



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

# SEMIANNUAL REPORT TO CONGRESS

FOR THE PERIOD October 1, 2022, to March 31, 2023



OFFICE of  
**INSPECTOR GENERAL**  
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UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT



## Message from the Inspector General

I am proud to submit the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) Semiannual Report (SAR) to Congress for the period October 1, 2022, through March 31, 2023. We have continued to focus our oversight on the most significant challenges facing HUD, issuing high-impact reports that are designed to help HUD achieve its mission of providing safe and affordable housing for communities across our Nation. As I [testified](#) recently before the U.S. House of Representatives, Committee on Appropriations' Subcommittee on Transportation, Housing and Urban Development, and Other Agencies, we have prioritized work to protect our most vulnerable communities from harmful health and safety hazards, sexual predators who

threaten their safety, and fraudsters who financially exploit their vulnerabilities.

During this semiannual period, OIG audits found more than \$950 million in funds that could be put to better use and nearly \$697,000 in questioned costs and recovered almost \$49 million in collections. In addition, OIG investigations resulted in 51 criminal convictions, 5 civil actions, and 12 governmentwide suspension and debarment actions, as well as more than \$28 million in restitution and judgments, with more than \$4.8 million in total recoveries and receivables going to HUD programs. Further, through its investigative portfolio, OIG has held bad actors accountable for multiple fraud schemes, to include recently resolved cases involving [embezzlement](#), [public corruption](#), [pandemic fraud](#), [mortgage fraud](#), and [identity theft](#). In addition, OIG continued to expand its work in key areas, such as program risk assessment, oversight of HUD's fair housing efforts, and assessment of the Government National Mortgage Association's response to financial downturns.

We have restructured our SAR based on recent congressional reforms that streamline and modernize reporting requirements and allow OIGs to better focus on the most significant activities and critical issues facing the agencies they oversee. We have leveraged the opportunity to restructure our SAR to align with our fiscal year [2023 Top Management Challenges report](#).

To maximize the impact of our oversight efforts, we implemented new outreach strategies and engaged in an enhanced communications campaign with stakeholders, including HUD, Congress, and the public. Specifically, we have expanded our use of [press releases](#), [videos](#), [fraud bulletins](#), and [newsletters](#), which are highlighted throughout this report. We have worked with HUD to continue the trend of closing OIG recommendations from prior audits and evaluations that maximize efficiency in its operations and protect its programs from fraud, waste, and abuse. In March, our team developed and published an



[Open Recommendations Dashboard \(Beta\)](#) to enhance transparency concerning the status of our open recommendations to HUD. We highlighted [priority open recommendations](#) that we determined, if addressed, would have the greatest impact on HUD’s programs and the communities it serves. During this reporting period, HUD closed three priority recommendations related to voucher utilization, hiring, and information technology, which are highlighted in this report.

Also in March, I announced our [Environmental Justice Initiative](#), which prioritizes oversight work that promotes safe, affordable housing by reducing environmental impact and public health hazards in HUD housing and holds housing providers accountable for complying with environmental laws and regulations. We issued several audit and evaluation reports related to this work, to include the following: [The Philadelphia Housing Authority’s Oversight Of Lead-Based Paint In Its Public Housing](#), [HUD Lacked Adequate Oversight of Lead-Based Paint Hazard Remediation in Public Housing](#), and [HUD’s Process for Monitoring Elevated Blood Lead Levels and Lead-Based Paint Hazards in Public Housing](#). We also pursued investigations that hold bad actors accountable for violating key health and safety requirements that put HUD’s beneficiaries at risk, to include a [contractor who was sentenced to more than 1 year for violating Federal lead paint laws and obstructing justice](#).

Additionally, we are expanding our efforts to ensure that HUD-assisted tenants are protected from [sexual harassment in housing](#). No one should have to choose between having a roof over his or her head and the threat of being sexually harassed or assaulted by a housing provider. Through partnership with HUD, the U.S. Department of Justice, and State law enforcement entities, we continue to seek justice for victims through criminal and civil prosecution and penalties for those who sexually assault or harass HUD-assisted tenants. For example, the following sexual harassment case was resolved shortly after the close of the semiannual period: [Justice Department Secures \\$400,000 in Sexual Harassment Lawsuit Against Connecticut Landlord](#).

