costs was reasonable. OIG provided HUD with six recommendations requiring NHSLA to support these costs or repay them.

Los Angeles, CA, Audit Report: 2021-LA-1002

Drawdown Levels for the Initial Round of CARES Act Emergency Solutions Grants Were Minimal

OIG conducted a limited review to identify the HUD Coronavirus Aid, Relief, and Economic Security Act (CARES Act) drawdown levels for the initial round of Emergency Solutions Grants (ESG) funding. The objective was to highlight the grantees' (1) drawdown levels for the initial round of ESG CARES Act funding and (2) published information on how the funds have been and will be used. The review determined that as of July 1, 2020, the ESG CARES Act drawdown levels for the initial round of funding of \$1 billion had been minimal. Most grantees in the sample had not elected to waive their citizen participation plans or indicated whether they would use their consultation waiver, and many had not published their planned uses of the funds. OIG did not make any recommendations to HUD.

Agencywide, Audit Memorandum: 2021-LA-0801

The City of Compton, Compton, CA, Did Not Always Administer Neighborhood Stabilization Program Funds in Compliance With Procedures and Regulations

OIG audited the City of Compton's Neighborhood Stabilization Programs (NSP) 1 and 3. The objective was to determine whether the City administered NSP1 and NSP3 funds in compliance with its own procedures and HUD regulations. The City did not implement its procurement controls and experienced high staff turnover, which did not allow it to administer these programs in compliance with HUD regulations. As a result, the City did not give vendors the opportunity to bid in fair and open competition for the services needed in the targeted areas. Also, the City disbursed a total of \$272,206 in questioned program expenses, and the City's late submission of required reports to HUD and lack of posting performance reports on its website prevented stakeholders from knowing the progress of its program-funded projects and activities. OIG recommended that HUD require the City to (1) implement procurement controls to maintain complete procurement documents, (2) provide adequate documents to support \$270,656 in program expenses, and (3) submit future required reports to HUD on time and post the missing and future HUD quarterly performance reports on its website.

Compton, CA, Audit Report: 2021-LA-1001

OFFICE OF INVESTIGATION

United Cerebral Palsy of Northern, Central, and Southern New Jersey Ordered To Dissolve and Pay \$385,000 in Restitution and Fines

The United Cerebral Palsy of Northern, Central, and Southern New Jersey Inc. (UCPNCSNJ), a nonprofit corporation, was sentenced in the Superior Court of New Jersey in connection to its earlier guilty plea to theft by failure to make required disposition of property received. UCPNCSNJ was sentenced to dissolve the company and ordered to pay \$225,000 in restitution to United Cerebral Palsy's national organization and \$160,000 in civil fines to the State of New Jersey for failure to register as a charitable organization. For nearly 1 year, UCPNCSNJ failed to register as a charitable organization within the State of New Jersey and purposely obtained and retained funds that were to be used for helping individuals with cerebral palsy or similar charitable activities. UCPNCSNJ also applied as a nonprofit organization and received 2 HUD-funded CDBG-DR loans totaling \$920,000, which were administered by the State of New Jersey and were for the construction of 9 single-family homes and the conversion of a hotel into an 84-unit condominium for low- to moderate-income families and housing to service disabled individuals. The allegations of fraud and misuse of the CDBG-DR loan funds were unsubstantiated. HUD OIG and the New Jersey Division of Criminal Justice conducted this investigation.

Chester, NJ

13 Conspirators Sentenced in Scheme To Defraud Homeless-Serving Nonprofit

Clarissa Combs, Bridgit Michaud, Aishia Bell, former employees of a nonprofit organization that provides housing and related services to the homeless, and Jalonda Combs, Aisha Davis, Anthony Oliver, Leteaste Henry-Davis, Rachael Ekholm, Sharre Rush, Shaneka Mzee, Audrey Heath, Neal Burton, and Tyrone Burton, purported landlords and vendors of the nonprofit, were collectively sentenced in U.S. District Court to 10 years incarceration, 32 years supervised release, and 1,125 hours community service and ordered to pay \$684,081 in restitution jointly and severally to the nonprofit. For nearly 7 years, the conspirators devised and participated in a scheme to defraud \$684,081 in funds intended to help the homeless by recruiting other employees of the nonprofit, as well as friends, family members, and associates, to pose as landlords and vendors, causing the nonprofit to make direct payments to the fictitious landlords and vendors, who then provided Combs with monetary kickbacks. The nonprofit receives its funding from private donors, charitable foundations, and HUD's ESG program, among others, to provide services to the homeless. An undetermined amount of the embezzled funds was attributable to the ESG program. HUD OIG, the U.S. Postal Inspection Service, and the Federal Bureau of Investigation conducted this investigation.

Minneapolis, MN

OTHER SIGNIFICANT AUDITS AND EVALUATIONS

The U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) more significant reports are highlighted in this chapter.

OFFICE OF AUDIT

Reimbursements Received Through Rent Credits From the General Services Administration

OIG initiated an audit of the rent credits that HUD received from the General Services Administration (GSA) during fiscal years 2015 through 2018 due to concerns OIG identified while completing a review of HUD's use of funds approved by Congress for building improvements. OIG's objective was to determine whether HUD accounted for and managed rent credits issued by GSA in exchange for HUD's financial contributions for building improvements in accordance with applicable requirements. OIG found that HUD did not properly account for and manage reimbursements totaling nearly \$7.8 million, which it obtained through rent credits issued to it by GSA in 2017 in exchange for improvements that it made in its headquarters building in 2016, that HUD exceeded its fiscal year 2017 appropriated funding level and potentially violated the Antideficiency Act, and that HUD's Chief Financial Officer has the sole authority to investigate this potential violation and determine whether HUD was required to

deposit the value of rent credits into the U.S. Department of the Treasury's general funds. OIG recommended that HUD's Chief Financial Officer investigate the facts surrounding the potential Antideficiency Act violation and develop corrective action plans and take disciplinary actions if it is determined that a violation has occurred.

Agencywide, Audit Report: 2021-PH-0002

Fiscal Year 2019 Review of Information Systems Controls in Support of the Financial Statements Audit

OIG audited the information systems controls over HUD's computing environment as part of the internal control assessments for the fiscal year 2019 financial statements audit under the Chief Financial Officer's Act of 1990. The objective was to assess general controls over HUD's computing environment for compliance with HUD information technology policies and Federal information system security and financial management requirements, with a focus on the general controls over HUD's IBM mainframe general support system. OIG has determined that the contents of this audit report would not be appropriate for public disclosure and has, therefore, limited its distribution to those officials listed on the report distribution list.

Agencywide, Audit Report: 2021-DP-0001

Audit of HUD’s Fiscal Year 2020 Consolidated Financial Statements

In accordance with the Chief Financial Officers Act of 1990, as amended, OIG is required to annually audit the consolidated financial statements of HUD. OIG’s objective was to express an opinion on the fair presentation of HUD’s consolidated financial statements in accordance with U.S. generally accepted accounting principles applicable to the Federal Government. OIG identified deficiencies that constituted one material weakness and one instance of noncompliance with applicable laws, regulations, contracts, and grant agreements. This report contains several current recommendations for corrective actions addressed to the Offices of the Chief Financial Officer, Community Planning and Development, Housing – Federal Housing Administration (FHA), and Public and Indian Housing. Most significant are those recommendations related to properly accounting for certain funding provided to HUD under the Coronavirus Aid, Relief, and Economic Security Act and improving and better documenting HUD’s estimation and validation methodologies for accrued grant liabilities.

Agencywide, Audit Report: 2021-FO-0003

Audit of Ginnie Mae’s Fiscal Year 2020 Financial Statements

OIG audited the Government National Mortgage Association’s (Ginnie Mae) fiscal year 2020 financial statements, which included a report on Ginnie Mae’s internal control and test of compliance with selected provisions of laws, regulations, and contracts applicable to Ginnie Mae. OIG reported that Ginnie Mae had a significant deficiency in the control design of its organizational structure for two key functions, estimation

model development and model verification. OIG further reported that this control deficiency potentially prevents an effective challenge to models used to develop significant estimates for financial reporting.

Agencywide, Audit Report: 2021-FO-0002

Audit of the Federal Housing Administration’s Fiscal Years 2020 and 2019 Financial Statements

The Chief Financial Officers Act of 1990 (Public Law 101-576), as amended, requires OIG to audit the financial statements of FHA annually. OIG audited the accompanying FHA financial statements and notes as of and for the fiscal years ending September 30, 2020 and 2019, as well as FHA’s internal control and test of compliance with selected provisions of laws, regulations, and contracts applicable to FHA. This audit did not disclose any deficiencies in internal control that were material weaknesses or significant deficiencies and no instances of noncompliance with applicable laws, regulations, and contracts. OIG has no new recommendations in this report; however, the “Followup on Prior Audits” section contains recommendations from prior-year audits that remain unresolved. FHA should continue to track and resolve these recommendations in accordance with departmental procedures.

Agencywide, Audit Report: 2021-FO-0001

Opportunities Exist To Improve HUD’s Communication to Renters About Eviction Protections

As part of the Coronavirus Aid, Relief, and Economic Security Act, OIG reviewed HUD’s communication to renters regarding the eviction moratorium found in Section 4024. The objective was to highlight the progress HUD has made and identify areas for improvement. OIG found that HUD provided critical information to many of these renters through its website and published guidance. However, OIG identified several aspects of HUD’s communication to renters on its website and published guidance that could be strengthened and areas of the joint website that could be improved. While the Section 4024 eviction moratorium expired on July 24, 2020, it is still crucial that HUD have clear, complete, and accessible guidance available to help renters at a time when their health and financial stability may be at risk. If HUD maintains up-to-date and easily accessible information for all impacted renters, it will help to ensure that renters know their rights, maintain housing stability through the pandemic, and avoid homelessness.

Agencywide, Audit Memorandum: 2021-NY-0801

Wage Determinations for FHA-Insured Multifamily Construction Projects

OIG audited HUD’s implementation of the prevailing wage provisions of the Davis-Bacon Act for its FHA-insured multifamily construction projects. The objectives were to determine whether (1) the allegation in a complaint had merit and (2) HUD implemented the correct Davis-Bacon wage determinations for its multifamily construction projects. Based on

the audit results, OIG recommended that HUD (1) seek guidance from the U.S. Department of Labor (DOL) to correct the wage determinations for the five projects addressed in this report; (2) determine the correct wages to be paid to workers and ensure that appropriate actions are taken to pay the workers; (3) update HUD’s guidance to comply with DOL’s policies and guidance on the application of multiple wage determinations for construction projects; and (4) develop and implement controls to ensure that the appropriate Davis-Bacon wage rate determinations are implemented in the contracts of FHA-insured multifamily construction projects that require multiple wage determinations, including the requirement that contract specifications clearly identify the portions of the contract subject to each assigned wage determination.

Agencywide, Audit Report: 2021-PH-0001

OFFICE OF EVALUATION

Contaminated Sites Pose Potential Health Risks to Residents at HUD-Funded Properties

The West Calumet Housing Complex (WCHC), located in East Chicago, IN, is a housing development that opened on top of a former lead smelting plant in 1972. HUD and other agencies missed multiple opportunities to identify site contamination at WHCH, resulting in residents’ continuing to live in unsafe conditions for decades, and inadequate oversight led to the lead poisoning of children. HUD partnered with and relied on the Environmental Protection Agency (EPA) to identify and develop a mitigation strategy for contaminated HUD-funded properties. Since

2016, HUD and EPA have been working to update a list of HUD-funded properties on or near contaminated sites, and while HUD has taken steps to improve communication with EPA, it can do more with the information it receives to understand how contaminated sites might impact HUD-funded properties. OIG recommended that HUD develop and implement strategies to research properties, determine whether site contamination should be considered in future reviews, and monitor those reviews.

Agencywide, Evaluation Report: 2019-OE-0003

HUD Fiscal Year 2020 Federal Information Security Modernization Act of 2014 (FISMA) Evaluation Report

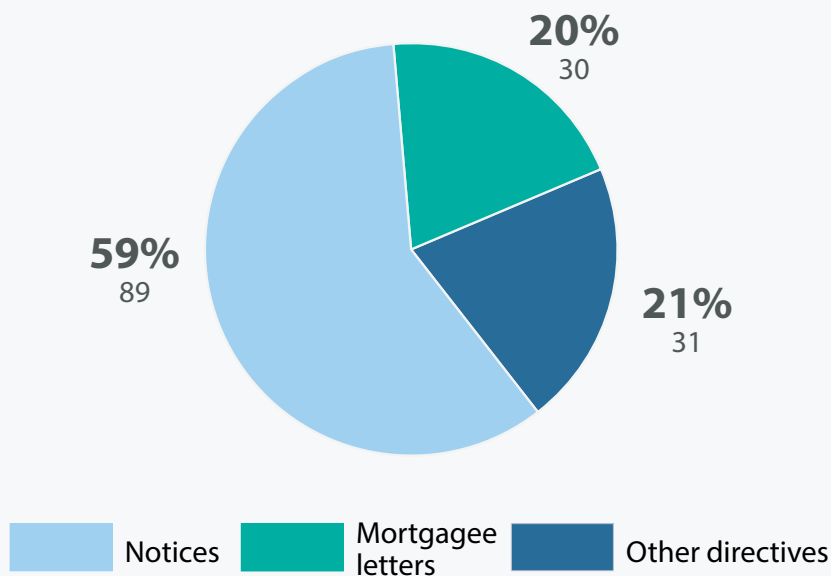
The Federal Information Security Modernization Act of 2014 directs Inspectors General to conduct an annual evaluation of the agency information security program. OIG conducted this evaluation to assess the overall effectiveness of HUD's information security program, assess its compliance with Federal guidance, and respond to Office of Management and Budget reporting questions for the fiscal year 2020 annual assessment. OIG has determined that the contents of this report would not be appropriate for public disclosure and has, therefore, limited its distribution to selected officials.

Agencywide, Evaluation Report: 2020-OE-0001

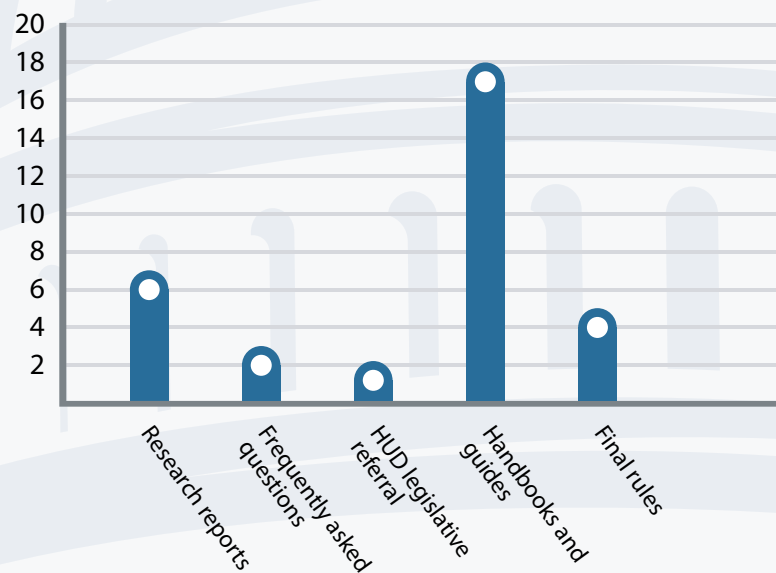
LEGISLATION, REGULATIONS, AND OTHER DIRECTIVES

Reviewing and making recommendations on legislation, regulations, and policy issues is a critical part of the Office of Inspector General's (OIG) responsibilities under the Inspector General Act. During this 6-month reporting period, OIG has committed more than 600 hours to reviewing 150 issuances. The draft directives consisted of 89 notices, 30 mortgagee letters (ML), and 31 other directives. OIG provided comments on 40 (or 27 percent) of the issuances and nonconcurred on 12 (or 8 percent) but lifted 6 nonconcurrences. Of the 31 other directives, OIG reviewed 4 final rules and 1 interim rule, taking no position on 4 and commenting on 1; 17 handbooks and guidebooks; 6 research reports; 1 U.S. Department of Housing and Urban Development (HUD) legislative referral; and 2 sets of frequently asked questions, 1 of which was related to Section 3, a provision of the Housing and Urban Development Act of 1968, and the other was related to the extensions of the single-family foreclosure and eviction moratorium, the COVID-19 forbearance start date, and the COVID-19 home equity conversion mortgage extension period. A summary of selected reviews for this 6-month period follows.

TOTAL ISSUANCES



OF THE 31 OTHER DIRECTIVES



NOTICES, MORTGAGEE LETTERS, AND OTHER DIRECTIVES

SINGLE FAMILY HOUSING

Catalyst: single-family claims and origination modules – On November 19, 2020, and January 19, 2021, HUD issued MLs 2020-38 and 2021-02, announcing expanded functionality capabilities in the single-family claims and origination modules in Federal Housing Administration (FHA) Catalyst. Effective November 19, 2020, lenders could use the FHA Catalyst claims module to submit all claim types, and effective January 19, 2021, lenders could use the Uniform Closing Dataset for FHA Title II single-family forward mortgage programs. OIG provided a no position response to MLs 2020-38 and 2021-02.

2021 nationwide forward mortgage limits – On December 2, 2020, HUD issued ML 2020-41, announcing the forward mortgage limits for calendar year 2021 effective for case numbers assigned on or after January 1, 2021. Loan limits are determined by the county in which a property is located, except for properties located in metropolitan statistical areas as defined by the Office of Management and Budget (OMB). The limits in these areas are set using the county with the highest median price within the metropolitan statistical area. OIG provided a no position response to this ML.

2021 home equity conversion mortgage limits – On December 2, 2020, HUD issued ML 2020-42, announcing the FHA maximum claim amounts for FHA-insured home equity conversion mortgage (HECM) loans. For the period January 1, 2021, through December 31, 2021, the maximum claim amount for FHA-insured HECMs is \$822,375 (150 percent of the

Federal Home Loan Mortgage Corporation's national conforming limit of \$548,250). OIG provided a no position response to this ML.

Extension of temporary guidance for endorsement of mortgages under forbearance for borrowers affected by the presidentially declared COVID-19 national emergency consistent with the Coronavirus Aid, Relief, and Economic Security Act – On December 17, 2020, HUD issued ML 2020-45, further extending the temporary guidance published in ML 2020-16, dated June 4, 2020, and extended in ML 2020-39, dated November 25, 2020, concerning endorsement processes for mortgages in which a borrower has been granted a forbearance related to the presidentially declared COVID-19 national emergency before the loan is endorsed for FHA insurance. OIG provided no position responses to these MLs.

