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Statement of Inspector General Rae Oliver Davis on HUD OIG's Audit of HUD's Compliance with the Payment Integrity Information Act of 2019

WASHINGTON DC— Today, the U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) issued an audit report about HUD's compliance with the Payment Integrity Information Act of 2019 (PIIA). Congress enacted the PIIA in March 2020 to safeguard Federal funds by reducing payments made for an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. The law requires agencies to estimate improper and unknown payments in their programs, and if those estimates rise above certain dollar amounts set in the law, HUD must implement corrective actions to improve payment accuracy. HUD OIG's audit examined HUD's compliance with the PIIA and HUD's efforts to prevent and reduce improper and unknown payments.

HUD OIG found that HUD did not comply with PIIA because it did not report improper and unknown payment estimates for \$41 billion of expenditures for the Office of Public and Indian Housing's Tenant Based Rental Assistance (PIH-TBRA) program and the Office of Multifamily Housing's Project-Based Rental Assistance (PBRA) program. These programs represent 61.6 percent of HUD's total expenditures.

HUD was unable to produce estimates of improper and unknown payment in both programs for the sixth consecutive year because it lacked the capability to securely collect documents containing personally identifiable information. HUD needs this information to examine the propriety of housing authority and contract administrator payments to landlords. Because HUD did not produce estimates for these programs, it could not determine whether its improper and unknown payment estimate was correct and could not implement corrective actions to improve payment accuracy.

HUD OIG also found opportunities for HUD to enhance its methodology for assessing its risk of improper payments and its monitoring efforts at field offices. By doing so, HUD may be able to better detect and prevent improper housing assistance payments from public housing agencies to landlords under the PIH-TBRA program.

"Identifying and addressing improper payments in HUD programs is critical to ensuring that they deliver for the American communities and households that depend on them," said Inspector General Rae Oliver Davis. "My office is dedicated to helping HUD strengthen its ability to protect the billions of dollars in tax payer funds that it administers every year, and we will continue partnering with HUD to promote program integrity."

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