In sum, there are millions of families across the United States who rely on HUD’s programs to provide decent, safe, and affordable housing. We recognize the commitment of our colleagues at HUD, who work hard to meet the critical housing needs of communities across our Nation. We also appreciate the support of our congressional stakeholders and the public, who trust the integrity of our work and support our mission of helping HUD succeed through taxpayer-funded resources. HUD OIG will continue to strive to be a force for positive change for the Department, its stakeholders, and its beneficiaries through impactful oversight that helps HUD operate more efficiently and effectively. I am proud to serve among our dedicated and diverse team of OIG professionals who come to work every day to protect HUD’s programs from fraud, waste, and abuse and help ensure that our communities receive the critical housing assistance they need.

  
Inspector General

**Rae Oliver Davis**



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## Profile of Performance

For the Period October 1, 2022, to March 31, 2023

<b>Audit results<sup>1</sup></b>	<b>This reporting period</b>
Recommended funds put to better use	\$950,085,334
Questioned costs	\$696,944
Collections from audits	\$48,589,422

<b>Investigative results</b>	<b>This reporting period</b>
Total restitution and judgements	\$28,725,271
Total recoveries and receivables to HUD programs	\$4,843,951
Arrests	35
Indictments and informations	50
Convictions, pleas, and pretrial diversions	51
Civil actions	5
Total administrative sanctions	21
Suspensions	6
Debarments	6
Program or professional license or certification	2
Evictions	2
Other <sup>2</sup>	5
Search warrants	56
Subpoenas	209

<sup>1</sup> During this semiannual period, OIG's audits did not result in administrative actions, civil actions, subpoenas, or personnel actions. Therefore, we did not include those categories under audit results in this Profile of Performance.

<sup>2</sup> Includes employee actions (reprimands, suspensions, demotions, or terminations of the employees of Federal, State, or local governments or of Federal contractors and grantees as the result of OIG activities) and limited denials of participation.



# Highlights

## Making an Impact

In accordance with its [2022-2026 U.S. Department of Housing and Urban Development, Office of Inspector General \(HUD OIG\) Strategic Plan](#), OIG seeks to influence positive outcomes for HUD programs and operations through timely and relevant oversight and optimize HUD’s program success by combating fraud, waste, abuse, and mismanagement.

During this semiannual reporting (SAR) period, OIG issued its fiscal year 2023 [Top Management Challenges](#) report and continued to focus its oversight on helping HUD meet these core challenges, to include a coordinated body of oversight around protecting HUD beneficiaries from lead and other hazards; audits and investigations around improper payments, grants management, and fraud risk management; and evaluations to help HUD most efficiently, effectively, and securely meet its operational goals.

In addition, following the issuance of its [Priority Open Recommendations](#), OIG has been working to help HUD resolve the most significant open recommendations, which, if implemented, will have the greatest impact on helping HUD achieve its mission to create strong, sustainable, inclusive communities and quality, affordable homes for all.

Beyond its audits, investigations, and evaluations, OIG has expanded outreach to its many stakeholders, including Congress, HUD, and the public, to maximize transparency around its oversight portfolio and to protect HUD’s programs and beneficiaries.

## SAR’s New Look and Organization

Congress recently amended the Inspector General (IG) Act of 1978 to streamline SARs and allow OIGs more flexibility in what they include in these reports. These changes were adopted from a legislative priority offered by the Council of the Inspectors General on Integrity and Efficiency in recognition that since the 1978 passage of the IG Act, IGs have posted their reports to public external websites regularly and in a timely manner in advance of issuing these SARs. The purpose of this reform was to allow OIGs to better focus SARs on their most significant activities and the most critical issues facing the agencies they oversee.

OIG is taking the opportunity afforded by this new legislative reform to restructure its SAR to align in both look and organization with HUD’s Top Management Challenges report, focusing on the most impactful oversight produced and initiated during this SAR period to help HUD meet these challenges.



## Protecting Communities Through Outreach and Stakeholder Engagement

Over the past 6 months, IG Rae Oliver Davis has engaged in significant outreach regarding OIG's oversight portfolio, the IG's priority initiatives toward protecting communities from lead hazards and sexual harassment in housing, and recent cross-cutting work to strengthen HUD's programs and operations.

### Oversight Hearing

On March 28, 2023, IG Rae Oliver Davis testified before the Committee on Appropriations Subcommittee on Transportation, Housing and Urban Affairs, and Related Agencies about OIG's oversight of HUD.



Watch: [\*Oversight Hearing – Department of Housing and Urban Development and Department and Transportation\*](#)

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### OIG Announces Environmental Justice Initiative

IG Rae Oliver Davis announced the launch of OIG's environmental justice initiative to advance environmental justice in HUD-assisted housing by prioritizing oversight work aimed at reversing environmental inequities in underserved low-income communities and fighting financial fraud schemes that exploit vulnerable populations relying on HUD housing assistance.