Revised form HUD-92900-A, HUD Addendum to Uniform Residential Loan Application – On December 22, 2020, HUD issued ML 2020-49, announcing the publication of a revised form HUD-92900-A, HUD Addendum to Uniform Residential Loan Application. This ML also announced the renewal of other FHA-insured mortgage application forms. The revised HUD-92000-A became effective March 22, 2021. OIG nonconcurred with this clearance item due to the changes in the lender certifications.

Extension of foreclosure and eviction moratorium in connection with the presidentially declared COVID-19 national emergency – On January 21, 2021, HUD issued ML 2021-03, informing lenders of an extension to the foreclosure and eviction moratorium originally issued in ML 2020-04, extended in MLs 2020-13, 2020-19, and 2020-27 and

further extended in ML 2020-43 for borrowers with FHA-insured single-family mortgages for an additional period through March 31, 2021. The extension of the moratorium announced in this ML was effective immediately upon the expiration of the moratorium announced in ML 2020-43 for all FHA-insured mortgages except for FHA-insured mortgages secured by vacant or abandoned properties. ML 2021-05 superseded this ML on February 16, 2021. OIG provided a no position response to the ML.

Update to the COVID-19 forbearance start date and the COVID-19 HECM extension period – On January 26, 2021, HUD issued ML 2021-04, further extending ML 2020-06 regarding the approval of the initial COVID-19 forbearance for FHA borrowers and HECM deadlines until March 31, 2021. The means of communication regarding a COVID-19 forbearance and the terms of the COVID-19 forbearance remained the same as established in MLs 2020-06 and 2020-22. Through this ML, HUD also extended the deadlines associated with the extension period for HECM borrowers impacted by the COVID-19 pandemic. ML 2021-05 superseded this ML on February 16, 2021. OIG provided a no position response to the ML.

Extensions of single-family foreclosure and eviction moratorium, start date of COVID-19 initial forbearance, and HECM extension period; expansion of COVID-19 loss mitigation options – On February 16, 2021, HUD issued ML 2021-05, informing lenders of further extensions, effective immediately, for the foreclosure and eviction moratorium, the COVID-19 forbearance start date, and the COVID-19 HECM extension period. This ML also expanded FHA's COVID-19 loss mitigation options by implementing additional COVID-19 forbearance and HECM extension periods for certain borrowers, broadening borrower eligibility for COVID-19 loss mitigation options, and eliminating the restriction on the number of permanent

COVID-19 home retention options a borrower can receive. This ML supersedes ML 2021-03, updates ML 2021-04, and updates section III.A.3.d., Presidentially Declared COVID-19 National Emergency, of HUD Handbook 4000.1, FHA Single Family Housing Policy Handbook. OIG provided a no position response to the ML.

Extension of reverification of employment and exterior-only appraisal scope of work option for FHA single-family programs Impacted by COVID-19 – HUD issued ML 2021-06 on February 23, 2021, announcing the extension of the reverification of employment guidance in ML 2020-05, published on March 27, 2020, and extending the exterior-only appraisal scope of work option in ML 2020-37, published on October 28, 2020. This ML supersedes ML 2020-05. Policy updates in this ML are temporary and will not be incorporated into Handbook 4000.1. The original ML, ML 2020-05, did not come through the clearance process so OIG did not have an opportunity to review and comment on it; however, OIG had the opportunity to review and comment on the subsequent related MLs. OIG provided a no position response to these MLs.

Extension of the end date for COVID-19 multisubject updated temporary guidance for verification of self-employment, rental income, and 203(k) rehabilitation escrow account – HUD issued ML 2021-07 on February 23, 2021, announcing an extension through June 30, 2021, of the effective period for ML 2020-24, published on July 29, 2020, and extended in ML 2020-46, dated December 17, 2020. This extension allowed industry partners additional opportunities to use flexible guidance related to verification of self-employment and verification of rental income for single-family Title II forward mortgage and HECM programs and 203(k) escrow administration for the 203(k) rehabilitation program in response to impacts from the presidentially declared COVID-19 national emergency.

The policy updates in this ML are temporary and will not be incorporated into Handbook 4000.1. OIG provided a no position response to this ML.

HECM program – changes to interest rate requirements, including removal of the London Interbank Offered Rate index – HUD issued ML 2021-08 on March 11, 2021, removing approval for use of the London Interbank Offered Rate index for adjustable interest rate HECMs, establishing the acceptance of the Secured Overnight Financing Rate (SOFR) index and permitting lenders to commingle index types for newly originated annual adjustable interest rate HECMs when establishing the expected average mortgage interest rate using the U.S. Constant Maturity Treasury and using the SOFR index to establish the initial mortgage interest rate (note rate) and periodic note rate adjustments, and setting zero as the “floor” for the index value used to determine the note rate. OIG provided a no position response to this clearance item.

PUBLIC AND INDIAN HOUSING

Housing Opportunity Through Modernization Act of 2016—Housing Choice Voucher and Project-Based Voucher Program implementation; additional streamlining changes – On October 8, 2020, HUD published a proposed rule (Federal Register (FR)-6092-P-01), which implements Housing Opportunity Through Modernization Act (HOTMA) provisions and includes regulatory changes that are intended to reduce the burden on public housing agencies (PHA) by either modifying requirements or simplifying and clarifying existing regulatory language. The proposed rule proposes codification of the HOTMA provisions to include initial inspection options, a definition of life-threatening deficiencies, and Project-Based Voucher Program and project caps. This notice did not come through the

clearance process; therefore, OIG did not have an opportunity to review and comment on it.

Relief from HUD public housing and Section 8 requirements available during calendar years 2020 and 2021 to public housing agencies to assist with recovery and relief efforts on behalf of families affected by presidentially declared major disasters – On November 12, 2020, HUD published a notification (FR-6050-N-04), which advises the public that HUD, in order to more effectively and expeditiously respond to presidentially declared major disaster declarations (MDD), is establishing for calendar years 2020 and 2021 an expedited process for the review of requests for relief from HUD regulatory and administrative requirements for PHAs located in counties that are included in MDDs. PHAs located in areas covered by MDDs issued for which a related disaster occurs during calendar years 2020 and 2021 may request waivers of certain HUD public housing and Section 8 requirements and receive expedited review of such requests using the flexibilities and expedited waiver process set out by this notification. This notice did not come through the clearance process; therefore, OIG did not have an opportunity to review and comment on it.

Section 8 housing choice vouchers: implementation of the Housing Choice Voucher Program mobility demonstration, restrictions on participating in the mobility demonstration, and the Moving to Work Demonstration expansion – On January 6, 2021, HUD published a notice of restrictions (FR-6191-N-04), which partially restrict participation in both the Housing Choice Voucher Program (HCVP) mobility demonstration program and the Moving to Work (MTW) Demonstration expansion (MTW expansion) program that is necessary to ensure the integrity of the congressionally mandated evaluations of both demonstrations. After careful consideration, HUD’s Office of Policy Development and

Research, which has been directed by Congress to evaluate both the HCVF mobility demonstration and the MTW expansion, has determined that the congressionally mandated rigorous evaluation of the demonstrations creates significant barriers for PHAs to participate fully in both programs. HUD is expanding the MTW Demonstration in five separate and distinct cohorts: (1) MTW flexibility on small PHAs, (2) rent reform, (3) work requirements, (4) landlord incentives, and (5) MTW flexibility on PHAs with fewer than 27,000 units. OIG provided minor editorial-related comments regarding this notice.

Economic Growth Regulatory Relief and Consumer Protection Act: implementation of National Standards for the Physical Inspection of Real Estate – On January 13, 2021, HUD published a proposed rule (FR-6086-P-01), which proposes a new approach to defining and assessing housing quality: The National Standards for the Physical Inspection of Real Estate (NSPIRE). The purpose of NSPIRE is to reduce regulatory burden and improve HUD oversight through the alignment and consolidation of the inspection regulations used to evaluate HUD housing across multiple programs, which currently evaluate housing quality through differing standards, protocols, and frequencies. The goal of this alignment and consolidation is to create a unified assessment of housing quality. OIG review of the rule resulted in a nonconcurrence based on the inclusion of elevators, emergency exits, and fire exits under the types of health and safety concerns. OIG requested the removal of these items as they are not health and safety hazards. HUD agreed to issue the notice with the suggested changes, and the nonconcurrence was lifted.

MULTIFAMILY HOUSING

Electronic signature, transmission, and storage – On November 6, 2020, HUD issued a notice, H 2020-10, which provides guidance to HUD Office of Multifamily Housing Programs-assisted housing industry partners on electronic signatures, electronic transmission, and electronic storage of documents and forms required by Multifamily’s Office of Asset Management and Portfolio Oversight. For purposes of this notice, “industry partners” include owners of HUD Multifamily-assisted housing properties, management agents and service providers, and HUD and contract administrator staff. Industry partners choosing to use electronic signatures, electronic transmission, or storage of electronic documents must do so in compliance with Federal, State, and local laws. OIG provided a no position response regarding this notice.

Continued availability of funds for COVID-19 supplemental payments for project-based rental properties – On November 24, 2020, HUD issued a notice, H 2020-11, which announced the continued availability of supplemental operating funds for Section 8, Section 202, and Section 811 properties to prevent, prepare for, and respond to COVID-19. The notice also establishes an application process for owners of properties assisted under these programs to request funds for the applicable purposes. Further, the notice sets parameters for owners who did not submit requests under the previous notice, H 20-08, to make requests for expenses previously incurred and discusses allowable resubmission for previously disapproved requests. OIG provided a no position response regarding this notice.

COVID-19 contingency plan for multifamily rental project closing documents – On December 11, 2020, HUD issued a notice, FR-7024-N-50, which proposes a new collection of information based on situational conditions relating to the COVID-19 outbreak and the Presidential declaration that began a national emergency. This notice will serve as the authority for any new or future changes or revisions to Multifamily programs impacted by COVID-19 or related pandemics. OIG provided a no position response regarding this notice.

Section 811 Project Rental Assistance for persons with disabilities – On December 11, 2020, HUD issued a notice, FR-7027-N-40, which proposes the need for information necessary to assist HUD in determining applicant eligibility and capacity to award and administer the HUD Project Rental Assistance program funds within statutory and program criteria. A thorough evaluation of an applicant’s submission is necessary to protect the Government’s financial interest. OIG provided a no position response regarding this notice.

Mortgagee’s application for partial settlement – On December 17, 2020, HUD published a notice, FR-7027-N-36, which proposes the need for information using form HUD-2537. HUD requires a Multifamily lender to furnish form HUD-2537 when filing a claim with the HUD Secretary to receive insurance benefits. OIG nonconcurred on the warning and certification language on form HUD-2537. OIG recommended that HUD change the language. OIG explained that U.S. Department of Justice, State, or local prosecutorial offices, not HUD, prosecute false claims and statements; thus, the language change was recommended. HUD changed the language, and the nonconcurrence was lifted.

Housing finance agency risk-sharing program – On December 22, 2020, HUD published a final rule, FR-5881-F-02, which states that it entered into risk-sharing agreements with qualified State and local housing finance agencies (HFA) so they can provide FHA mortgage insurance and credit enhancement for new loans on multifamily affordable housing properties through the Section 542(c) HFA Risk-Sharing Program. In addition, this final rule amends the program’s existing regulations to better align with the policies of other HUD programs, reflect current industry and HUD practices, and conform to statutory amendments. OIG provided a no position response regarding this final rule.

Request for withdrawals from replacements reserves and residual receipts funds – On January 21, 2021, HUD issued a notice, FR-7034-N-02, for the reinstatement and changes of previously approved collection using form HUD-92050. Project owners are required to submit this form and supporting documentation when requesting a withdrawal of funds from the reserves for replacement or residual receipt escrow accounts. OIG nonconcurred on this clearance item because form HUD-9250 does not contain a fraud warning. OIG recommended the use of the following certification and fraud warning as an example: “I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim, or makes false statements is subject to criminal and civil penalties, including confinement for up to 5 years, fines, and civil penalties. (18 U.S.C. §§ 287, 1001 and 31 U.S.C. §3729).” HUD agreed, and the nonconcurrence was lifted.

Mortgagee’s application for partial settlement – On February 23, 2021, HUD issued a notice, FR-7034-N-10, which allows a Multifamily lender to file a claim for insurance benefits. Specifically, when an FHA-insured

Multifamily mortgage goes into default, the lender may file a claim with the HUD Secretary to receive the insurance benefits. The lender is required by HUD to furnish form HUD-2537 before receiving the telefax. OIG nonconcurred on the warning statement because U.S. Department of Justice, State, or local prosecutorial offices, not HUD, may prosecute. OIG recommended that HUD include a warning statement that may discourage fraud and help effectively prosecute the fraud when it occurs. In addition, OIG recommended that the certification statement be changed to include certifications under penalty of perjury and fraud to effectively prosecute those who commit fraud. HUD agreed, and OIG lifted the nonconcurrency.

COMMUNITY PLANNING AND DEVELOPMENT

Fiscal year 2020 Continuum of Care Program noncompetitive funding notice – On January 29, 2021, HUD issued Office of Community Planning and Development (CPD) Notice CPD-21-01 to noncompetitively renew funding for existing Continuum of Care renew projects expiring during calendar year 2021. The renewal amounts were to be adjusted to account for changes in fair market rent as applicable. OIG had minor editorial comments on this clearance item.

Unemployment insurance benefits under the CARES Act, 2021 Appropriations Act, and Presidential memorandum – On February 24, 2021, HUD issued Notice CPD-21-03. The notice provides guidance to grantees in determining whether unemployment insurance benefits received by individuals under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and a recent Presidential memorandum are income under Community Development Block Grant (CDBG) regulations. The notice states that CDBG grantees, using the definition of income

at 24 CFR (Code of Federal Regulations) 570.3, should treat pandemic unemployment assistance and pandemic emergency unemployment compensation benefits as income but should exclude Federal pandemic unemployment compensation benefits from the income calculation. Further, the notice says that CDBG grantees should exclude benefits received under the Presidential memorandum from income. OIG provided a no position response on this clearance notice.

DISASTER FUNDING

Allocations, common application, waivers, and alternative requirements for disaster Community Development Block Grant Disaster Recovery grantees, second allocation – On January 6, 2021, HUD published a notice allocating nearly \$85.3 million in disaster recovery funds appropriated by the Additional Supplemental Appropriations for Disaster Relief Act, 2019. The funding was to address unmet disaster recovery needs related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a qualifying major disaster in 2018 and 2019. OIG provided a no position response regarding this notice.

Allocations, common application, waivers, and alternative requirements for disaster Community Development Block Grant Disaster Recovery grantees – On January 6, 2021, HUD published a notice allocating more than \$186 million in funds remaining from the Additional Supplemental Appropriations for Disaster Relief Act, 2019, as Community Development Block Grant-Mitigation (CDBG-MIT) funds. The notice imposes the requirements of prior CDBG-MIT notices, 84 FR-45838

(Main CDBG-MIT Notice) and 85 FR 60821 (2020 Omni Notice), on this allocation. OIG provided a no position response to this notice.

ADMINISTRATIVE-OTHER PROGRAM AREAS

Implementing Executive Order 13891 – On November 10, 2020, HUD published an interim rule, FR-6192-I-01, which implements Executive Order (E.O.) 13891, “Promoting the Rule of Law Through Improved Agency Guidance Documents.” This E.O. requires Federal agencies to publish regulations that establish processes and procedures for issuing guidance documents. The interim rule would create a new part 11 in Title 24 of the Code of Federal Regulations that outlines HUD policy on guidance documents and how HUD designates guidance documents. The interim rule would also establish a procedure by which the public may petition HUD for the withdrawal or modification of guidance documents and the process for the public to make comments on certain significant guidance documents. OIG provided a no position response regarding this interim rule.

HUD environmental review – On December 30, 2020, HUD published a notice, FR-7024-N-58, which was seeking OMB’s approval for the revision of currently approved collection on environmental review procedures. Regulations at 24 CFR part 58, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities, requires units of general local government receiving HUD assistance to maintain a written environmental review record for all projects receiving HUD funding, documenting compliance with the National Environmental Policy Act; the regulations of the Council on Environmental Quality; related Federal environmental laws, E.O.s, and authorities; and part 58 procedure. The HUD Environmental Review Online System (HEROS) allows users to

complete, store, and submit their environmental review records and documents online. HEROS is currently optional for responsible entity and other non-HUD users, who may continue to use paper-based environmental review formats. OIG provided a no position response regarding this notice.

Affirmative Fair Housing Marketing Plan – On January 25, 2021, HUD issued a notice, FR-7037-N-01, which seeks to revise a currently approved collection on the Affirmative Fair Housing Marketing Plan (AFHMP) forms. These AFHMP forms (HUD-935.2A, HUD-935.2B, and HUD-935.2C) collect information on the advertising and outreach activities of owners and developers of HUD multifamily, single-family, and condominium cooperative housing projects to attract applicants and buyers throughout the housing market area regardless of race, color, national origin, religion, sex, disability, or familial status. OIG provided a no position response regarding this notice.

Section 3 reporting – On March 11, 2021, HUD issued a notice, FR-7039-N-01, which reflects the changes to the Section 3 regulation, published in the Federal Register on September 29, 2020, “Enhancing and Streamlining the Implementation of Section 3 Requirements for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses.” The changes are the implementation of form HUD-60002A, Opportunity Portal and Business Registry. OIG’s comment was only on the supporting statement, which referenced to “both” but only the form HUD-60002-A was mentioned and not another item. If there was no other item, OIG recommended deleting the word “both”. If there was another item, OIG recommended including it, so the sentence is accurate.

**7-day notice of emergency approval of an information collection:
collection of required information for CARES Act quarterly reporting**

– On March 24, 2021, HUD published FR-7034-N-14, a notice informing the public that HUD has submitted to OMB a request for emergency approval of the collection of required information for CARES Act quarterly reporting. Clearance of this information collection request would prompt the immediate outreach to large covered funds recipients.² This information collection request would allow HUD to collect the quarterly information required and ensure compliance with Section 15011 of the CARES Act. Each covered recipient is required to submit to the agency and the committee a report not later than 10 days after the end of each calendar quarter. This information will be reported by the grant recipients to HUD program offices, then combined with the related information already obtained. This combined information will form the required quarterly reporting for CARES Act funds that HUD submits to the Pandemic Response Accountability Committee. Public comments were due March 31, 2021. This notice did not come through the clearance process; therefore, OIG did not have an opportunity to review and provide comments.