Watch: [\*Public Service Announcement – Environmental Justice\*](#)



Watch: [\*Public Service Announcement – Financial Overcharging Schemes\*](#)

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### Sexual Harassment in Housing

OIG is taking action to combat sexual harassment and other sexual misconduct in HUD-assisted housing by vigorously pursuing those who engage in this unlawful conduct. Fair housing is your right. No one should have to live in fear to have a place to live. Watch to learn about how to recognize and report sexual misconduct in housing to OIG's hotline.



Watch: [\*Sexual Harassment in Housing is ILLEGAL. Fair Housing is your RIGHT\*](#)

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### 2022 Association of Inspectors General Conference

IG Rae Oliver Davis presented at the 2022 Association of Inspectors General Conference on the need for more oversight of health and safety hazards in housing. The presentation covered HUD's responsibility to ensure that housing is decent, safe, sanitary, and in good repair and the complexity of challenges in fulfilling that responsibility. As part of the presentation, the IG shared information about previous and ongoing OIG work targeted at assisting HUD in identifying opportunities to improve oversight of hazards and fulfill its health and safety responsibilities in HUD-assisted housing.



OIG produced several fraud bulletins and public service announcements to promote awareness and protect HUD beneficiaries from health and safety hazards, as well as fraud, waste, and abuse.



**Read:** [\*Fraud Bulletins and Public Service Announcements\*](#)

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### **HUD Inspector General and Chief Financial Officer Engage in Joint Outreach To Protect HUD's Programs From Fraud**

IG Rae Oliver Davis and HUD's Chief Financial Officer collaborated on a joint antifraud video to raise awareness about fraud and effectively prevent, detect, and respond to internal and external threats of fraud against HUD's programs.



**Watch:** [\*Fraud Awareness Month – Fraud Prevention Starts with You\*](#)

IG Rae Oliver Davis, HUD's Chief Financial Officer, and HUD's former Chief Financial Officer participated in two panels for the Northern Virginia Chapter of the Association of Government Accountants to discuss collaboration among agencies and OIGs on improving internal controls and antifraud efforts.

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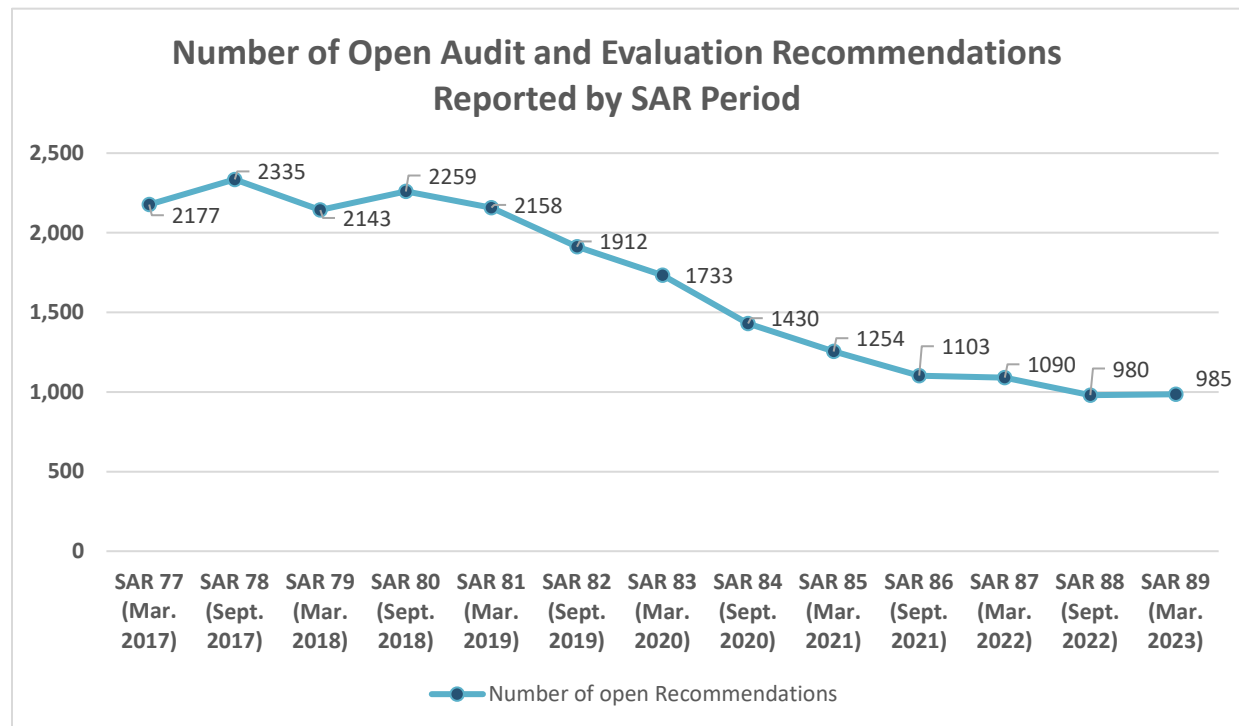




## HUD's Resolution of OIG Recommendations

As of March 31, 2023, HUD had 985 outstanding (open), unimplemented recommendations from OIG audit and evaluation reports, with a combined potential cost savings of more than \$20 billion.