²Large covered funds recipients are recipients with CARES grant amounts over \$150,000.

REPORT RESOLUTION

In the resolution process, Office of Inspector General (OIG) and U.S. Department of Housing and Urban Development (HUD) management agree upon needed actions and timeframes for resolving recommendations. Through this process, OIG strives to achieve measurable improvements in HUD programs and operations. The overall responsibility for ensuring that the agreed-upon changes are implemented rests with HUD managers. This chapter describes audit and evaluation reports issued before the start of the period that do not have management decisions, have significantly revised management decisions, or have significant management decisions with which OIG disagrees. It also has a status report on HUD's implementation of the Federal Financial Management Improvement Act of 1996 (FFMIA). In addition to this chapter on audit resolution, see appendix 2, table B, "Significant Audit Reports for Which Final Action Had Not Been Completed Within 12 Months After the Date of the Inspector General's Report."

AUDIT REPORTS ISSUED BEFORE START OF PERIOD WITH NO MANAGEMENT DECISION AS OF MARCH 31, 2021

HUD Did Not Always Provide Adequate Oversight of Property Acquisition and Disposition Activities

Issue Date: June 30, 2016

OIG audited HUD's Community Development Block Grant (CDBG) program's property acquisition and disposition activities. OIG's objective

was to determine whether HUD had adequate oversight of property acquisition and disposition activities under its CDBG program.

OIG found that HUD did not always provide adequate oversight of property acquisition and disposition activities. Specifically, of 14 activities reviewed, 7 field offices did not provide adequate oversight of 8 property acquisition and disposition activities totaling more than \$26.2 million. The OIG report included a recommendation that the Deputy Assistant Secretary for Grant Programs direct field offices to include property acquisition and disposition activities as an area of special emphasis when assessing grantee risk and establishing their monitoring plans and grantee monitoring strategies. The Deputy Assistant Secretary for Grant Programs proposed a management decision in December 2016. OIG rejected the proposed management decision because it did not specifically address directing field offices to include property acquisition and disposition activities as an area of special emphasis when assessing grantee risk and establishing its monitoring plans and grantee monitoring strategies as recommended. OIG requested clarification and documentation from HUD; however, HUD had not provided the requested information and documentation, and OIG referred this recommendation to the Assistant Secretary for Community Planning and Development on March 30, 2017. HUD proposed another management decision in April 2017; however, OIG rejected it because it also did not directly address the intent of the recommendation. OIG referred this recommendation to the Deputy Secretary on August 23, 2017, and as of March 31, 2021, had not received a decision.

Audit Report: 2016-PH-0001

HUD Did Not Always Provide Accurate and Supported Certifications of State Disaster Grantee Procurement Processes

Issue Date: September 29, 2016

OIG audited HUD's controls over its certifications of State disaster recovery grantee procurement processes to determine whether HUD's certifications were accurate and supported. OIG found that HUD did not always provide accurate and supported certifications of State disaster grantee procurement processes and did not have adequate controls over the certification process. Due to the weaknesses identified, HUD did not have assurance that State grantees had proficient procurement processes in place, and the Secretary's certifications did not meet the intent of the Disaster Relief Appropriations Act of 2013.⁴ The report included five recommendations for the Deputy Assistant Secretary for Grant Programs, who in turn proposed corrective actions on January 11, 2017. OIG rejected the proposed actions on January 27, 2017. OIG referred the recommendations to the General Deputy Assistant Secretary for Community Planning and Development on February 6, 2017. The General Deputy Assistant Secretary responded to the referral on February 21, 2017. For all of the recommendations, the General Deputy Assistant Secretary stated that OIG's disagreement was closed by the Deputy Secretary in her decision regarding resolution of recommendations from OIG's audit of New Jersey's Sandy Integrated Recovery Operations and Management System. The General Deputy Assistant Secretary asserted that the legal opinion for the New Jersey audit applied to this audit. Based on this information, the General Deputy Assistant Secretary believed it was appropriate to close all of the recommendations. OIG disagreed with the General Deputy Assistant Secretary's request to close the

recommendations in this audit based on the Deputy Secretary's decision to resolve recommendations from OIG's audit of New Jersey's Sandy Integrated Recovery Operations and Management System. OIG disagreed with the Deputy Secretary's decision to resolve the recommendations from that audit. Further, the Deputy Secretary's decision did not address all of the issues with HUD's process for certifying State disaster grantee procurement processes that were identified in the subject audit report. OIG referred these recommendations to the Deputy Secretary on March 31, 2017, and as of March 31, 2021, had not received a decision.

Audit Report: 2016-PH-0005

Additional Details To Supplement Our Fiscal Years 2016 and 2015 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit

Issue Date: November 15, 2016

OIG audited HUD's consolidated financial statements and reported on deficiencies in the areas of HUD's loan guarantee balances. OIG rejected HUD's initial management decision on April 24, 2017, as it did not contain adequate evidence to provide closure. OIG referred this recommendation to the Deputy Secretary on July 24, 2017. HUD has been working to address this recommendation and submitted a revised proposed management decision on March 31, 2021, which is under HUD OIG review.

Audit Report: 2017-FO-0003

³Public Law 113-2, dated January 29, 2013

HUD Needs To Clarify Whether Illegal-Undocumented Aliens Are Eligible for Assistance Under the Housing Opportunities for Persons With AIDS Program

Issue date: August 21, 2017

OIG assisted the U.S. Attorney's Office, Southern District of New York, in a civil investigation related to illegal-undocumented aliens receiving Housing Opportunities for Persons With AIDS (HOPWA) assistance. Noncitizen or alien ineligibility for federally funded programs is a recurring issue in Congress. Two laws primarily govern noncitizen or alien eligibility for housing programs: Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 - 8 U.S.C. (United States Code) 1611 (PRWORA) and Section 214 of the Housing and Community Development Act of 1980 as amended. PRWORA states that illegal aliens do not meet the definition of qualified aliens and as a result, are ineligible for Federal public benefits. However, PRWORA exempted certain Federal public benefits from the alien eligibility restrictions, and the issue of nonqualified aliens receiving assistance under HOPWA or other homeless assistance programs has not been clearly addressed in HUD regulations and guidance. There is a conflict as to whether "housing assistance" and "homeless assistance" are synonymous. OIG recommended that HUD's Office of Community Planning and Development (CPD) (1) clarify whether assistance provided under its community development programs, such as HOPWA, are considered "Federal public benefits" and are, therefore, subject to PRWORA's noncitizen eligibility restrictions and (2) consult with the Office of the Attorney General to establish whether HOPWA and other homeless assistance programs are a Federal public benefit that meets the

definition of "providing assistance for the protection of life or safety" and are, therefore, exempt from PRWORA noncitizen eligibility restrictions. CPD submitted management decisions for both recommendations on December 18, 2017, but the management decisions stated that CPD was not able to act on the recommendations, and OIG rejected them. This issue was referred to the Assistant Secretary on December 19, 2017. In January 2018, OIG attempted to meet with HUD regarding the recommendations but was unsuccessful. The issue was referred to the Deputy Secretary on February 27, 2018. As of March 31, 2021, OIG was awaiting a decision from the Deputy Secretary.

Audit Memorandum: 2017-CF-0801

HUD Did Not Provide Sufficient Guidance and Oversight To Ensure That State Disaster Grantees Followed Proficient Procurement Processes

Issue Date: September 22, 2017

OIG audited HUD's oversight of disaster grantee procurement processes to determine whether HUD provided sufficient guidance and oversight to ensure that disaster grantees followed proficient procurement processes when purchasing products and services. OIG found that HUD did not provide sufficient guidance and oversight to ensure that State disaster grantees followed proficient procurement processes. Since HUD agreed to correct procurement issues from a previous audit,⁴ OIG has issued 17 audit reports on disaster grantees with questioned costs totaling nearly

⁴Audit Report 2013-FW-0001, *Generally, HUD's Hurricane Disaster Recovery Program Assisted the Gulf Coast States' Recovery; However, Some Program Improvements Are Needed*, issued March 28, 2013

\$391.7 million related to procurement. In this audit, OIG made four recommendations to the Deputy Assistant Secretary for Grant Programs, who in turn proposed corrective actions on November 24, 2017. For two of the recommendations, the Deputy Assistant Secretary for Grant Programs stated that the matter of the applicability of the Federal procurement standards at 2 CFR (Code of Federal Regulations) 200.318 through 200.326⁵ (or 24 CFR 85.36(b) through (i)) and the requirements of the Federal Register notices on procurement was closed by the Deputy Secretary in her decision regarding resolution of recommendations from OIG's audit of New Jersey's Sandy Integrated Recovery Operations and Management System.⁶ In the January 10, 2017, decision, the Deputy Secretary wrote that the State certified that its procurement standards were equivalent to the standards at 24 CFR 85.36 and HUD had also certified to the proficiency of the State's policies and procedures. The Deputy Assistant Secretary for Grant Programs also noted that the Senate Appropriations Committee report on fiscal year 2018 U.S. Department of Transportation- HUD appropriations legislation⁷ addressed this issue. In addition, the Deputy Assistant Secretary for Grant Programs stated that HUD clarified its definition of proficient procurement processes and policies in subsequent Federal Register notices that it published for later disasters. Based on this information, the Deputy Assistant Secretary believed it was appropriate to close these two recommendations. OIG disagreed with the Deputy Assistant Secretary's request to close these two recommendations based on the Deputy Secretary's decision to resolve recommendations from OIG's audit of New Jersey's Sandy Integrated Recovery Operations and

Management System and rejected the Deputy Assistant Secretary's request to close the recommendations. OIG also rejected the proposed management decisions for the other two recommendations because the proposed actions did not address States that chose to certify that their procurement processes and standards were equivalent to the Federal procurement standards at 2 CFR 200.318 through 200.326. OIG referred the recommendations to the Assistant Secretary for Community Planning and Development on January 25, 2018. The Assistant Secretary did not respond. OIG referred these recommendations to the Deputy Secretary on March 16, 2018, and as of March 31, 2021, had not received a decision.

Audit Report: 2017-PH-0002

HUD Could Improve Its Controls Over the Disposition of Properties Assisted With CDBG Funds

Issue Date: September 29, 2017

OIG audited HUD's oversight of the disposition of real properties assisted with CDBG funds. OIG's objective was to determine whether HUD had adequate controls over the disposition of real properties assisted with CDBG funds. OIG found that HUD could improve its oversight of the disposition of real properties assisted with CDBG funds. Although HUD's drawdown and reporting system allowed grantees to enter identifying information for assisted properties and its field offices performed risk-based monitoring of grantees, HUD's controls were not always sufficient,

⁵Before December 26, 2014, the relevant procurement requirements were found at 24 CFR 85.36. HUD has since moved its uniform administrative requirements, cost principles, and audit requirements for Federal awards to 2 CFR part 200.

⁶2015-PH-1003, dated June 4, 2015

⁷Senate Report 1115-138, dated July 27, 2017

and HUD did not fully implement guidance related to the applicability of change of use requirements after voluntary grant reductions. As a result, HUD could not track and monitor its interest in the properties and did not have assurance that grantees properly handled changes in use and properly reported program income. OIG recommended that the Deputy Assistant Secretary for Grant Programs develop a process to ensure that grantees properly report the addresses of assisted properties in HUD's Integrated Disbursement and Information System and properly calculate and report program income from the disposition of these properties regularly. The Deputy Assistant Secretary for Grant Programs proposed a management decision in January 2018, which OIG rejected. OIG referred this recommendation to the Assistant Secretary for Community Planning and Development on February 6, 2018, and to the Deputy Secretary on March 26, 2018. In an attempt to reach agreement, OIG held discussions with CPD officials on February 13 and March 8, 2018. On March 28, 2018, the Deputy Assistant Secretary for Grant Programs submitted a revised proposal; however, OIG rejected HUD's proposal. In January 2021, OIG met with HUD to discuss a possible management decision. On March 8, 2021, CPD indicated that it was working on an updated proposal that would address the concerns discussed. As of March 31, 2021, OIG was awaiting an updated proposal from CPD.

Audit Report: 2017-NY-0002

HUD's Office of Block Grant Assistance Had Not Codified the Community Development Block Grant Disaster Recovery Program

Issue Date: July 23, 2018

OIG audited the HUD Office of Block Grant Assistance's (OBGA), CDBG Disaster Recovery program (CDBG-DR) and found that although OBGA

had managed billions in CDBG-DR funds since 2002, it had not codified the program, because it didn't believe it had the authority to do so. However, OBGA's use of multiple Federal Register notices to operate the program presented challenges to the grantees. For example, 59 grantees with 112 active CDBG-DR grants, which totaled more than \$47.4 billion as of September 2017, had to follow requirements contained in 61 different Federal Register notices to manage the program. In April 2019, OBGA acknowledged that issuance of multiple Federal Register notices created a compliance burden for CDBG-DR grantees, but it disagreed that codification was necessary. OBGA made the following statements to support why it will not implement the recommendation: (1) codification is not necessary, (2) Federal Register notices are required, and (3) codification has limited or no applicability for future disasters. On September 30, 2019, OIG referred the disagreement and recommendation to the Deputy Secretary for resolution and as of March 31, 2021, was awaiting a decision.

Audit Report: 2018-FW-0002

The State of New York Did Not Ensure That Properties Purchased Under the Acquisition Component of Its Program Were Eligible

Issue Date: March 29, 2019

OIG audited the State of New York's CDBG-DR-funded New York Rising Buyout and Acquisition program. OIG's objective was to determine whether the State ensured that properties purchased under the acquisition component of the program met applicable HUD, Federal, and State requirements. OIG found that the State did not ensure that properties purchased under the acquisition component of its program met eligibility requirements. Specifically, it did not ensure that properties (1) were substantially damaged and (2) complied with flood hazard

requirements. Further, it may have improperly purchased properties that did not comply with flood insurance requirements. As a result, the State disbursed more than \$3.5 million for ineligible properties and incentives and more than \$5.9 million for properties that it could not show met applicable requirements, and HUD did not have assurance that CDBG-DR funds were used for their intended purpose. OIG recommended that HUD require the State to (1) reimburse more than \$3.5 million in settlement costs and incentives paid for properties that did not meet eligibility requirements or should not have received incentives; (2) provide documentation showing that 15 properties met requirements related to substantial damage, flood hazards, and flood insurance or reimburse more than \$5.9 million paid to purchase the properties; and (3) conduct a review of the other properties purchased under its program to ensure that properties were eligible and reimburse the amount paid for any additional properties found to be ineligible. The Principal Deputy Assistant Secretary for Community Planning and Development proposed management decisions on October 8, 2019. OIG rejected the proposed actions and referred the recommendations to the Assistant Secretary for Community Planning and Development on September 30, 2020. On February 24, 2021, CPD indicated that it was working to update its proposed management decisions. OIG will continue to communicate with CPD to attempt to reach an agreement. If OIG is unable to reach an agreement with CPD, OIG will refer the recommendations to the Deputy Secretary for a decision.

Audit Report: 2019-NY-1001

The State of New York Did Not Ensure That Appraised Values Used by Its Program Were Supported and Appraisal Costs and Services Complied With Requirements

Issue Date: May 29, 2019

OIG audited the State of New York's CDBG-DR-funded New York Rising Buyout and Acquisition program. OIG's objectives were to determine whether the State ensured that (1) the appraised fair market values used to determine award amounts under its program were supported and (2) appraisal costs for its program complied with applicable requirements and were for services performed in accordance with Federal, State, and industry standards. OIG found that HUD and the State did not have assurance that (1) more than \$367.3 million paid to purchase properties was supported; (2) more than \$3.4 million disbursed for appraisal services was for costs that were reasonable, necessary, and adequately documented; and (3) appraisal services were properly procured and performed. OIG provided 10 recommendations to the State to provide support for appraised fair market values, appraisal prices, and other expenses related to more than \$370 million in unsupported costs, and to improve controls over its program, which can ensure that up to \$93.4 million not yet disbursed is put to better use. The Deputy Assistant Secretary for Grant Programs did not propose management decisions to address the 10 recommendations contained in the audit report. OIG held discussions with CPD officials on June 17, 2019, September 10, 2019, and September 24, 2019, but did not reach an agreement. As a result, OIG referred the 10 recommendations to the Assistant Secretary for Community Planning and Development on October 3, 2019, and held a discussion with CPD officials on November 21, 2019, but when agreement

was not reached, OIG referred the recommendations to the Deputy Secretary on February 20, 2020. On February 24, 2021, CPD indicated that it was preparing management decisions, and OIG agreed to provide documentation to assist with the preparation. As of March 31, 2021, OIG was awaiting a decision while continuing to work with CPD.

Audit Report: 2019-NY-1002

HUD Paid Rental Subsidies To Benefit Public Housing and Voucher Tenants Reported as Excluded From Federal Programs or Deceased
Issue Date: June 25, 2019

OIG audited HUD to determine whether HUD provided public housing agencies (PHA) with access to the information contained in the Do Not Pay system. Do Not Pay is a collection of data sources, one of which is the General Services Administration's System for Award Management (SAM) database of excluded parties. OIG found that HUD paid potentially improper rental subsidies to benefit 1,550 tenants who were reported as excluded from Federal programs. OIG recommended that HUD issue guidance to PHAs to ensure that any applicant for or tenant of public or assisted housing whose name appears on the SAM excluded parties list is reviewed by PHAs to determine eligibility in a manner consistent with the regulations in 2 CFR parts 180 and 2424 so that ineligible applicants or tenants are not admitted or recertified to put up to an estimated \$13.7 million in annual rental subsidies to better use. In its October 8, 2019, management decision, the Office of Public and Indian Housing (PIH) disagreed with this recommendation and submitted a legal opinion from HUD's Office of General Counsel in support of its position. OIG rejected this management decision because it does not resolve the recommendation, and OIG continues to recommend that HUD issue

guidance to PHAs to ensure that any applicant for or tenant of public or assisted housing whose name appears on the SAM excluded parties list is reviewed by PHAs to determine eligibility. Because OIG did not reach agreement with the Deputy Assistant Secretary for Public Housing and Voucher Programs, on February 19, 2020, OIG referred its disagreement to the Assistant Secretary for Public and Indian Housing. However, OIG did not reach agreement with the Assistant Secretary for Public and Indian Housing on the corrective actions identified in the report. Therefore, OIG referred the recommendation to the official serving as Deputy Secretary on March 31, 2020, for his final decision as the Departmental Audit Resolution Official. HUD began scheduling regular meetings with OIG during 2021 to attempt to reach a resolution. However, as of March 31, 2021, OIG had not received a decision from the Deputy Secretary.

Audit Report: 2019-KC-0002

EVALUATION REPORTS ISSUED BEFORE START OF PERIOD WITH NO MANAGEMENT DECISION AS OF MARCH 31, 2021

Risk-Based Enforcement Could Improve Program Effectiveness
Issue Date: February 12, 2016

OIG evaluated the risk analysis process for Hurricane Sandy grants performed by HUD CPD. OIG observed that (1) CPD's risk analysis worksheet did not consider risk related to performance outputs, (2) the risk analysis did not consider the likelihood of risk events occurring, (3) no clear correlation between the risk analysis and monitoring existed, (4) CPD made limited use of data analytics in its risk management process, and (5) CPD staff were not trained to conduct a risk analysis.

OIG made five recommendations, two of which remain open, and do not have an agreed upon management decision. CPD provided documentation for these recommendations on March 9, 2021 and OIG was reviewing it as the reporting period ended. (Evaluation Report: 2019-OE-0004S)

Evaluation Report: 2014-OE-0002

HUD Web Application Security Evaluation

Issue Date: June 6, 2018

OIG completed a targeted web application security evaluation of HUD in support of a Counsel of the Inspectors General on Integrity and Efficiency Federal cross-cutting project, making nine recommendations for improvement to HUD. OIG assessed HUD's capability to identify and mitigate critical information technology (IT) vulnerabilities in HUD's publicly accessible web applications. OIG identified key deficiencies in HUD's practices that put HUD's extensive collection of sensitive data, including personal information of private citizens, at increased risk of unauthorized access and compromise. To date, HUD has not provided management decisions for the nine open recommendations OIG provided or a required estimated completion date for these management decisions. On June 2, 2017, HUD concurred with all recommendations and agreed to work with OIG to assign responsibility and complete resolution. While management decisions for this report have not been provided, HUD's Office of the Chief Information Officer (OCIO) is working closely with OIG to address the remaining open recommendations. OIG concurred to close five recommendations based on OCIO closure requests and associated

evidence, leaving four open recommendations.

Evaluation Report: 2016-OE-0002

Opportunities for Improvement Within CPD's Risk Management Process for Hurricane Sandy Grants

Issue Date: March 29, 2017

OIG evaluated the risk analysis process for Hurricane Sandy grants performed by HUD CPD. OIG observed that (1) CPD's risk analysis worksheet did not consider risk related to performance outputs, (2) the risk analysis did not consider the likelihood of risk events occurring, (3) no clear correlation between the risk analysis and monitoring existed, (4) CPD made limited use of data analytics in its risk management process, and (5) CPD staff was not trained to conduct a risk analysis. OIG made five recommendations, two of which remain open and do not have an agreed-upon management decision. In February 2021, OIG met with staff from the Office of the Chief Financial Officer (OCFO) to discuss the status of these recommendations, among others. OCFO personnel agreed to contact CPD on these recommendations. OIG plans to refer these recommendations to the Deputy Secretary for final action during the next reporting period.

Evaluation Report: 2016-OE-0004S

HUD IT System Management and Oversight of the Section 184 Program

Issue Date: August 13, 2018

OIG evaluated the IT systems supporting the Office of Native American Program (ONAP) Indian Home Loan Guarantee Program (Section 184 program) following concerns that HUD had not used provided resources to address shortcomings in internal controls and the ability to deploy a reliable IT system. OIG observed that (1) a newly developed IT system, called the Loan Origination System (LOS) had significant limitations, requiring lenders and program officials to continue to use a HUD legacy IT system and manual processes for maintaining files, servicing loans, and managing claims; (2) only 1 of 38 lenders was able to access and use the LOS due to HUD's inability to resolve and implement a user access solution; (3) the LOS had no capability to conduct loan servicing and claims, which are still conducted using Excel spreadsheets; and (4) the LOS lacked critical management reporting capabilities. Despite HUD's investing \$4 million into the development of the LOS, the system did not satisfy all management and oversight objectives. OIG made five recommendations. HUD and ONAP concurred with all five recommendations in August 2018 with a suspense of November 26, 2018, to provide OIG with management decisions. OIG received a management decision for the fourth recommendation from HUD OCIO, and two recommendations have been closed due to the progress of OCIO's implementing electronic document capabilities and resolving the lender access issues. Three recommendations remain open, as the HUD Deputy Secretary and ONAP have been unable to provide management decisions for two of those recommendations.

Evaluation Report: 2018-OE-0004

HUD Has Not Referred Troubled Public Housing Agencies as the Law and Regulations Require

Issue Date: February 4, 2020

OIG evaluated whether PIH refers troubled PHAs as the law and regulations require. PIH is responsible for monitoring PHAs' performance and should give a troubled PHA a maximum of 2 years to cure its negative conditions. If the PHA does not meet the 1- or 2-year recovery requirements, law and regulations require PIH to refer the PHA to the Assistant Secretary for Public and Indian Housing for action. OIG identified 18 PHAs that remained troubled for more than 2 years without being referred. While PIH is creating a process for referring troubled PHAs, OIG found that the draft process would provide more options to the Assistant Secretary than the law and regulations allow and that PIH cannot meet its statutory referral deadlines for referring a PHA without substantial changes to the assessment process or changes to the law and regulations. PIH had not submitted an annual troubled PHAs report to Congress for at least 11 years as the law requires. OIG made five recommendations, three of which remain open. OIG has not reached an agreed-upon management decision for these three recommendations. After reviewing PIH's proposed management decisions, OIG determined that PIH referral procedures meant to satisfy the recommendations allow more recovery options than specified in law. OIG will continue to work with PIH during the next reporting period to reach a management decision for these recommendations.

Evaluation Report: 2019-OE-0001

SIGNIFICANTLY REVISED MANAGEMENT DECISIONS

Section 5(a)(11) of the Inspector General Act, as amended, requires that OIG report information concerning the reasons for any significantly revised management decisions made during the reporting period.

During the current reporting period, there were five significantly revised management decisions.

Bay Vista Methodists Heights, San Diego, CA, Violated Its Agreement With HUD When Administering Its Trust Funds

Issue Date: March 14, 2013

OIG audited Bay Vista Methodist Heights' trust fund agreement with HUD and found that Bay Vista violated its trust fund agreement. Specifically, it used more than \$5 million in trust funds for ineligible operating expenses and could not support more than \$1 million in expenditures on draw requests. OIG provided four recommendations and in HUD's original management decisions, dated May 15, 2013, agreed with the recommendation. On April 2, 2019, HUD submitted revised management decisions, stating that HUD was no longer doing business with the organization, the statute of limitations had expired, and any civil action taken to recover the funds would be unsuccessful. Therefore, HUD intended to seek forgiveness for more than \$6.2 million in questioned costs. On April 3, 2019, OIG concurred with the revised management decision; however, OIG's position is that HUD's significant delays in pursuing enforcement action directly contributed to the expiration of the statute of limitations and need to forgive the questioned costs. HUD

submitted the written request for concurrence to forgive disallowed costs on July 24, 2020, and OIG concurred on September 10, 2020. HUD's Deputy Secretary signed the approval to forgive the questioned costs on November 23, 2020, and OIG closed the management decisions on December 15, 2020.

Audit Report: 2013-LA-1003

Additional Details To Supplement Our Report on HUD's Fiscal Years 2013 and 2012 (Restated) Financial Statements

Issue Date: December 16, 2013

OIG audited PIH's implementation of U.S. Treasury cash management regulations as part of the annual audit of HUD's consolidated financial statements for fiscal years 2013 and 2012. OIG found that HUD's implementation of the new cash management process for the Housing Choice Voucher Program departed from U.S. Treasury cash management requirements and Federal generally accepted accounting principles and that there were no sufficient internal controls over the process to ensure accurate and reliable financial reporting. The OIG report included a recommendation, requiring PIH to implement a cost-effective method for automating the cash management process, to include an electronic interface of transactions to the standard general ledger, and two related recommendations to OCFO. OCFO submitted management decisions for these two recommendations in 2015, which OIG accepted. However, OCFO's management decisions were dependent on PIH's implementation of a cash management system, which has taken longer than expected. The

implementation plan has changed since the agreed-upon management decision in 2015. On March 12, 2021, OIG accepted PIH's management decision for implementing a cash management system. As a result, OCFO entered revised management decisions for its two related recommendations that were consistent with PIH's implementation plan and timeline. OIG accepted these revised management decisions.

Audit Report: 2014-FO-0003

HUD Did Not Always Provide Adequate Oversight of Its Section 203(k) Rehabilitation Loan Mortgage Insurance Program, Washington, DC
Issue Date: July 31, 2015

OIG audited HUD's oversight of its Section 203(k) Rehabilitation Loan Mortgage Insurance Program to determine whether HUD had adequate oversight of its Section 203(k) program. OIG determined that HUD needed to improve its monitoring of lenders for compliance with Section 203(k) program requirements. OIG recommended that HUD require the lenders to (1) support or indemnify HUD for any future losses on the 40 loans with estimated losses totaling more than \$1.2 million and (2) support or reimburse HUD for the actual losses incurred on two loans totaling \$83,322. OIG also recommended that HUD (1) strengthen its controls over Section 203(k) program requirements, (2) adjust the formula for calculating the loan-to-value ratio, (3) determine the overpaid mortgage insurance premiums for loans with incorrect loan-to-value ratios, and (4) credit the

accounts of active borrowers who overpaid their mortgage insurance premiums and refund overpaid premiums to borrowers for terminated loans. In its original management decision, due to its estimated labor and other costs to address the recommendation, HUD proposed an alternative action of posting a notice on its web page to the 203(k) participants during the period covered by the audit, explaining that mortgage insurance premiums may have been adversely impacted by incorrectly specified loan-to-value ratios. The notice would invite any such 203(k) participants to contact HUD for an assessment as to whether a reimbursement or principal reduction was in order. OIG accepted HUD's proposed alternative action. On March 29, 2021, HUD submitted a revised management decision for recommendation 2C, stating that for active Federal Housing Administration loans that may have been impacted by an incorrect loan-to-value ratio for mortgage insurance premium calculations, HUD will reduce the associated borrowers' annual mortgage insurance premiums by five basis points, with a final action target date of December 29, 2021. On March 30, 2021, OIG agreed with the revised management decision.

Audit Report: 2015-CH-0001

HUD Did Not Adequately Administer Its Housing Counseling Program
Issue Date: September 24, 2018

OIG audited HUD's Housing Counseling Program, located within the Office of Housing Counseling, to determine whether HUD adequately

administered its program. OIG determined that HUD did not adequately administer its program in accordance with Federal regulations and its requirements because HUD did not have adequate controls over its program and due to weaknesses in its Housing Counseling System. One recommendation OIG made was for HUD to ensure that its new Housing Counseling Agency Management System (HCAMS) provides it with the ability to adequately oversee the work of its staff and track important housing counseling agency milestones, including HUD approval expirations and required terminations. In its original management decision, HUD agreed with the recommendation and stated that it would implement version 1.0 of HCAMS with the ability to adequately oversee the work of its staff and track important housing counseling agency milestones by March 31, 2021. On March 10, 2021, HUD submitted a revised management decision, stating that the HCAMS project was approximately 66 percent complete and that due to funding restraints, it had not been able to complete development and implementation of the system. HUD planned to reevaluate whether to continue the development and implementation of HCAMS in fiscal year 2022. In the meantime, HUD implemented interim controls within its existing systems to address OIG's concerns, including more involvement by management in tracking each performance review and creating spreadsheets to track its important milestone dates. On March 11, 2021, OIG agreed with the revised management decision.

Audit Report: 2018-NY-0001

The Christian Church Homes, Oakland, CA, Did Not Ensure That the Rental Assistance Demonstration Program Conversion Was Accurate and Supported for Vineville Christian Towers

Issue Date: November 4, 2019

OIG audited Vineville Christian Towers' (project) Rental Assistance Demonstration Program (RAD) conversion to determine whether the project's RAD conversion to the Section 8 Project-Based Voucher Program was completed in accordance with the HUD requirements; specifically, whether Christian Church Homes of North California (owner) ensured that the project's RAD conversion was accurate and supported. OIG determined that the owner did not ensure that the project's RAD conversion was accurate and supported. OIG made four recommendations (1A through 1D) to the Director of HUD's Atlanta, GA, PIH, and two recommendations (1E and 1F) to HUD's Office of Program Enforcement and DEC to take appropriate enforcement and administrative actions against the responsible parties, including the owner. HUD has taken actions to address all recommendations. On February 18, 2021, PIH submitted a revised management decision and provided for its basis the Office of Program Enforcement's memorandum (1) summarizing the context in which the facts at issue arose and (2) stating its belief that due to the various uncertainties in applying new program rules and the parties' express uncertainties about how to proceed in those circumstances, HUD could not establish a clear case for administrative liability against the responsible parties. Therefore, PIH requested that recommendation 1B be closed as it could not require the owner to reimburse the program. On March 9, 2021, OIG agreed with the revised management decision and closed this recommendation.

Audit Report: 2020-AT-1001

SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREES

Section 5(a)(12) of the Inspector General Act, as amended, requires that OIG report information concerning any significant management decision with which it disagrees.

During the reporting period, there were no significant management decisions in which OIG disagreed.

FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT OF 1996

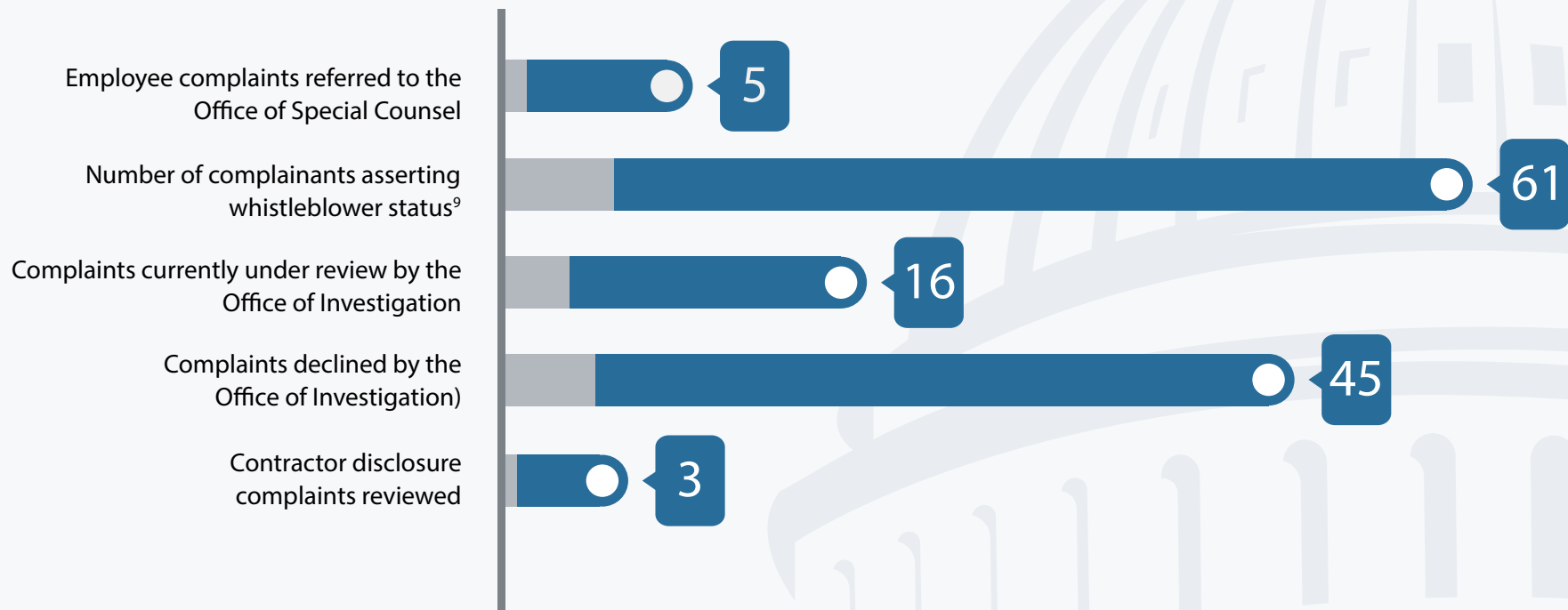
Section 804(b) of FF Mia requires OIG to report in its Semiannual Reports to Congress instances and reasons when an agency has not met the intermediate target dates established in its remediation plans required by FF Mia. Section 803(a) of FF Mia requires that each agency establish and maintain financial management systems that comply with (1) Federal financial management system requirements, (2) Federal accounting standards, and (3) the United States Standard General Ledger at the transaction level.

As of September 30, 2020, OIG and HUD noted noncompliance with the three Section 803(a) elements of FF Mia. Specifically, there were four financial systems⁸ that were noncompliant with one or more of the three Section 803(a) requirements. The latest target date for remediation is August 2021. HUD was on track to meet the intermediate target dates in its remediation plans as of March 31, 2021.

⁸The four financial systems that were noncompliant with FF Mia as of September 30, 2020, were the Disaster Recovery Grant Reporting System, Tenant Rental Assistance Certification System, Single Family Information System, and Single Family Information System Claims Subsystem.

WHISTLEBLOWER OMBUDSMAN

Whistleblowers play a critical role in keeping our Government programs honest, efficient, and accountable. The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), continues to ensure that HUD and HUD OIG employees are aware of their rights to disclose misconduct, waste, or abuse in HUD programs without reprisal and to assist HUD and HUD OIG employees in seeking redress when employees believe that they have been subject to retaliation for whistleblowing. HUD OIG also investigates complaints of whistleblower retaliation by government contractors and grantees.



⁹Not all complainants are found to be whistleblowers under Section 4712. For example, many complainants raise questions regarding treatment by public housing agencies following their alleged disclosures of wrongdoing by the same housing agency. They claim to be whistleblowers, but they are not employees of the grantee. These complaints are referred to OIG's hotline for appropriate referral and disposition.