Over the past several years, HUD and OIG have worked together to resolve open recommendations from OIG's audit and evaluation reports. This collaboration has resulted in a significant reduction in open recommendations over time, as demonstrated in the chart below.



Each closed recommendation represents actions HUD has taken or a plan HUD has implemented to address a previously identified weakness, strengthening HUD's programs and operations.

OIG continues to work with HUD toward resolving outstanding recommendations, focusing on [Priority Open Recommendations](#), and identifying strategies to close those related to longstanding repayment agreements that have been continually monitored over several years.

During this SAR period, HUD closed 237 open recommendations from prior audits and evaluations, the following three of which were designated as priority open recommendations.

- HUD's Office of the Chief Information Officer resolved a priority open recommendation from OIG Evaluation Report, 2016-OE-0002, [HUD Web Application Security Evaluation](#), by addressing challenges with the creation of unapproved web applications at the program office level.
- HUD's Office of Public and Indian Housing resolved a priority open recommendation from OIG Audit Report 2021-CH-0001, [HUD Remains Challenged To Serve the Maximum Number of](#)



[Eligible Families Due to Decreasing Utilization in the Housing Choice Voucher Program](#), by establishing and implementing a plan for unused and unfunded vouchers to mitigate or prevent additional vouchers from becoming unused and unfunded.

- HUD’s Office of the Chief Human Capital Officer (OCHCO) resolved a priority open recommendation from OIG Evaluation Report 2020-OE-0002, [Opportunities Exist To Improve the U.S. Department of Housing and Urban Development’s Hiring Process](#), by creating a knowledge management strategy to address knowledge loss that required HUD program offices to explain their missions and hiring needs to OCHCO and HUD’s hiring service provider.

### **Launch of New Open Recommendations Dashboard To Maximize Transparency for All Stakeholders**

During this SAR period, OIG launched an [Open Recommendations Dashboard \(Beta\)](#) to increase transparency around the status of OIG recommendations from prior audit and evaluation reports and demonstrate HUD’s progress in resolving these recommendations over time.

The dashboard provides lawmakers, stakeholders, and the public with accurate and timely data on the status of recommendations OIG offered to HUD. The data in the dashboard include every open recommendation and are updated at the beginning of every month. The dashboard also features the status of priority open recommendations, three of which HUD closed during the last quarter. OIG has made concerted efforts to spotlight how its open recommendations if closed, will help HUD improve its programs.



## Oversight Focused on HUD's Top Management Challenges

During this semiannual period, in accordance with the Reports Consolidation Act of 2000, the U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), issued a report summarizing what it considers to be the most serious management and performance challenges facing HUD. This report was informed by significant outreach to and feedback from HUD's leadership team, program officials, oversight partners, and other external stakeholders, leveraging and incorporating their knowledge, experiences, and expertise. OIG highlighted progress made by HUD in addressing each of its top management challenges and the obstacles it continues to face.

Beyond outreach, OIG reviewed the [FY \(fiscal year\) 2022-2026 HUD Strategic Plan](#) to ensure that the information provided in this report incorporated the priorities, progress, and overarching themes identified by HUD, including increasing equity across all departmental programs and improving the customer experience of those that HUD serves. OIG considered new oversight work, findings, and recommendations, including those from OIG's [Priority Open Recommendations](#) and the [U.S. Government Accountability Office's Priority Open Recommendations](#).

OIG organized the top management challenges to align with HUD's new strategic plan and five strategic goals: (1) support underserved communities, (2) ensure access to and increase the production of affordable housing, (3) promote home ownership, (4) advance sustainable communities, and (5) strengthen HUD's internal capacity. OIG also considered and incorporated two overarching themes identified by HUD: increasing equity and improving customer experience.