HUD OIG's Whistleblower Protection Coordinator Program works with HUD and HUD OIG employees to provide information on

- employee options for disclosing misconduct, waste, or abuse in HUD programs;
- statutory protections for Federal employees who make such disclosures; and
- how to file a complaint under the Whistleblower Protection Act when an employee believes he or she has been retaliated against for making protected disclosures.

The HUD OIG Whistleblower Protection Coordinator Program continued its focus on staff training and individual assistance. The mandatory whistleblower training is presented in conjunction with the OIG annual ethics training. The 2020 training was presented on September 18, 2020. It was presented via a memorandum from the Inspector General, which explained employees' rights to make disclosures of wrongdoing, free from retaliation. The memorandum also provided information about other prohibited personnel practices.

In October 2017, Congress enacted the Dr. Chris Kirkpatrick Whistleblower Protection Act of 2017, which contains new training and performance standards for supervisors regarding the handling of whistleblowers. HUD OIG is in the process of implementing these requirements.

The Whistleblower Protection Coordinator meets with HUD employees individually, upon request. Generally, HUD OIG will refer HUD employees with whistleblower retaliation complaints to the Office of Special Counsel.

HUD OIG received several complaints filed under 41 U.S.C. (United States Code) Section 4712. In December 2016, Congress passed the Enhancement of Whistleblower Protection Act. It made the whistleblower protections under 41 U.S.C. 4712 permanent. Section 4712 extends whistleblower protection to employees of Federal contractors, subcontractors, grantees, and subgrantees. If the employee of a HUD grantee or contractor believes he or she has been retaliated against for whistleblowing, he or she may file a complaint with OIG, and OIG will investigate the complaint and provide findings of fact to HUD.

PEER REVIEW REPORTING

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 111-203), section 989C, requires inspectors general to report the latest peer review results in their semiannual reports to Congress. The purpose in doing so is to enhance transparency within the government. The Offices of Audit, Investigation, and Evaluation are required to undergo a peer review of their individual organizations every 3 years. The purpose of the review is to ensure that the work completed by the respective organizations meets the applicable requirements and standards. The following is a summary of the status of the latest round of peer reviews for the organization.

OFFICE OF AUDIT

Peer Review Conducted on HUD OIG by DOT OIG

The U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), received a grade of pass (the highest rating) on the peer review report issued by the U.S. Department of Transportation (DOT) OIG on September 28, 2018. There were no recommendations included in the System Review Report. The report stated:

In our opinion, the system of quality control for the audit organization of the

HUD OIG in effect for the year ended March 31, 2018, was suitably designed and complied with to provide the HUD OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Federal Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The HUD OIG has received a peer review rating of pass.

Peer Review Conducted by HUD OIG on DOD OIG

HUD OIG conducted an external peer review of the U.S. Department of Defense (DoD) OIG, Office of Audit, and issued a final report September 27, 2018. DoD OIG received a peer review rating of pass. A copy of the external quality control review report can be viewed at <https://media.defense.gov/2018/Oct/05/2002048826/-1/-1/1/TRANSMITTAL%20MEMO%20AND%20SYSTEM%20REVIEW%20REPORT.PDF>.

OFFICE OF INVESTIGATION

Peer Review Conducted on HUD OIG by DHS OIG

The U.S. Department of Homeland Security (DHS) OIG conducted a peer review of the HUD OIG, Office of Investigation, and issued a final report on July 3, 2017. DHS OIG determined that HUD OIG was in compliance with the quality standards established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and the Attorney General's guidelines.

Peer Review Conducted by HUD OIG on DHS OIG

HUD OIG conducted an external peer review of the DHS OIG, Office of Investigation, and issued a final report on June 5, 2020. HUD OIG determined that DHS OIG was in compliance with the quality standards established by CIGIE.

OFFICE OF EVALUATION

Peer Review Conducted on HUD OIG by CIGIE Team

A CIGIE external review team reviewed the HUD OIG, Office of Evaluation. The team concluded that the Office of Evaluation's policies and procedures generally complied with the Quality Standards for Inspection and Evaluation. The team also offered observations regarding four reports reviewed. The team concluded that one report did follow all policies and procedures and quality standards. The team also concluded that all reviewed reports did not follow select quality standards. HUD OIG did not agree with all team observations and offered a written rebuttal. However, the Office of Evaluation made changes to its policies and procedures and reporting approaches to address the team's observations.

Peer Review Conducted by HUD OIG on FHFA OIG

HUD OIG conducted an external peer review of the Federal Housing Finance Agency (FHFA) OIG's inspection and evaluation functions and issued a final report on September 10, 2019. FHFA OIG received a peer review rating of pass.

A copy of the external quality control review report can be viewed at <https://www.fhfaig.gov/sites/default/files/Final%20Report%20-%20External%20Peer%20Review%20of%20FHFA%20OIG.pdf>.

APPENDIX 1 - REPORTS ISSUED

Internal Audit Reports

Chief Financial Officer	
2021-FO-0003	Audit of HUD's Fiscal Year 2020 Consolidated Financial Statements, 12/04/2020.

Chief Information Officer	
2021-DP-0001	Fiscal Year 2019 Review of Information Systems Controls in Support of the Financial Statements Audit, 12/17/2020.

Field Policy and Management	
2021-PH-0001	HUD Did Not Always Implement the Correct Davis-Bacon Wage Determinations and Maintain Documentation To Support Its Determinations, 10/06/2020.

Government National Mortgage Association	
2021-FO-0002	Audit of the Government National Mortgage Association's Fiscal Year 2020 Financial Statements, 11/16/2020.

Internal Audit Reports Continued

Housing	
2021-DP-0002	Federal Housing Administration, Washington, DC, Necessary System Interfaces Between HERMIT and The National Servicing Center Were Not in Place, 03/02/2021.
2021-FO-0001	Audit of Federal Housing Administration's Financial Statements for Fiscal Years 2020 and 2019, 11/12/2020.
2021-KC-0001	Federal Housing Administration Mortgage Insurance Environmental Reviews, 10/02/2020.
2021-KC-0002	FHA Insured \$940 Million in Loans for Properties in Flood Zones Without the Required Flood Insurance, 01/05/2021. Better use: \$437,835,534.

Office of Administration	
2021-PH-0002	HUD Improperly Accounted for and Managed Reimbursements It Received Through Rent Credits From the General Services Administration, 03/29/2021.

Public and Indian Housing	
2021-AT-0001	HUD's PIH Office of Field Operations Generally Confirmed That PHAs Complied With the Implementing Guidance of HUD's Smoke-Free Policy Requirements, 03/19/2021.

Audit-Related Memorandums¹⁰

Chief Financial Officer	
2021-NY-0801	Opportunities Exist To Improve HUD's Communication to Renters About Eviction Protections, 10/13/2020.
Community Planning and Development	
2021-GA-0801	HUD and its CDBG-DR Grantees Have Experienced Challenges Related to the COVID-19 Pandemic, 03/23/2021.
2021-LA-0801	Drawdown Levels for the Initial Round of CARES Act Emergency Solutions Grants Were Minimal, 11/16/2020.
Housing	
2021-KC-0801	Key Considerations From Prior Audits of the Single Family Default Monitoring System and the Partial Claim Loss Mitigation Option, 03/12/2021.
2021-LA-0802	The HUD Single Family Insurance Operations Division Should Take Additional Action To Inform Homeowners of Changes to Its FHA Refund Process Resulting From the COVID-19 Pandemic, 12/02/2020.

¹⁰The memorandum format is used to communicate the results of reviews not performed in accordance with generally accepted government audit standards; to close out assignments with no findings and recommendations; to respond to requests for information; or to report on the results of a survey, an attestation engagement, or civil actions or settlements.

Audit-Related Memorandums Continued

Public and Indian Housing	
2021-LA-0803	Use of Landlord Incentives in the Housing Choice Voucher Program, 01/25/2021.

External Audit Reports

Community Planning and Development	
2021-LA-1001	The City of Compton, Compton, CA, Did Not Always Administer Neighborhood Stabilization Program Funds in Compliance With Procedures and Regulations, 10/27/2020. Questioned: \$272,206. Unsupported: \$270,656.
2021-LA-1002	Neighborhood Housing Services of Los Angeles County, Los Angeles, CA, Did Not Always Follow Program Requirements in Administering Its NSP2, 01/05/2021. Questioned: \$6,829,177. Unsupported: \$6,829,177. Better use: \$854,223.

Audit-Related Memorandums¹¹

Public and Indian Housing	
2021-SE-1801	Review of the Nampa Housing Authority's Public Housing Program, Nampa, ID, 10/05/2020. Better use: \$1,550.

¹¹The memorandum format is used to communicate the results of reviews not performed in accordance with generally accepted government audit standards; to close out assignments with no findings and recommendations; to respond to requests for information; or to report on the results of a survey, an attestation engagement, or civil actions or settlements.

Internal Evaluation Reports Issued

Housing and FHA	
2019-OE-0003	Contaminated Sites Pose Potential Health Risks to Residents at HUD-Funded Properties, 02/14/2021

Information Technology	
2020-OE-0001	HUD Fiscal Year 2020 Federal Information Security Modernization Act of 2014 (FISMA), 11/30/2020

APPENDIX 2 - TABLES

TABLE A

AUDIT REPORTS ISSUED BEFORE START OF PERIOD WITH NO MANAGEMENT DECISION AS OF 3/31/2021

*Significant Audit Reports Described in Previous Semiannual Reports

Report number	Report title	Issue date
* 2016-PH-0001	HUD Did Not Always Provide Adequate Oversight of Property Acquisition and Disposition Activities	06/30/2016
* 2016-PH-0005	HUD Did Not Always Provide Accurate and Supported Certifications of State Disaster Grantee Procurement Processes	09/29/2016
* 2017-FO-0003	Additional Details To Supplement Our Fiscal Years 2016 and 2015 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	11/15/2016
2017-CF-0801	HUD Needs To Clarify Whether Illegal-Undocumented Aliens Are Eligible for Assistance Under the Housing Opportunities for Persons With AIDS Program	08/21/2017
* 2017-PH-0002	HUD Did Not Provide Sufficient Guidance and Oversight To Ensure That State Disaster Grantees Followed Proficient Procurement Processes	09/22/2017

Report number	Report title	Issue date
* 2017-NY-0002	HUD Could Improve Its Controls Over the Disposition of Real Properties Assisted With Community Development Block Grant Funds	09/29/2017
* 2018-FW-0002	HUD's Office of Block Grant Assistance Had Not Codified the Community Development Block Grant Disaster Recovery Program	07/23/2018
* 2019-NY-1001	The State of New York Did Not Ensure That Properties Purchased Under the Acquisition Component of Its Program Were Eligible	03/29/2019
* 2019-NY-1002	The State of New York Did Not Ensure That Appraised Values Used by Its Program Were Supported and Appraisal Costs and Services Complied With Requirements	05/29/2019
* 2019-KC-0002	HUD Paid Rental Subsidies To Benefit Public Housing and Voucher Tenants Reported as Excluded From Federal Programs or Deceased	06/25/2019

EVALUATION REPORTS ISSUED BEFORE START OF PERIOD WITH NO MANAGEMENT DECISION AS OF 03/31/2021

Report number	Report title	Issue date
2014-OE-0002	Risk-Based Enforcement Could Improve Program Effectiveness	02/12/2016
2016-OE-0002	HUD Web Application Security Evaluation	06/06/2018
2016-OE-0004S	Opportunities for Improvement Within CPD's Risk Management Process for Hurricane Sandy Grants	03/29/2017
2018-OE-0004	HUD IT System Management and Oversight of the Section 184 Program	08/13/2018
2019-OE-0001	HUD Has Not Referred Troubled Public Housing Agencies as the Law and Regulations Require	02/04/2020

APPENDIX 2 - TABLES

TABLE B

SIGNIFICANT AUDIT REPORTS FOR WHICH FINAL ACTION HAD NOT BEEN COMPLETED WITHIN 12 MONTHS AFTER THE DATE OF THE INSPECTOR GENERAL'S REPORT

Report number	Report title	Issue date	Decision date	Final action target date
2005-AT-1013	Corporacion para el Fomento Economico de la Ciudad Capital, San Juan, Puerto Rico, Did Not Administer Its Independent Capital Fund in Accordance with HUD Requirements	09/15/2005	01/11/2006	04/10/2021
2006-CH-1021	Housing Authority of the County of Cook, Chicago, Illinois, Had Weak Controls over Its Section 8 Housing Choice Voucher Program	09/30/2006	01/26/2007	09/30/2037
2010-AT-1003	The Housing Authority of Whitesburg Mismanaged Its Operations, Whitesburg, KY	04/28/2010	08/26/2010	11/29/2035
2011-PH-1005	The District of Columbia Did Not Administer Its HOME Program in Accordance With Federal Requirements, Washington, DC	12/23/2010	04/22/2011	04/10/2021
2011-NY-1010	The City of Buffalo Did Not Always Administer Its CDBG Program in Accordance With HUD Requirements, Buffalo, NY	04/15/2011	01/25/2012	04/10/2021
2011-AT-1018	The Municipality of San Juan, PR, Did Not Properly Manage Its HOME Investment Partnerships Program	09/28/2011	01/12/2012	10/01/2021

Report number	Report title	Issue date	Decision date	Final action target date
2012-NY-1002	The City of New York Charged Questionable Expenditures to Its HPRP, New York, NY	10/18/2011	02/16/2012	04/10/2021
2012-PH-0001	HUD Needed To Improve Its Use of Its Integrated Disbursement and Information System To Oversee Its CDBG Program	10/31/2011	02/28/2012	Note 1
2012-LA-0001	HUD Did Not Adequately Support the Reasonableness of the Fee-for-Service Amounts or Monitor the Amounts Charged	11/16/2011	03/27/2012	04/10/2021
2012-PH-1011	Prince George's County Generally Did Not Administer Its HOME Program in Accordance With Federal Requirements, Largo, MD	08/03/2012	11/30/2012	04/10/2021
2012-CH-1012	The Saginaw Housing Commission Did Not Always Administer Its Section 8 Housing Choice Voucher Program in Accordance With HUD's and Its Own Requirements, Saginaw, MI	09/27/2012	01/07/2013	01/01/2023
2013-PH-1001	Luzerne County Did Not Properly Evaluate, Underwrite, and Monitor a High-Risk Loan, Wilkes-Barre, PA	10/31/2012	01/31/2013	Note 1
2013-NY-1006	Nassau County Did Not Administer Its HOME Investment Partnerships Program in Accordance With HUD Requirements, Nassau County, NY	05/13/2013	09/06/2013	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2013-LA-1009	The City of Hawthorne Inappropriately Used Nearly \$1.6 Million in HOME Funds for Section 8 Tenants, Hawthorne, CA	09/13/2013	01/06/2014	Note 1
2013-LA-1010	The City of Hawthorne Did Not Administer Its CDBG Program Cost Allocations in Accordance With HUD Rules and Requirements, Hawthorne, CA	09/20/2013	01/06/2014	04/10/2021
2013-NY-1010	The City of Auburn Did Not Always Administer Its CDBG Program in Accordance With HUD Requirements, Auburn, NY	09/26/2013	01/24/2014	04/10/2021
2013-CH-1011	The Michigan State Housing Development Authority Did Not Follow HUD's Requirements Regarding the Administration of Its Program, Lansing, MI	09/30/2013	01/15/2014	07/31/2029
2014-AT-1001	The Municipality of Arecibo Did Not Properly Administer Its HOME Program	12/03/2013	01/24/2014	04/10/2021
2014-FO-0003	Additional Details To Supplement Our Report on HUD's Fiscal Years 2013 and 2012 (Restated) Financial Statements	12/16/2013	07/09/2014	09/30/2022
2014-AT-1004	The State of Mississippi Did Not Ensure That Its Subrecipient and Appraisers Complied With Requirements, and It Did Not Fully Implement Adequate Procedures for Its Disaster Infrastructure Program, Jackson, MS	12/30/2013	04/15/2014	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2014-FW-0001	The Boston Office of Public Housing Did Not Provide Adequate Oversight of Environmental Reviews of Three Housing Agencies, Including Reviews Involving Recovery Act Funds	02/07/2014	03/17/2015	04/10/2021
2014-NY-0001	HUD Did Not Provide Effective Oversight of Section 202 Multifamily Project Refinances	02/19/2014	06/10/2014	04/10/2021
2014-AT-0001	Violations Increased the Cost of Housing's Administration of Its Bond Refund Program	03/14/2014	07/11/2014	04/10/2021
2014-FW-0002	Improvements Are Needed Over Environmental Reviews of Public Housing and Recovery Act Funds in the Kansas City Office	05/12/2014	03/17/2015	04/10/2021
2014-LA-0004	HUD Could Not Support the Reasonableness of the Operating and Capital Fund Programs' Fees and Did Not Adequately Monitor Central Office Cost Centers	06/30/2014	10/20/2014	04/10/2021
2014-KC-0002	The Data in CAIVRS Did Not Agree With the Data in FHA's Default and Claims Systems	07/02/2014	10/27/2014	Note 1
2014-NY-1008	Palladia, Inc., Did Not Administer Its Supportive Housing Program in Accordance With HUD Requirements, New York, NY	07/25/2014	11/21/2014	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2014-LA-0005	HUD Did Not Always Recover FHA Single-Family Indemnification Losses and Ensure That Indemnification Agreements Were Extended	08/08/2014	12/03/2014	04/10/2021
2014-PH-1008	The State of New Jersey Did Not Fully Comply With Federal Procurement and Cost Principle Requirements in Implementing Its Tourism Marketing Program	08/29/2014	09/02/2015	Note 1
2014-FW-0005	Improvements Are Needed Over Environmental Reviews of Public Housing and Recovery Act Funds in the Detroit Office	09/24/2014	03/17/2015	04/10/2021
2015-FW-1801	The Management of the Housing Authority of the City of Taylor, Taylor, TX, Did Not Exercise Adequate Oversight of Its Programs	10/02/2014	01/21/2015	10/02/2021
2015-NY-1001	The City of New York Did Not Always Disburse CDBG Disaster Recovery Assistance Funds to Its Subrecipient in Accordance With Federal Regulations, New York, NY	11/24/2014	03/23/2015	04/10/2021
2015-AT-0001	HUD's Office of Community Planning and Development Did Not Always Pursue Remedial Actions but Generally Implemented Sufficient Controls for Administering Its Neighborhood Stabilization Program	03/31/2015	08/28/2015	04/10/2021
2015-LA-1004	The Housing Authority of the County of San Bernardino, San Bernardino, CA, Used Shelter Plus Care Program Funds for Ineligible and Unsupported Participants	05/29/2015	09/16/2015	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2015-PH-1003	The State of New Jersey Did Not Comply With Federal Procurement and Cost Principle Requirements in Implementing Its Disaster Management System	06/04/2015	10/02/2015	Note 1
2015-FW-0001	HUD Did Not Adequately Implement or Provide Adequate Oversight To Ensure Compliance With Environmental Requirements	06/16/2015	10/07/2015	04/10/2021
2015-LA-0002	HUD Did Not Provide Adequate Oversight of the Section 184 Indian Home Loan Guarantee Program	07/06/2015	10/28/2015	12/31/2021
2015-LA-1005	NOVA Financial & Investment Corporation's FHA-Insured Loans With Downpayment Assistance Gifts Did Not Always Meet HUD Requirements	07/09/2015	09/11/2015	Note 1
2015-CH-0001	HUD Did Not Always Provide Adequate Oversight of Its Section 203(k) Rehabilitation Loan Mortgage Insurance Program	07/31/2015	11/27/2015	12/29/2021
2015-KC-0002	The Office of Community Planning and Development's Reviews of Matching Contributions Were Ineffective, and Its Application of Match Reductions Was Not Always Correct	08/11/2015	12/09/2015	Note 1
2015-AT-0002	HUD's Office of Multifamily Asset Management and Portfolio Oversight Did Not Comply With Its Requirements for Monitoring Management Agents' Costs	08/21/2015	12/16/2015	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2015-NY-1010	New York State Did Not Always Administer Its Rising Home Enhanced Buyout Program in Accordance With Federal and State Regulations	09/17/2015	03/01/2016	04/10/2021
2015-NY-1011	Program Control Weaknesses Lessened Assurance That New York Rising Housing Recovery Program Funds Were Always Disbursed for Eligible Costs	09/17/2015	03/18/2016	04/10/2021
2015-CH-1009	The State of Illinois' Administrator Lacked Adequate Controls Over the State's Community Development Block Grant Disaster Recovery Program-Funded Projects	09/30/2015	01/28/2016	06/28/2021
2015-LA-1009	loanDepot's FHA-Insured Loans With Downpayment Assistance Funds Did Not Always Meet HUD Requirements	09/30/2015	01/12/2016	Note 1
2015-LA-1010	loanDepot's FHA-Insured Loans With Golden State Finance Authority Downpayment Assistance Gifts Did Not Always Meet HUD Requirements.	09/30/2015	01/12/2016	Note 1
2016-FO-0001	Audit of Fiscal Years 2015 and 2014 (Restated) Financial Statements	11/13/2015	03/24/2016	04/10/2021
2016-FO-0003	Additional Details To Supplement Our Fiscal Years 2015 and 2014 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	11/18/2015	03/22/2016	09/30/2022