We identified the following 10 top management challenges:

- Ensuring access to and availability of affordable housing
- Mitigating counterparty risks in mortgage programs
- Eliminating hazards in HUD-assisted housing
- Managing human capital
- Increasing efficiency in procurement
- Improving information technology (IT) modernization and cybersecurity
- Sustaining progress in financial management
- Administering disaster recovery
- Grants management
- Fraud risk management

Further, throughout the report, OIG highlighted progress made by HUD, the ongoing impact of the pandemic, and related OIG work and other resources.



## Ensuring Access to and Availability of Affordable Housing

The Housing Choice Voucher (HCV) Program provides housing assistance for approximately 2.3 million families, including the elderly and persons with disabilities. In fiscal year 2022, HUD received more than \$25.7 billion from Congress for the HCV Program to help low-income families afford decent, safe, and sanitary housing in the private market. As of November 2020, more than 300,000 HUD housing choice vouchers were unused. When vouchers are not used, they become unfunded, and each of these equates to a low-income family's not being housed.

As set forth below, during this semiannual period, OIG has conducted significant oversight related to increased voucher utilization in the HCV Program, and HUD has resolved a related priority open recommendation.

### Recent OIG Reports

#### [HUD Could Improve Its Process for Evaluating the Performance of Public Housing Agencies' Housing Choice Voucher Programs](#)

OIG conducted an audit of HUD's Section Eight Management Assessment Program (SEMAP) to assess its effectiveness as a performance measure for the HCV Program. This audit determined that HUD has an opportunity to improve its process for evaluating the performance of public housing agencies' (PHA) HCV Programs. HUD uses SEMAP to evaluate the performance of PHAs' HCV Programs remotely; however, the information reported by PHAs in SEMAP may not have accurately represented the performance of their HCV Programs. Additionally, HUD's process for verifying the information PHAs use for SEMAP reporting did not effectively assist HUD in evaluating and identifying PHAs' HCV Programs that may have needed improvement. These conditions occurred because SEMAP uses performance indicators that are based on PHAs' self-certifications and self-reported data and HUD's verification process did not capture the performance of all PHAs' HCV Programs. As a result, HUD lacked assurance that PHAs' HCV Programs met their intended objectives, which include assisting the maximum number of eligible families with obtaining affordable and decent rental units at the correct subsidy cost. OIG made three recommendations to assist HUD in resolving these issues, to include that HUD enhance SEMAP or develop a new performance measurement process that would identify PHAs with underperforming HCV Programs. **(HUD OIG Report No. 2023-CH-0002, Office of Public and Indian Housing)**



### [Opportunities Exist To Enhance Oversight of the Foster Youth to Independence Initiative To Improve Program Effectiveness](#)

OIG conducted an audit of HUD's Office of Public Housing Voucher Programs' oversight of the Foster Youth to Independence Initiative (FYI) to determine its effectiveness. This audit determined that opportunities exist to enhance oversight of the FYI to improve program effectiveness. Specifically, HUD did not implement strategies or provide guidance to maximize voucher utilization and did not have the assurance that youths were informed of supportive services or that the services were available for the duration of their participation. In addition, HUD did not include the FYI in its annual risk assessment and did not have an FYI program-specific risk assessment or monitoring policies and procedures. HUD also did not establish specific and measurable objectives for the FYI or collect data that would allow it to assess the program's overall effectiveness. As a result, HUD lacked assurance that the \$46.7 million allocated for FYI vouchers would be fully utilized to reach the vulnerable population it is intended to serve and improve the program participants' self-sufficiency and that the program was effective. OIG made five recommendations to help HUD address these findings. **(HUD OIG Report No. 2023-LA-0004, Office of Public and Indian Housing)**

### **Recent Related Investigations**

#### [Three Family Members of the Former Director of the St. Clair Housing Commission Sentenced to Prison for Defrauding HUD](#)

The former executive director of the St. Clair Housing Commission and family members were collectively sentenced in U.S. District Court for the Eastern District of Michigan to 68 months incarceration and 72 months supervised release and ordered to pay more than \$436,000 in restitution to HUD. The defendants conspired to enter into false housing assistance payments contracts and lease agreements, purporting to be landlords of HCV Program tenants, either in



### **Closure of Priority Recommendations**

During this semiannual period, HUD took action to resolve a priority open recommendation from a prior audit report, [HUD Remains Challenged To Serve the Maximum Number of Eligible Families Due to Decreasing Utilization in the Housing Choice Voucher Program](#), by establishing and implementing a plan for the unused and unfunded vouchers to mitigate or prevent additional vouchers from becoming unused and unfunded.