Report number	Report title	Issue date	Decision date	Final action target date
2016-DP-0801	Review of Information System Controls Over the Government National Mortgage Association	11/30/2015	03/30/2016	04/10/2021
2016-DP-0002	Single Family Insurance System and Single Family Insurance Claims Subsystem	12/21/2015	03/31/2016	04/10/2021
2016-NY-1003	The City of Rochester, NY, Did Not Always Administer Its Community Development Block Grant Program in Accordance With HUD Requirements	02/05/2016	06/17/2016	04/10/2021
2016-NY-1006	New York State Did Not Always Disburse Community Development Block Grant Disaster Recovery Funds in Accordance With Federal and State Regulations	03/29/2016	07/27/2016	04/10/2021
2016-NY-1007	The City of Jersey City, NJ's Community Development Block Grant Program Had Administrative and Financial Control Weaknesses	03/30/2016	06/08/2016	04/10/2021
2016-BO-1003	The State of Connecticut Did Not Always Administer Its Neighborhood Stabilization Program in Compliance With HUD Regulations	06/28/2016	10/25/2016	04/10/2021
2016-PH-0001	HUD Did Not Always Provide Adequate Oversight of Property Acquisition and Disposition Activities	06/30/2016	02/16/2017	Note 3

Report number	Report title	Issue date	Decision date	Final action target date
2016-NY-0001	Operating Fund Calculations Were Not Always Adequately Verified	09/12/2016	12/22/2016	04/01/2025
2016-FW-1010	The State of Oklahoma Did Not Obligate and Spend Its Community Development Block Grant Disaster Recovery Funds in Accordance With Requirements	09/30/2016	01/17/2017	Note 1
2016-PH-1009	The State of New Jersey Did Not Disburse Disaster Funds to Its Contractor in Accordance With HUD, Federal, and Other Applicable Requirements	09/30/2016	01/27/2017	Note 1
2017-BO-1001	The State of Connecticut Did Not Always Comply With CDBG Disaster Recovery Assistance Requirements	10/12/2016	02/01/2017	04/10/2021
2017-KC-0001	FHA Paid Claims for an Estimated 239,000 Properties That Servicers Did Not Foreclose Upon or Convey on Time	10/14/2016	02/28/2017	04/10/2021
2017-NY-1001	The City of New York, NY, Implemented Policies That Did Not Always Ensure That CDBG Disaster Recovery Funds Were Disbursed in Accordance With Its Action Plan and Federal Requirements	11/02/2016	05/08/2017	Note 1
2017-FO-0003	Additional Details To Supplement Our Fiscal Years 2016 and 2015 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	11/15/2016	09/13/2017	Note 3

Report number	Report title	Issue date	Decision date	Final action target date
2017-NY-1004	The City of New York, NY, Lacked Adequate Controls To Ensure That the Use of CDBG-DR Funds Was Always Consistent With the Action Plan and Applicable Federal and State Requirements	12/21/2016	04/17/2017	Note 1
2017-NY-1005	Union County, NJ'S HOME Investment Partnerships Program Was Not Always Administered in Compliance With Program Requirements	01/13/2017	05/11/2017	04/10/2021
2017-LA-0002	HUD Failed To Follow Departmental Clearance Protocols for FHA Programs, Policies, and Operations	01/25/2017	09/22/2017	04/10/2021
2017-DP-0001	HUD's Transition to a Federal Shared Service Provider Failed To Meet Expectations	02/01/2017	05/25/2017	04/10/2021
2017-DP-0002	Review of Information Systems Controls Over FHA's Single Family Premiums Collection Subsystem – Periodic and the Single Family Acquired Asset Management System	02/09/2017	06/12/2017	04/10/2021
2017-KC-1801	Final Action Memorandum: Purchaser of HUD-Insured Single-Family Property Settled Allegations of Causing the Submission of a False Claim	02/23/2017	02/23/2017	06/15/2021
2017-LA-0003	HUD Failed To Adequately Oversee FHA-Insured Loans With Borrower-Financed Downpayment Assistance	03/03/2017	06/22/2017	Note 1

Report number	Report title	Issue date	Decision date	Final action target date
2017-PH-1001	The City of Pittsburgh, PA, Did Not Always Administer Its CDBG Program in Accordance With HUD and Federal Requirements	03/22/2017	07/19/2017	04/10/2021
2017-CF-1803	United Shore Financial Services, LLC, Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements	03/29/2017	03/29/2017	03/27/2022
2017-NY-0001	HUD PIH's Required Conversion Program Was Not Adequately Implemented	05/18/2017	09/15/2017	12/31/2023
2017-KC-0003	HUD Did Not Ensure That Lenders Properly Processed Voluntary Terminations of Insurance Coverage on FHA Loans and Disclosed All Implications of the Terminations to the Borrowers	05/22/2017	09/19/2017	Note 1
2017-PH-1003	The Yorkville Cooperative, Fairfax, VA, Did Not Administer Its HUD-Insured Property and Housing Assistance Contract According to Applicable Requirements	05/22/2017	09/19/2017	04/10/2021
2017-KC-0005	Owners of Cooperative Housing Properties Generally Charged More for Their Section 8 Units Than for Their Non-Section 8 Units	06/12/2017	10/06/2017	04/10/2021
2017-LA-1005	The City of Huntington Park, CA, Did Not Administer Its Community Development Block Grant Program in Accordance With Requirements	06/16/2017	10/17/2017	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2017-KC-0006	HUD Did Not Conduct Rulemaking or Develop Formal Procedures for Its Single-Family Note Sales Program	07/14/2017	10/19/2017	04/10/2021
2017-LA-1006	The City of Fresno, CA, Did Not Administer Its Community Development Block Grant in Accordance With HUD Requirements	08/09/2017	11/21/2017	04/10/2021
2017-FW-1011	BLM Companies LLC Failed To Ensure That It Protected and Preserved HUD Properties Under Its Field Service Manager Contract for Area 1D	08/29/2017	12/26/2017	Note 1
2017-FW-1012	The City of New Orleans, New Orleans, LA, Did Not Always Properly Administer Its HOME Program	09/06/2017	12/19/2017	Note 2
2017-LA-0004	HUD Did Not Have Adequate Controls To Ensure That Servicers Properly Engaged in Loss Mitigation	09/14/2017	01/11/2018	04/10/2021
2017-NY-1010	The State of New York Did Not Show That Disaster Recovery Funds Under Its Non-Federal Share Match Program Were Used for Eligible and Supported Costs	09/15/2017	01/12/2018	04/10/2021
2017-PH-1006	The Owner of Schwenckfeld Manor, Lansdale, PA, Did Not Always Manage Its HUD-Insured Property in Accordance With Applicable HUD Requirements	09/25/2017	01/23/2018	02/01/2030

Report number	Report title	Issue date	Decision date	Final action target date
2017-CF-1807	Residential Home Funding Corp. Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements	09/28/2017	09/28/2017	09/30/2021
2017-NY-0002	HUD Could Improve Its Controls Over the Disposition of Real Properties Assisted With Community Development Block Grant Funds	09/29/2017	01/26/2018	Note 3
2018-FO-0003	Fiscal Years 2017 and 2016 (Restated) Financial Statements Audit	11/15/2017	04/03/2018	Note 1
2018-FO-0004	Additional Details To Supplement Our Fiscal Years 2017 and 2016 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	11/15/2017	07/02/2018	Note 1
2018-AT-1802	Yabucoa Housing Project, Yabucoa Volunteers of America Elderly Housing, Inc., Yabucoa, PR, Section 202 Supportive Housing for the Elderly Program	12/29/2017	04/20/2018	04/10/2021
2018-FW-1001	Jefferson Parish, Jefferson, LA, Did Not Always Properly Administer Its Rehabilitation Program	01/29/2018	05/22/2018	04/10/2021
2018-NY-1003	The Housing Authority of the City of Asbury Park, NJ, Did Not Always Administer Its Operating and Capital Funds in Accordance With Requirements	02/08/2018	06/07/2018	01/28/2050

Report number	Report title	Issue date	Decision date	Final action target date
2018-PH-1002	The Fairmont-Morgantown Housing Authority, Fairmont, WV, Did Not Always Ensure That Its Program Units Met Housing Quality Standards and That It Accurately Calculated Housing Assistance Payment Abatements	02/16/2018	06/12/2018	04/10/2021
2018-DP-0003	Fiscal Year 2017 Review of Information Systems Controls in Support of the Financial Statements Audit	03/09/2018	06/07/2018	04/10/2021
2018-KC-0802	Limited Review of HUD Multifamily Waiting List Administration	03/22/2018	07/25/2018	Note 1
2018-CF-1801	MetLife Home Loans, LLC, and a Borrower's Son Settled Allegations of Failing To Comply With HUD's Federal Housing Administration HECM Loan Requirements	03/23/2018	08/09/2018	04/10/2021
2018-KC-0001	FHA Insured \$1.9 Billion in Loans to Borrowers Barred by Federal Requirements	03/26/2018	07/11/2018	Note 1
2018-LA-1003	The City of South Gate, CA, Did Not Administer Its Community Development Block Grant Program in Accordance With HUD Requirements	03/29/2018	07/25/2018	04/10/2021
2018-KC-1002	The Kansas City, MO, Health Department Did Not Spend Funds in Accordance With HUD Requirements	04/06/2018	08/02/2018	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2018-LA-0002	HUD Did Not Have Adequate Controls To Ensure That Grantees Submitted Accurate Tribal Enrollment Numbers for Program Funding	05/07/2018	08/23/2018	04/10/2021
2018-FW-1004	The City of Dallas, TX, HOME Investment Partnerships Program Was Not Always Administered in Accordance With Requirements	05/08/2018	08/30/2018	04/10/2021
2018-FW-0802	Interim Report - Potential Antideficiency Act and Generally Accepted Accounting Principle Violations Occurred With Disaster Relief Appropriation Act, 2013, Funds	05/15/2018	09/12/2018	04/10/2021
2018-CH-0002	HUD Lacked Adequate Oversight of Lead-Based Paint Reporting and Remediation in Its Public Housing and Housing Choice Voucher Programs	06/14/2018	12/06/2018	12/31/2021
2018-BO-1003	The City of Providence, RI, Did Not Properly Administer Its HOME Program	06/20/2018	09/28/2018	04/10/2021
2018-FW-0001	CPD's Risk Assessment and Monitoring Program Did Not Provide Effective Oversight of Federal Funds	06/26/2018	10/16/2018	Note 1
2018-LA-0801	The Office of Native American Programs Section 184 Program Continues To Operate Without Adequate Oversight 3 Years After the Prior OIG Audit	08/27/2018	12/21/2018	12/31/2021

Report number	Report title	Issue date	Decision date	Final action target date
2018-BO-0001	HUD's Office of Residential Care Facilities Did Not Always Have and Use Financial Information to Adequately Assess and Monitor Nursing Homes	09/17/2018	03/07/2019	04/10/2021
2018-BO-1005	The State of Connecticut Did Not Ensure That Its Grantees Properly Administered Their Housing Rehabilitation Programs	09/19/2018	03/27/2019	04/10/2021
2018-KC-0004	HUD Did Not Always Identify and Collect Partial Claims Out of Surplus Foreclosure Proceeds	09/20/2018	04/18/2019	12/31/2021
2018-LA-0005	HUD Did Not Have Adequate Controls To Ensure That Partial Claim Notes for FHA Loans Were Properly Tracked for Future Collection	09/21/2018	03/08/2019	04/10/2021
2018-NY-0001	HUD Did Not Adequately Administer Its Housing Counseling Program	09/24/2018	02/26/2019	04/01/2022
2018-PH-1007	The Crisfield Housing Authority, Crisfield, MD, Did Not Properly Administer Its Public Housing Program Operating and Capital Funds	09/25/2018	03/01/2019	Note 2
2018-PH-1008	The City of Erie, PA, Did Not Always Administer Its Code Enforcement and Community Policing Activities in Accordance With HUD and Federal Requirements	09/26/2018	03/07/2019	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2018-LA-0007	HUD Paid an Estimated \$413 Million for Unnecessary Preforeclosure Claim Interest and Other Costs Due to Lender Servicing Delays	09/27/2018	04/03/2019	04/02/2021
2018-NY-1007	The City of New York, NY, Did Not Always Use Disaster Recovery Funds Under Its Program for Eligible and Supported Costs	09/27/2018	02/28/2019	04/10/2021
2018-FW-1007	The State of Louisiana, Baton Rouge, LA, Did Not Always Maintain Adequate Documentation or Comply With Website Reporting Requirements	09/28/2018	03/29/2019	04/10/2021
2018-CH-1010	The City of Chicago's Department of Public Health, Chicago, IL, Did Not Administer Its Lead Hazard Reduction Demonstration Grant Program in Accordance With HUD's and Its Own Requirements	09/30/2018	03/14/2019	04/10/2021
2019-FO-0002	Audit of the Federal Housing Administration's Financial Statements for Fiscal Years 2018 and 2017 (Restated)	11/14/2018	05/30/2019	04/10/2021
2019-FO-0003	Additional Details To Supplement Our Fiscal Years 2018 and 2017 (Restated) U.S. Department of Housing and Urban Development Financial Statement Audit	11/15/2018	07/11/2019	04/10/2021
2019-CH-1001	The Housing Authority of the City of North Chicago, North Chicago, IL, Did Not Always Comply With HUD's Requirements and Its Own Policies Regarding the Administration of Its Housing Choice Voucher Program	12/20/2018	03/28/2019	02/28/2024

Report number	Report title	Issue date	Decision date	Final action target date
2019-CH-1002	The Detroit Housing Commission, Detroit, MI, Did Not Always Administer Its Moderate Rehabilitation Program in Accordance With HUD's and Its Own Requirements	02/06/2019	06/05/2019	Note 2
2019-AT-1002	Louisville Metro, Louisville, KY, Did Not Always Administer the TBRA Activity in Its HOME and CoC Programs in Accordance With Program Requirements	03/18/2019	07/16/2019	04/10/2021
2019-DP-0004	Fiscal Year 2018 Review of Information Systems Controls in Support of the Financial Statements Audit	03/27/2019	06/20/2019	04/10/2021
2019-KC-0001	FHA Improperly Paid Partial Claims That Did Not Reinstate Their Related Loans	04/11/2019	08/02/2019	07/31/2021
2019-FW-1001	The Little Rock Housing Authority, Little Rock, AR, Did Not Fully Meet Rental Assistance Demonstration Program Requirements	04/23/2019	09/20/2019	10/31/2022
2019-BO-1001	The City of Bridgeport, CT, Did Not Properly Administer Its HOME Program	04/25/2019	08/07/2019	04/10/2021
2019-BO-1002	The Housing Authority of the City of Woonsocket, RI, Did Not Always Comply With Capital Fund Program and Procurement Requirements	05/07/2019	10/22/2019	04/10/2021