PIH's plan included the following, among other actions:

- Determining the scope of HUD's statutory and regulatory authority to offset and reallocate vouchers;
- Issuing Office of Public and Indian Housing Notice 2020-29, Guidance for Running an Optimized Housing Choice Voucher Program;
- Continuing the work of HUD's landlord taskforce, engaging in listening sessions with the major PHA industry groups, and conducting outreach to increase landlord participation in the HCV Program; and
- Developing research by HUD's Office of Policy Development and Research on the best methods for adjusting fair market rents and to address specific challenges in local communities to increase utilization in the HCV Program.





violation of HUD program rules or for units that did not exist. The funds were converted for their own personal gain. **(Press Release, U.S. Attorney’s Office (USAO), Eastern District of Michigan)**

[Holyoke Landlord Agrees to \\$15,000 Settlement for False Claims Act Violations](#)

A former landlord entered into a settlement agreement with HUD in the U.S. District Court for the District of Massachusetts to resolve allegations that she violated the False Claims Act by demanding that the qui tam relator, an HCV Program tenant, pay monthly utility bills. The landlord knew she was responsible for the utility bills in accordance with the housing assistance payments contract she signed. **(Press Release, USAO, District of Massachusetts)**



## Mitigating Counterparty Risks in Mortgage Programs

HUD's mission includes supporting sustainable home ownership and encouraging investment in affordable rental housing.

As set forth in goal 3 of HUD's FY 2022-2026 HUD Strategic Plan, "Home ownership is vital to promoting viable, inclusive economic opportunities to all. HUD is dedicated to helping individuals develop wealth by improving access to affordable home ownership. This will be achieved by maximizing the extension of credit for low-to-moderate-income homebuyers and those underserved by the conventional mortgage market."

The Federal Housing Administration (FHA) administers HUD insurance programs, and the Government National Mortgage Association (Ginnie Mae) administers the guarantee of government-insured mortgage-backed securities (MBS).

Through FHA and Ginnie Mae, HUD employs a two-pronged approach to accomplishing this mission:

- by insuring mortgage loans that lenders provide to traditionally underserved home buyers and to owners of various affordable rental housing and
- by guaranteeing payments to investors who purchase securities collateralized by government-insured loans, providing liquidity in the market.

FHA and Ginnie Mae must work with outside entities, including property owners, banks, nonbank lenders, and issuers. Each one of these outside entities has responsibilities and obligations it must meet in responsibly doing business with the government. FHA, Ginnie Mae, and HUD must identify, mitigate, and manage risks related to each entity (also referred to as "counterparty") to protect the Mortgage Insurance Fund and the Guaranty Fund.

OIG has engaged in the following related oversight during this semiannual period.

## Recent OIG Reports

### [Ginnie Mae Did Not Ensure That All Pooled Loans Had Agency Insurance](#)

OIG performed a corrective action verification review of Ginnie Mae to implement the recommendations cited in Audit Report 2016-KC-0002, *Ginnie Mae Improperly Allowed Uninsured Loans To Remain in Mortgage-Backed Securities Pools*, September 21, 2016. OIG found that Ginnie Mae established both a maximum time in which single-family loans could remain pooled without insurance and a process for requiring the removal of pooled loans that remained uninsured after that time. However, the loan-matching process did not ensure that pooled loans would be insured by an agency of the Federal Government, as required by the MBS Guide. As a result, at least 3,200 pooled loans with a



principal balance of at least \$903 million were not matched to agency insurance data files before the certification date. OIG made two additional recommendations that Ginnie Mae update and synchronize its procedures to include notifications that provide issuers with unmatched loans adequate time to take corrective action to comply with the requirements of the MBS Guide. **(HUD OIG Report No. 2023-KC-0001, Ginnie Mae)**

[Ginnie Mae Mostly Implemented a Crisis Readiness Program That Followed Federal Guidance](#)

OIG conducted an audit of Ginnie Mae’s crisis readiness and response actions before the onset of and during the coronavirus disease 2019 (COVID-19) pandemic to determine whether Ginnie Mae had implemented a crisis readiness program, including precrisis planning, a crisis readiness plan, and a crisis management strategy, that followed Federal guidance. OIG determined that Ginnie Mae generally followed Federal guidance in precrisis planning and executed its crisis management strategy with respect to the COVID-19 pandemic. However, it did not have an agencywide crisis readiness plan, addressing likely hazards arising from a crisis, or include all key elements in line with crisis guidance from the Council of Inspectors General on Financial Oversight (CIGFO). OIG recommended that Ginnie Mae develop and implement an agencywide crisis readiness plan addressing likely hazards arising from a crisis, to include all key elements that align with CIGFO crisis guidance. **(HUD OIG Report No. 2023-KC-0004, Ginnie Mae)**

[HUD Communicated Critical Information to Homeowners About COVID-19 Policies but Improvements Can Be Made](#)

OIG audited HUD’s efforts to proactively communicate information to homeowners with FHA-insured mortgages through its website, its joint website, and other proactive methods about protections, repayment options, loss mitigation options, and responsibilities related to COVID-19. This audit determined that HUD proactively communicated critical information to homeowners; however, HUD’s COVID-19 Resources for Homeowners webpage did not clearly present the deadline for requesting forbearance, detail available loss mitigation options after forbearance, and include detailed information for homeowners with reverse mortgages. Additionally, letters mailed to homeowners may not have been timely for some and did not discuss loss mitigation. As a result, homeowners may not have



**New and Ongoing Related Oversight**

***Quality Control Programs for Originating and Underwriting FHA Loans***

OIG is conducting audits of four large and mid-sized mortgage originators’ quality control programs for originating and underwriting FHA loans, including the companies’ reviews of rejected mortgage applications. The lenders were selected following a risk assessment using origination, default, monitoring, and complaint data from HUD, HUD OIG, and the Consumer Finance Protection Bureau.

**External Single-Family Origination Quality Control**

- [California](#)
- [California](#)
- [Illinois](#)
- [Missouri](#)



been aware of available protections and loss mitigation options. OIG made five recommendations to help HUD address these issues. Single Family has since updated the website and submitted evidence to OIG for closure. **(HUD OIG Report No. 2023-NY-0001, Single Family Housing and FHA)**

[Opportunities Exist for Ginnie Mae To Improve Its Guidance and Process for Troubled Issuers](#)

OIG conducted an audit of Ginnie Mae’s guidance and process for managing troubled users to assess Ginnie Mae’s policy and procedures for rapid relocation extinguishments and assess Ginnie Mae’s implementation of a previous OIG recommendation to develop and implement controls to identify the total impact of a large or multiple-user default (the maximum size default Ginnie Mae could adequately execute) and individual users’ ability to adapt to changing market conditions. This audit determined that Ginnie Mae’s guidance and process for troubled issuers contained gaps. OIG made six recommendations to help Ginnie Mae address the issues identified. **(HUD OIG Report No. 2023-KC-0003, Ginnie Mae)**

**Recent Related Investigations**

[Real Estate Agent and Her Husband Sentenced for Fraud Using Stolen Personal Identifying Information](#)

After pleading guilty to conspiracy in U.S. District Court for the Eastern District of Virginia, a real estate agent and her husband were sentenced to 138 months incarceration and subjected to 72 months supervised release, forfeiture of more than \$276,000, and ordered to pay more than \$348,000, jointly and severally, in restitution to several victims.. Defendants used victims’ identities to open bank accounts for the deposit of stolen and altered checks, obtained Social Security cards and driver’s licenses using victims’ identities, and falsified employment documents that helped them secure an FHA-insured mortgage. **(Press Release, USAO, Eastern District of Virginia)**

[Salem Man Sentenced to 4 Years in Prison for Decade-Long Mortgage Fraud Scheme](#)

A Salem, MA, real estate developer was sentenced to 4 years in prison in connection with a decade-long mortgage fraud scheme involving at least 2 dozen loan transactions totaling \$6.5 million that resulted in more than \$3.8 million in losses to lenders. From 2006 until 2015, the defendant engaged in a scheme to defraud financial institutions by submitting fraudulent documents to qualify borrowers he recruited for conventional and FHA-insured mortgages. **(Press Release, USAO, District of Massachusetts)**

**New and Ongoing Related Oversight**

**FHA Appraiser Roster**

OIG is conducting an audit of the Office of Single-Family Housing's FHA appraiser roster, which is the list of individuals approved to conduct valuations for FHA-insured properties. HUD’s appraiser roster is the foundation for these valuations and consists of approximately 40,000 different appraiser IDs. The objective of this audit is to determine whether the appraiser roster is accurate and contains only eligible appraisers.