Report number	Report title	Issue date	Decision date	Final action target date
2019-AT-1004	The North Carolina Department of Commerce Did Not Administer Its Neighborhood Stabilization Program Grants as Required by HUD	06/14/2019	01/14/2020	Note 2
2019-KC-0002	HUD Paid Rental Subsidies To Benefit Public Housing and Voucher Tenants Reported as Excluded From Federal Programs or Deceased	06/25/2019	10/17/2019	Note 3
2019-LA-1008	The Compton Housing Authority, Compton, CA, Did Not Administer Its Housing Choice Voucher Program in Accordance With HUD Requirements	07/11/2019	10/23/2019	04/10/2021
2019-LA-0801	HUD Completed the Agreed-Upon Corrective Actions for One of the Two Recommendations Reviewed From Prior OIG Audit Report 2015-LA-0001 on FHA-HAMP Partial Claims	07/15/2019	10/08/2019	Note 2
2019-NY-1003	New York City Department of Housing Preservation and Development, New York, NY, Did Not Always Ensure That Units Met Housing Quality Standards but Generally Abated Payments When Required	08/02/2019	11/25/2019	04/10/2021
2019-BO-1003	The Commonwealth of Massachusetts Did Not Always Ensure That Its Grantees Complied With Applicable State and Federal Laws and Requirements	08/05/2019	12/03/2019	04/10/2021
2019-FW-1006	The Bogalusa Housing Authority, Bogalusa, LA, Did Not Always Administer Its Public Housing Programs in Accordance With Requirements	08/16/2019	11/26/2019	05/31/2021

Report number	Report title	Issue date	Decision date	Final action target date
2019-CH-1003	The Management Agent for Lake View Towers Apartments, Chicago, IL, Did Not Always Comply With HUD's Section 8 HAP Program Requirements	09/03/2019	12/18/2019	Note 2
2019-CF-1803	Pacific Horizon Bancorp, Inc., and Two Loan Officers Settled Allegations of Failing To Comply With HUD's Federal Housing Administration Loan Requirements	09/30/2019	09/30/2019	08/01/2024
2019-KC-0003	FHA Insured at Least \$13 Billion in Loans to Ineligible Borrowers With Delinquent Federal Tax Debt	09/30/2019	01/15/2020	01/31/2022
2020-CH-1001	The City of Detroit's Housing and Revitalization Department, Detroit, MI, Did Not Administer Its Lead Hazard Reduction Demonstration Grant Program in Accordance With HUD's Requirements	10/02/2019	01/31/2020	Note 2
2020-CH-0001	HUD's Office of the Chief Financial Officer Generally Complied With the Digital Accountability and Transparency Act of 2014 With a Few Exceptions	11/07/2019	02/11/2020	04/30/2021
2020-LA-1001	Community Action North Bay, Fairfield, CA, Did Not Administer Its Continuum of Care Program in Accordance With HUD Requirements	01/31/2020	05/14/2020	05/13/2021
2020-AT-0801	HUD Had Not Established Deadlines for Reporting FHA-HAMP Nonincentivized Loan Modifications and Filing Nonincentivized Partial Claims	02/04/2020	06/01/2020	05/31/2022

Report number	Report title	Issue date	Decision date	Final action target date
2020-FO-0003	Additional Details To Supplement Our Fiscal Year 2019 U.S. Department of Housing and Urban Development Financial Statements Audit	02/07/2020	09/08/2020	08/13/2021
2020-AT-0802	HUD Inaccurately Allotted Funding for Tenant Protection Assistance and Improperly Approved a Proposed RAD Conversion	02/18/2020	06/04/2020	04/10/2021
2020-FW-0001	HUD Did Not Have Adequate Oversight To Ensure That Its Payments to Subsidized Property Owners Were Accurate and Supported When It Suspended Contract Administrator Reviews	02/26/2020	06/09/2020	12/31/2021
2020-LA-1002	The Housing Authority of the City of Long Beach, CA, Did Not Administer Its Housing Choice Voucher Program in Accordance With HUD Requirements	03/05/2020	06/19/2020	06/30/2021
2020-AT-1002	The Puerto Rico Department of Housing, San Juan, PR, Should Strengthen Its Capacity To Administer Its Disaster Grants	03/16/2020	07/13/2020	07/13/2021
2020-CH-0003	HUD Lacked Adequate Oversight of Public Housing Agencies' Compliance With the Lead Safe Housing Rule	03/18/2020	09/03/2020	12/10/2022

SIGNIFICANT AUDIT REPORTS ISSUED WITHIN THE PAST 12 MONTHS THAT WERE DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS FOR WHICH FINAL ACTION HAD NOT BEEN COMPLETED AS OF 03/31/2021

Report number	Report title	Issue date	Decision date	Final action
2020-LA-1003	The City of Mesa, AZ, Did Not Administer Its Community Development Block Grant in Accordance With HUD Requirements	04/13/2020	08/11/2020	08/10/2021
2020-PH-1001	The Philadelphia Housing Authority, Philadelphia, PA, Did Not Comply With Procurement and Conflict-of-Interest Requirements	04/20/2020	10/16/2020	04/15/2021
2020-KC-1001	Englewood Apartments, Kansas City, MO, Did Not Comply With Tenant Eligibility and Recertification Requirements	06/08/2020	09/22/2020	09/01/2021
2020-BO-0001	HUD Could Strengthen Controls Over Employee Benefits Expensed at Public Housing Agencies	08/12/2020	01/14/2021	09/30/2021
2020-CH-0004	HUD Needs To Improve Its Oversight of Lead in the Water of Housing Choice Voucher and Public Housing Program Units	08/21/2020	02/10/2021	12/31/2021
2020-CH-0005	HUD Needs To Improve Its Oversight of Lead in the Water of Multifamily Housing Units	08/21/2020	01/26/2021	12/31/2021

Report number	Report title	Issue date	Decision date	Final action
2020-AT-1003	The Housing Authority of the City of Macon-Bibb County, GA, Improperly Executed the HAP Contract for Vineville Christian Towers' RAD Conversion	08/31/2020	11/20/2020	11/20/2021
2020-LA-1005	Mid America Mortgage, dba 1st Tribal Lending, Pinole, CA, Did Not Always Follow HUD's Section 184 Program Requirements	09/03/2020	12/14/2020	12/31/2021
2020-DP-0002	HUD, Washington, DC, Information Security Weaknesses Existed Within NCIS	09/22/2020	01/22/2021	Note 2
2020-LA-0002	HUD Had Implemented Most of the Required Responsibilities Stated in the Geospatial Data Act of 2018	09/24/2020	01/11/2021	09/20/2021

Audits Excluded:

77 audits under repayment plans

36 audits under debt claims collection processing, formal judicial review, investigation, or legislative solution

Notes:

1 Management did not meet the target date. Target date is more than 1 year old.

2 Management did not meet the target date. Target date is less than 1 year old.

3 No Management decision

SIGNIFICANT EVALUATION REPORTS FOR WHICH FINAL ACTION HAD NOT BEEN COMPLETED WITHIN 12 MONTHS AFTER THE DATE OF THE INSPECTOR GENERAL’S REPORT

Report number	Report title	Issue date	Decision date	Final action
2013-ITED-0001	FY 2013 Federal Information Security Management Act (FY13 FISMA)	11/29/13	11/29/13	Note 1
2014-ITED-0001	FY14 HUD Privacy Program Evaluation	04/30/14	04/30/14	Note 1
2014-OE-0002	Risk Based Enforcement Could Improve Program Effectiveness	02/12/16	04/9/19	Note 2
2014-OE-0003	FY 2014 Federal Information Security Modernization Act (FY14 FISMA)	11/15/14	11/15/14	Note 1
2015-OE-0001	FY 2015 Federal Information Security Modernization Act (FY15 FISMA)	11/15/15	11/15/15	Note 1
2015-OE-0002	HUD IT Modernization	09/28/15	09/25/15	Note 1

Report number	Report title	Issue date	Decision date	Final action
2016-OE-0002	HUD Web Application Security Evaluation	06/6/18	n/a	Note 2
2016-OE-0004S	Opportunities for Improvement within CPD's Risk Management Process for Hurricane Sandy Grants	03/29/17	08/20/19	Note 2
2016-OE-0006	FY 2016 Federal Information Security Modernization Act (FY16 FISMA)	11/10/16	11/10/16	Note 1
2017-OE-0007	FY 2017 Federal Information Security Modernization Act (FY17 FISMA)	10/31/17	08/16/18	Note 1
2018-OE-0001	HUD Privacy Program Evaluation Report	09/13/18	11/27/18	Note 1
2018-OE-0002	Fire Safety Planning for the Weaver Building Needs Improvement	06/12/18	11/29/18	Note 1
2018-OE-0003	FY 2018 Federal Information Security Modernization Act (FY18 FISMA)	10/31/18	05/17/19	Note 1
2018-OE-0004	HUD IT System Management and Oversight of the Section 184 Program	08/13/18	n/a	Note 2
2019-OE-0001	HUD Has Not Referred Troubled Public Housing Agencies as the Law and Regulations Require	02/04/20	09/30/20	Note 2

SIGNIFICANT EVALUATION REPORTS ISSUED WITHIN THE PAST 12 MONTHS THAT WERE DESCRIBED IN PREVIOUS SEMIANNUAL REPORTS FOR WHICH FINAL ACTION HAD NOT BEEN COMPLETED AS OF 03/31/21

Report number	Report title	Issue date	Decision date	Final action
2019-OE-0002	HUD Fiscal Year 2019 Federal Information Security Modernization Act of 2014 (FY19 FISMA) Evaluation Report	06/24/20	01/19/21	Note 3
2019-OE-0002a	HUD Personally Identifiable Information (PII) Records Protection and Management	06/25/20	12/21/20	Note 3
2020-OE-0001	HUD Fiscal Year 2020 Federal Information Security Modernization Act of 2014 (FY20 FISMA) Evaluation Report	11/30/20	03/30/21	Note 3

Notes:

1 Management did not meet the target date. Target date is more than 1 year old.

2 No management decision

3 Management working to meet target date. Target data is less than 1 year old.

APPENDIX 2 - TABLES

TABLE C

INSPECTOR GENERAL-ISSUED REPORTS WITH QUESTIONED AND UNSUPPORTED COSTS AS OF 03/31/2021 (THOUSANDS)

Audit reports	Number of audit reports	Questioned costs	Unsupported costs
A1 For which no management decision had been made by the beginning of the reporting period	7	\$395,024	\$390,913
A2 For which litigation, legislation, or investigation was pending at the beginning of the reporting period	0	0	0
A3 For which additional costs were added to reports in beginning inventory	-	5,763	3,634
A4 For which costs were added to noncost reports	0	0	0
B1 Which were issued during the reporting period	2	7,101	7,100
B2 Which were reopened during the reporting period	0	0	0
Subtotals (A+B)	9	407,888	401,647

TABLE C CONTINUED

Audit reports	Number of audit reports	Questioned costs	Unsupported costs
C For which a management decision was made during the reporting period	4 ¹²	7,440	4,765
(1) Dollar value of disallowed costs: Due HUD Due program participants	2 2	1,648 5,792	1,148 3,167
(2) Dollar value of disallowed costs:	0	0	0
D For which a management decision had been made not to determine costs until completion of litigation, legislation, or investigation	0	0	0
E For which no management decision had been made by the end of the reporting period	5 <17> ¹³	400,448 <387,177> ¹³	396,882 <383,615> ¹³

¹²Two audit reports also contain recommendations with funds to be put to better use.

¹³The figures in brackets represent data at the recommendation level as compared to the report level. See Explanations of Tables C and D.

APPENDIX 2 - TABLES

TABLE D

INSPECTOR GENERAL-ISSUED REPORTS WITH QUESTIONED AND UNSUPPORTED COSTS AT 3/31/2021 (THOUSANDS)

Audit reports	Number of audit reports	Dollar value
A1 For which no management decision had been made by the beginning of the reporting period	10	\$8,499,523
A2 For which litigation, legislation, or investigation was pending at the beginning of the reporting period	0	0
A3 For which additional costs were added to reports in beginning inventory	-	0
A4 For which costs were added to noncost reports	0	0
B1 Which were issued during the reporting period	3	438,691
B2 Which were reopened during the reporting period	0	0
Subtotals (A+B)	13	8,938,214

TABLE D CONTINUED

Audit reports	Number of audit reports	Dollar value
C For which a management decision was made during the reporting period	7 ¹⁴	2,977,713
(1) Dollar value of recommendations that were agreed to by management: Due HUD Due program participants	4 3	2,642,388 293
(2) Dollar value of recommendations that were not agreed upon by management	3 ¹⁵	335,032
D For which a management decision had been made not to determine costs until completion of litigation, legislation, or investigation	0	0
E For which no management decision had been made by the end of the reporting period	6 <7> ¹⁶	5,960,501 <5,417,766> ¹⁶

¹⁴Two audit reports also contain recommendations with questioned costs.

¹⁵Three audit reports also contain recommendations with funds agreed to by management.

¹⁶The figures in brackets represent data at the recommendation level as compared to the report level. See Explanations of Tables C and D.

EXPLANATIONS OF TABLES C AND D

The Inspector General Act Amendments of 1988 require inspectors general and agency heads to report cost data on management decisions and final actions on audit reports. The current method of reporting at the “report” level rather than at the individual audit “recommendation” level results in misleading reporting of cost data. Under the Act, an audit “report” does not have a management decision or final action until all questioned cost items or other recommendations have a management decision or final action. Under these circumstances, the use of the “report” based method rather than the “recommendation” based method of reporting distorts the actual agency efforts to resolve and complete action on audit recommendations. For example, certain cost items or recommendations could have a management decision and repayment (final action) in a short period of time. Other cost items or nonmonetary recommendation issues in the same audit report may be more complex and require a longer period of time for management’s decision or final action. Although management may have taken timely action on all but one of many recommendations in an audit report, the current “all or nothing” reporting format does not recognize their efforts.

The closing inventory for items with no management decision in tables C and D (line E) reflects figures at the report level as well as the recommendation level.

APPENDIX 3 - INSPECTOR GENERAL EMPOWERMENT ACT

The Inspector General Empowerment Act (IGEA) requires the Office of Inspector General (OIG) to report on each audit and evaluation report for which the U.S. Department of Housing and Urban Development (HUD) did not return comments within 60 days of HUD OIG's providing the report to the Department

SUMMARY OF REPORTS WITH NO ESTABLISHMENT COMMENT

OFFICE OF INVESTIGATION

On February 22, 2019, HUD OIG's Office of Investigation delivered Systemic Implication Report (SIR) fiscal year (FY) 19-001, SIR Pertaining to the Housing Choice Voucher Program Initial Certification and Annual Recertifications, to HUD's Office of Public and Indian Housing. Specifically, the SIR recommended that HUD standardize the initial certification and annual recertification questionnaire for the Housing Choice Voucher Program. It specifically recommended that HUD standardize and require the use of a personal declaration form regarding a tenant's declaration of his or her income and assets. The Department did not respond within the requisite 60 days, and HUD OIG has still not received a response.

SUMMARY OF REPORTS WITH OPEN RECOMMENDATIONS

The IGEA requires OIGs to report on each audit and evaluation report for which there are any outstanding unimplemented recommendations, including the combined potential cost savings of these recommendations. Summaries for the Office of Audit and Office of Evaluation (OE) are presented below.

OFFICE OF AUDIT

The Department currently has 1,116 outstanding (open) unimplemented recommendations with a combined potential cost savings of more than \$20 billion. The following table and charts reflect the reasons why they remain unimplemented:

1. 1,052 recommendations have active corrective action plans in place or valid repayment plans, but HUD has not finished implementing the recommendation.
2. 64 recommendations are currently without management decisions (agreement between the Department and OIG), 34 of which are beyond the 180-day statutory requirements due to disagreement and were reported in table A of OIG's Semiannual Report to Congress (SAR). The remainder are within the 180-day limit, during which time management and OIG can arrive at an agreed-upon corrective action plan.
3. 398 open recommendations have management decisions in place but are currently under investigative, legislative, or judicial action or under a valid repayment plan and are, therefore, suspended pending resolution.

OFFICE OF AUDIT SUMMARY

Calendar year	Number of open recommendations	Cumulative estimated cost savings from open recommendations
Pre-2001	3	\$1,820,555
2001	1	160,000
2002	7	1,379,626
2003	12	1,749,622
2004	8	8,267,893
2005	5	3,006,373
2006	12	10,404,273
2007	15	4,996,289
2008	29	71,766,547
2009	24	4,949,326
2010	16	18,271,251
2011	35	101,389,032
2012	14	10,725,709
2013	51	56,924,038
2014	111	390,353,129
2015	96	342,375,572
2016	137	7,287,072,531
2017	145	873,236,095
2018	148	4,408,573,144
2019	105	6,664,591,047
2020	118	6,800,820
2021	24	445,518,934
Total	1,116	20,714,331,806

OFFICE OF EVALUATION

OE conducts evaluations focused on improving departmental operations and programs. OE's recommendations do not focus on direct cost savings but, rather, on improving program effectiveness, reducing the likelihood of negative outcomes, and addressing HUD's top management challenges.

Calendar year	Number of open recommendations
2013	4
2014	9
2015	13
2016	4
2017	12
2018	31
2019	0
2020	61
Total	138

STATISTICAL TABLE SHOWING INVESTIGATIVE REPORT METRICS

The data used in this statistical table were extracted from HUD OIG's Case Management System. The Case Management System and its underlying infrastructure allow for data input and maintain data integrity during the complete investigative case cycle, while ensuring data privacy and confidentiality. The system was developed in .Net 4.5.1, and the database is SQL 2017. HUD OIG develops queries to extract data from the Case Management System to meet business requirements, such as the information used to create this statistical table. The footnotes referenced in the table provide additional guidance pertaining to each requested category of information.

REPORTING PERIOD: FY 2021, PERIOD 1 (SAR 85), OCTOBER 1, 2020, THROUGH MARCH 31, 2021

Measure	Total
A. Total number of investigative reports issued during the reporting period ¹⁷	204
B. Total number of persons referred to the U.S. Department of Justice for criminal prosecution during the reporting period	123
C. Total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period	23
D. Total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities ¹⁸	77

¹⁷Includes approved reports of investigations

¹⁸Includes all charging documents reported: criminal complaints, indictments, information and superseding indictments

INVESTIGATIONS OF SENIOR GOVERNMENT EMPLOYEES

The IGEA requires OIG to summarize in the SAR each investigation involving a senior government employee when allegations of misconduct were substantiated. Listed below are the cases for this reporting period.

1. OIG initiated an investigation based on allegations that a senior HUD employee, who is also an attorney, had been involved in several violations of the Standards of Ethical Conduct for Employees of the Executive Branch and the Standards of Ethical Conduct for Employees of HUD, despite the provision of clear legal guidance from HUD's Office of Regional Counsel. The employee is a mandatory OGE-450 filer with the Office of Government Ethics (OGE). In both 2013 and 2014, the employee's 450 forms were not certified by HUD's Regional Counsel because they failed to provide requested documentation. In 2014, the employee was cautioned regarding HUD's pro bono policy because the employee's OGE-450 indicated that the employee was operating an outside law office. Once again in 2016, Regional Counsel had concerns regarding the submission of OGE-450 forms and the lack of documentation to support activities outside of HUD employment.

The investigation focused on examining the employee's activity as a private attorney and outside employment. Eight separate instances were identified in which the employee represented individuals as an attorney in several county court districts and divisions, all of which occurred during the period 1992 through 2002. The employee was also involved in four court cases filed in U.S. District Court, which were all filed during the period 1993 through 2008. The employee admitted to failing to obtain permission to conduct pro bono legal work for every instance in which the employee did so. However, the

investigation found no evidence that the employee was employed outside HUD past 2010.

This investigation was referred to and declined for criminal prosecution by the United States Attorney's Office on July 22, 2020. The results of this investigation were referred to HUD's Office of Regional Counsel, and the employee was suspended for 5 calendar days.

2. OIG initiated an investigation based on allegations that a senior HUD employee was not recused from HUD matters while negotiating future employment with a private-sector firm conducting business with HUD. The former employee, after leaving HUD, represented the private-sector firm to HUD on matters this individual had worked on while a HUD employee.

The investigation determined that the employee engaged in misconduct during the employee's tenure as well as after departing HUD. The investigation found that the former employee (1) while still a HUD employee, was not recused from and inappropriately intervened in a HUD matter involving a lender with which the former employee was negotiating postgovernment employment; (2) removed from HUD and brought to a new private-sector employer many HUD documents and reports about financial institutions, which contained confidential, nonpublic, proprietary information; and (3) made many communications with and appearances before HUD on behalf of private-sector clients regarding matters on which the former employee worked or supervised while employed at HUD, in violation of Federal ethics regulations.

OIG referred this matter to the U.S. Attorney's Office in April 2019 and

HUD's Office of Program Enforcement for any action they deemed appropriate. On April 21, 2020, the U.S. Attorney's Office announced that the former employee agreed to pay \$25,000 to settle allegations that the former employee had an improper conflict of interest with a company while serving as a senior employee at HUD. On November 16, 2020, HUD settled with the former employee, resolving potential administrative allegations.

3. OIG initiated an investigation based on allegations that a senior HUD employee may have violated a Federal law that prohibits former Federal employees from appearing in matters pending before an agency in which they had personal and substantial participation before leaving Federal service. The investigation found no evidence to substantiate such a violation. However, there was evidence establishing that the employee violated various provisions of the Federal ethics regulations and the Federal statutory prohibition against conflicts of interest. This investigation was referred to and declined for criminal prosecution by the United States Attorney's Office on October 10, 2018.
4. OIG initiated an investigation of a senior HUD employee based on allegations of unauthorized use of substantial government time and equipment to conduct personal business, failure to disclose required information on the OGE-450 form, and failure to disclose a personal relationship with an individual who benefited from the subject's official HUD duties. The investigation substantiated the allegations, and the case was referred to the United States Attorney's Office for criminal prosecution on May 11, 2016, but was later declined by the United States Attorney's Office on October 9, 2018. The investigation was referred to HUD. HUD declined to pursue administrative disciplinary action.

INSTANCES OF WHISTLEBLOWER RETALIATION

The IGEA requires OIG to include in the SAR a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any, consequences the establishment imposed to hold that official accountable.

OIG has no instances of whistleblower retaliation to report in this SAR period.

OIG INDEPENDENCE

The IGEA requires OIG to include in the SAR a detailed description of any attempt by the establishment to interfere with the independence of OIG, including incidents in which the establishment has resisted or objected to oversight activities or restricted or significantly delayed access to information.

OIG has no instances of attempts to interfere with OIG independence to report in this SAR period.

REPORTS THAT WERE CLOSED DURING THE PERIOD THAT WERE NOT DISCLOSED TO THE PUBLIC

Section 5(a)(22) of the IGEA, as amended, requires that OIG report on each audit and investigation conducted by the office that is closed during the reporting period and was not disclosed to the public.

OFFICE OF AUDIT

The Office of Audit did not close any audits this semiannual period that were not disclosed to the public.

OFFICE OF INVESTIGATION

During the current reporting period, OIG has seven investigative reports that were closed but not disclosed to the public. The allegations include the following:

1. OIG initiated an investigation based on allegations that a senior HUD employee may have violated a Federal law that prohibits former Federal employees from appearing in matters pending before an agency in which they had personal and substantial participation before leaving Federal service. The investigation found no evidence to substantiate such a violation. However, there was evidence establishing that the employee violated various provisions of the Federal ethics regulations and the Federal statutory prohibition against conflicts of interest. This investigation was referred to and declined for criminal prosecution by the United States Attorney's Office on October 10, 2018.

2. OIG initiated an investigation based on allegations of a potential conflict of interest involving a former senior HUD employee's participation in potentially conflicting activity before leaving HUD. The investigation reviewed whether the employee participated in matters of policy significant to a private-sector entity while in negotiations for employment with that entity. The investigation determined that the employee did participate in the HUD decision-making process while negotiating employment. However, it was determined that the employee's actions did not violate conflict-of-interest laws because the private-sector entity with which the employee was negotiating did not itself have a financial interest in any matter in which the employee participated. The investigation did not substantiate the allegations, and the investigation was neither presented for prosecution nor referred to HUD.
3. OIG initiated an investigation based on whistleblower allegations that senior HUD employees were acting in a way that may constitute an abuse of authority, gross mismanagement, and a gross waste of funds. The whistleblower alleged that the Federal Housing Administration's (FHA) approval of mortgage insurance on several large refinancing transactions under HUD's Section 223(f) program resulted in a significant unrestricted cashout to borrowers, which posed an excessive risk to FHA's insurance funding program and undermined HUD's mission to provide affordable housing. The investigation did not substantiate the allegations, and this matter was referred to HUD.
4. OIG initiated an investigation based on allegations that a senior HUD employee misused the employee's position by directing a staff assistant to assist with work required for the employee's master's degree. It was further alleged that the employee used HUD

information technology (IT) equipment and supplies to complete assignments for this degree. The investigation did not substantiate the allegations; however, the employee resigned from HUD. This investigation was neither presented for prosecution nor referred to HUD

5. OIG initiated an investigation based on allegations that a senior HUD employee sent harassing and threatening emails and text messages to HUD employees and accessed inappropriate sexual content and messages through the employees' HUD accounts. HUD previously placed the employee on administrative leave due to the alleged conduct and referred the threat allegations to the Federal Protective Service. The investigation found no evidence to support the allegation that the employee used government-issued IT equipment to access inappropriate sexual content or messages. The investigation was not referred to the United States Attorney's Office because the threat allegations were unsubstantiated. This matter was referred to HUD to complete its administrative inquiry, and the employee was dismissed
6. OIG initiated an investigation based on allegations that a senior HUD employee was not recused from HUD matters while negotiating future employment with a private-sector firm conducting business with HUD. The former employee, after leaving HUD, represented the private-sector firm to HUD on matters this individual had worked on while a HUD employee.

The investigation determined that the employee engaged in misconduct during the employee's tenure as well as after departing HUD. The investigation found that the former employee (1) while still a HUD employee, was not recused from and inappropriately intervened in a HUD matter involving a lender with which the

former employee was negotiating postgovernment employment; (2) removed from HUD and brought to a new private-sector employer many HUD documents and reports about financial institutions, which contained confidential, nonpublic, proprietary information; and (3) made many communications with and appearances before HUD on behalf of private-sector clients regarding matters on which the former employee worked or supervised while employed at HUD, in violation of Federal ethics regulations.

OIG referred this matter to the U.S. Attorney's Office in April 2019 and HUD's Office of Program Enforcement for any action they deemed appropriate. On April 21, 2020, the U.S. Attorney's Office announced that the former employee agreed to pay \$25,000 to settle allegations that the former employee had an improper conflict of interest with a company while serving as a senior employee at HUD. On November 16, 2020, HUD settled with the former employee, resolving potential administrative allegations.

7. OIG initiated an investigation of a senior HUD employee based on allegations of unauthorized use of substantial government time and equipment to conduct personal business, failure to disclose required information on the OGE-450 form, and failure to disclose a personal relationship with an individual who benefited from the subject's official HUD duties. The investigation substantiated the allegations, and the case was referred to the United States Attorney's Office for criminal prosecution on May 11, 2016, but was later declined by the United States Attorney's Office on October 9, 2018. The investigation was referred to HUD. HUD declined to pursue administrative disciplinary action.

OFFICE OF EVALUATION

HUD FISCAL YEAR 2020 FEDERAL INFORMATION SECURITY MODERNIZATION ACT OF 2014, ISSUE DATE: NOVEMBER 30, 2020

OIG assessed, for effectiveness, HUD's information security (IS) program in accordance with the Federal Information Security Modernization Act (FISMA), which directs OIGs to conduct an evaluation using the OIG FISMA metrics. The metrics consisted of eight domains aligned with the five functional areas (identify, protect, detect, respond, and recover) from the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity.

HUD's IS program was evaluated as not effective based on the FY 2020 Inspectors General FISMA metrics. Key components of HUD's IS program remain ineffective or have inconsistent processes throughout the HUD program offices and among their IT contracts.

HUD continued to address recommendations that OIG made in previous years. HUD's Office of the Chief Information Officer had success in modernizing some of the HUD infrastructure and moving applications to modern technology. OIG recommends that HUD continue to address all outstanding FISMA recommendations and refine and further implement its IT strategic modernization roadmap. OIG made 26 recommendations to assist HUD in increasing its information security posture. OIG has determined that the contents of this report would not be appropriate for public disclosure and has, therefore, limited its distribution to selected officials. **Evaluation report: 2020-OE-0001**

APPENDIX 4 - REPORTING REQUIREMENTS

The specific reporting requirements as prescribed by the Inspector General Act of 1978, as amended by the Inspector General Act of 1988, are listed below.

Source requirement	Pages
Section 4(a)(2)-review of existing and proposed legislation and regulations.	27-35
Section 5(a)(1)-description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department.	12-22 49-50
Section 5(a)(2)-description of recommendations for corrective action with respect to significant problems, abuses, and deficiencies.	36-48
Section 5(a)(3)-identification of each significant recommendation described in previous Semiannual Report on which corrective action has not been completed.	Appendix 2, table B, 61
Section 5(a)(4)-summary of matters referred to prosecutive authorities and the prosecutions and convictions that have resulted.	12-22
Section 5(a)(5)-summary of reports made on instances where information or assistance was unreasonably refused or not provided, as required by Section 6(b)(2) of the Act.	No instance

Source requirement	Pages
Section 5(a)(6)-listing of each audit report completed during the reporting period, and for each report, where applicable, the total dollar value of questioned and unsupported costs and the dollar value of recommendations that funds be put to better use.	Appendix 1, 53
Section 5(a)(7)-summary of each particularly significant report.	12-22
Section 5(a)(8)-statistical tables showing the total number of audit reports and the total dollar value of questioned and unsupported costs.	Appendix 2, table C, 87
Section 5(a)(9)-statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management.	Appendix 2, table D, 89
Section 5(a)(10)-summary of each audit report issued before the commencement of the reporting period for which no management decision had been made by the end of the period.	Appendix 2, table A, 58
Section 5(a)(11)-a description and explanation of the reasons for any significant revised management decisions made during the reporting period.	45-47
Section 5(a)(12)-information concerning any significant management decision with which the Inspector General is in disagreement.	48
Section 5(a)(13)-the information described under section 05(b) of the Federal Financial Management Improvement Act of 1996.	48

APPENDIX 5 - ACRONYMS AND ABBREVIATIONS

AFHMP.....Affirmative Fair Housing Marketing Plan
AGI.....The Arize Group, Incorporated
CARES Act.....Coronavirus Aid, Relief, and Economic Security Act
CDBG.....Community Development Block Grant
CDBG-DR.....Community Development Block Grant Disaster Recovery
CDBG-MIT.....Community Development Block Grant-Mitigation
CFR.....Code of Federal Regulations
CIGIE.....Council of the Inspectors General on Integrity and Efficiency
CPD.....Office of Community Planning and Development
DEC.....Departmental Enforcement Center
DHS.....U.S. Department of Homeland Security
DoD.....U.S. Department of Defense
DOL.....U.S. Department of Labor
DOT.....U.S. Department of Transportation
EPA.....Environmental Protection Agency
ESG.....Emergency Solutions Grants
E.O......Executive order
FAQ.....frequently asked questions
FFMIA.....Federal Financial Management Improvement Act
FHA.....Federal Housing Administration
FHFA.....Federal Housing Finance Agency
FISMA.....Federal Information Security Modernization Act of 2014
FR.....Federal Register
FY.....fiscal year
Ginnie Mae.....Government National Mortgage Association

GSA.....General Services Administration
HCAMS.....Housing Counseling Agency Management System
HCVP.....Housing Choice Voucher Program
HECM.....home equity conversion mortgage
HERMIT.....Home Equity Reverse Mortgage Information Technology system
HEROS.....HUD Environmental Review Online System
HFA.....housing finance agency
HOPWA.....Housing Opportunities for Persons With AIDS
HOTMA.....Housing Opportunity Through Modernization Act of 2016
HUD.....U.S. Department of Housing and Urban Development
IGEA.....Inspector General Empowerment Act
IS.....information security
IT.....information technology
LOS.....Loan Origination System
MDD.....major disaster declaration
ML.....mortgagee letter
MTW.....Moving to Work Demonstration program
NHSLA.....Neighborhood Housing Services of Los Angeles County
NSP.....Neighborhood Stabilization Program
NSPIRE.....National Standards for the Physical Inspection of Real Estate
OCFO.....Office of the Chief Financial Officer
OCIO.....Office of the Chief Information Officer
OE.....Office of Evaluation
OFO.....Office of Field Operations
OGE.....Office of Government Ethics

OI	Office of Investigation
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONAP	Office of Native American Programs
PHA	public housing agency
PIH	Office of Public and Indian Housing
PII	personally identifiable information
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
RAD	Rental Assistance Demonstration Program
REO	real estate owned
RHFG	Reliant Home Financial Group
SAM	System for Award Management
SAR	Semiannual Report to Congress
SFDMS	Single Family Default Monitoring System
SFIOD	Single Family Insurance Operations Division
SIR	systemic implication report
SOFR	Secured Overnight Financing Rate
UCPNCSN	United Cerebral Palsy of Northern, Central, and Southern New Jersey
U.S.C.	United States Code
USDA	U.S. Department of Agriculture
WCHC	West Calumet Housing Complex



APPENDIX 6 - OIG TELEPHONE DIRECTORY

OFFICE OF AUDIT

Headquarters	Washington, DC	202-708-0364
Region 1	Boston, MA	617-994-8380
	Hartford, CT	860-240-9739
Region 2	New York, NY	212-264-4174
	Buffalo, NY	716-551-5755
	Newark, NJ	973-622-7900
Region 3	Philadelphia, PA	215-656-0500
	Baltimore, MD	410-962-2520
	Pittsburgh, PA	412-644-6428
	Richmond, VA	804-771-2100
Region 4	Atlanta, GA	404-331-3369
	Greensboro, NC	336-547-4001
	Miami, FL	305-536-5387
	San Juan, PR	787-766-5540
Region 5	Chicago, IL	312-913-8499
	Columbus, OH	614-280-6138
	Detroit, MI	313-226-6190

Region 6	Fort Worth, TX	817-978-9309
	Baton Rouge, LA	225-448-3975
	Houston, TX	713-718-3199
	New Orleans, LA	504-671-3000
	Albuquerque, NM	505-346-6463
	Oklahoma City, OK	405-609-8606
	San Antonio, TX	210-475-6800

REGION 7-8-10	Kansas City, KS	913-551-5870
	St. Louis, MO	314-539-6339
	Denver, CO	303-672-5475
	Seattle, WA	206-220-5360

REGION 9	Los Angeles, CA	213-894-8016
	Las Vegas, NV	702-366-2100
	Phoenix, AZ	602-379-7250
	San Francisco, CA	415-489-6400

OFFICE OF EVALUATION

Headquarters	Washington, DC	202-708-0430
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OFFICE OF INVESTIGATION

Headquarters Washington, DC 202-708-0390

Region 1-2 New York, NY 212-264-8062
 Boston, MA 617-994-8450
 Hartford, CT 860-240-4800
 Manchester, NH 603-666-7988
 Newark, NJ 973-776-7342

Region 3 Philadelphia, PA 215-861-7676
 Baltimore, MD 410-209-6594
 Pittsburgh, PA 412-644-2857
 Richmond, VA 804-822-4890

Region 4 Atlanta, GA 404-331-5001
 Greensboro, NC 336-547-4000
 Miami, FL 305-536-3087
 San Juan, PR 787-766-5872

Region 5 Chicago, IL 312-353-4196
 Cleveland, OH 216-357-7800
 Columbus, OH 614-280-6137
 Detroit, MI 313-226-6280
 Indianapolis, IN 317-957-7377
 Minneapolis-
 St. Paul, MN 612-370-3130

Region 6 Fort Worth, TX 817-978-5440
 Baton Rouge, LA 225-448-3941
 Houston, TX 713-718-3097
 New Orleans, LA 504-671-3700

Region 7-8-10 Denver, CO 303-672-5350
 Billings, MT 406-247-4080
 Kansas City, KS 913-551-5566
 Salt Lake City, UT 801-524-6090
 St. Louis, MO 314-539-6559

Region 9 Los Angeles, CA 213-894-8000
 Las Vegas, NV 702-366-2144
 Phoenix, AZ 602-379-7251
 San Francisco, CA 415-489-6400
 Seattle, WA 206-220-5138

Diversity and Equal Opportunity

The promotion of high standards and equal employment opportunity for employees and job applicants at all levels. HUD OIG reaffirms its commitment to nondiscrimination in the workplace and the recruitment of qualified employees without prejudice regarding their gender, race, religion, color, national origin, sexual orientation, disability, or other classification protected by law. HUD OIG is committed and proactive in the prevention of discrimination and ensuring freedom from retaliation for participating in the equal employment opportunity process in accordance with departmental policies and procedures.

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Report #85