[Baltimore Business Owner Sentenced to Federal Prison for Fraudulently Obtaining Federally Insured Loans To Sell Two Baltimore Properties He Owned](#)

A related borrower and seller were collectively sentenced in U.S. District Court for the District of Maryland to 12 months incarceration and 36 months supervised release and ordered to pay more than \$587,000 in restitution to HUD, of which nearly \$379,000 is to be paid, jointly and severally, following their guilty pleas to conspiracy to commit bank fraud. Defendants conspired to defraud two financial institutions by fraudulently obtaining FHA loans and property under false pretenses, by failing to disclose their familial relationship and submitting falsified documents. **(Press Release, USAO, District of Maryland)**

## Investigation of Alleged Misconduct by a Ginnie Mae Senior Vice President

OIG initiated an investigation upon receipt of information alleging that a Ginnie Mae Senior Vice President may have provided nonpublic Ginnie Mae information to representatives of a private investment firm. The investigation found that the employee (1) provided nonpublic information about a Ginnie Mae issuer to the firm that the employee knew or should have known was not authorized for public release, (2) provided the firm with preferential treatment or created the appearance that he was doing so in certain of his interactions with it, and (3) did not take sufficient care to avoid creating the appearance that he may have been acting unlawfully in certain of his interactions with the firm. OIG found that this conduct violated 5 CFR (Code of Federal Regulations) 2635.703, 2635.101(b)(8), and 2635.101(b)(14). OIG referred this matter to the appropriate office within the U.S. Department of Justice for prosecutorial consideration, and no prosecution resulted. OIG also referred its findings in this matter to HUD and Ginnie Mae for any administrative action they may deem appropriate. **(Office of Special Inquiry)**







## Eliminating Hazards in HUD-Assisted Housing

HUD is responsible for ensuring that all properties proposed for use in HUD programs are free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances when a hazard could affect the health and safety of occupants or conflict with HUD's intended use of the property. HUD is also responsible for ensuring that HUD-assisted programs and projects comply with HUD's environmental regulations. For instance, HUD is responsible for ensuring compliance with the Lead Disclosure Rule and Lead Safe Housing Rule through enforcement mechanisms, increasing community awareness of lead and other health and safety hazards through outreach

events, and increasing participation in HUD and stakeholder services.

OIG has conducted and continues to conduct related oversight focusing on HUD's approaches to identifying and mitigating specific hazards and HUD's progress in enhancing its process for inspecting physical conditions in HUD-assisted housing. OIG has announced an [Environmental Justice Initiative](#) and enhanced its outreach to focus on these critical issues, including the issuance of a [public service announcement](#), [Residential Lead-Based Paint Reduction Act Fact Sheet](#), and [Environmental Justice Video](#) to help protect HUD's programs and beneficiaries from these hazards and from fraud, waste, and abuse.

## Recent OIG Reports

### [HUD Lacked Adequate Oversight of Lead-Based Paint Hazard Remediation in Public Housing](#)

OIG audited HUD's oversight of lead-based paint hazard remediation in public housing and found that HUD did not have a plan to manage lead-based paint and lead-based paint hazards in public housing. Further, HUD generally did not monitor whether PHAs had implemented lead-based paint hazard reduction and documented the activities at their public housing developments. OIG made several recommendations to help HUD address these issues. **(HUD OIG Report No. 2023-CH-0001, Office of Public and Indian Housing).**




Watch: [IG Introduction and Message: HUD Oversight of Lead-Based Paint Hazard Remediation in Public Housing](#)



[The Philadelphia Housing Authority Needs To Improve Oversight of Lead-Based Paint in Its Public Housing](#)

OIG conducted an audit of the Philadelphia Housing Authority to determine whether the Authority adequately managed lead-based paint and lead-based paint hazards in its public housing units. This audit determined that the Authority did not adequately manage lead-based paint and lead-based paint hazards in its public housing units. Specifically, it did not always perform lead-based paint visual assessments within the required timeframe and mitigate lead-based paint hazards in a timely manner. Further, the Authority needs to improve its processes for maintaining lead-based paint documentation and providing accurate lead-based paint disclosures to tenants. Moreover, the Authority did not ensure that its contractors provided lead-based paint inspection and risk assessment reports that met HUD’s requirements. These weaknesses occurred because the Authority lacked adequate procedures and controls to appropriately manage its housing units that contained lead-based paint. As a result, households that participated in the Authority’s program were at an increased risk of being exposed to lead-based paint hazards, particularly families with children under 6 years of age. OIG made eight recommendations to help HUD address these issues. **(HUD OIG Report No. 2023-CH-1001, Public and Indian Housing)**

 Watch: [IG Introduction and Message: The Philadelphia PHA Needs To Improve Oversight Of Lead-Based Paint In Its Public Housing](#)



**Management Alert**

**Action Needed To Ensure That Assisted Property Owners, Including Public Housing Agencies, Comply With the Lead Safe Housing Rule**

While conducting an audit of the Philadelphia Housing Authority’s management of lead-based paint hazards in its public housing units, OIG identified a significant gap in HUD’s program requirements related to safe work practices; specifically, there is no requirement for PHAs to document the use of the “de minimis” exemption in the Lead Safe Housing Rule, which allows the PHA not to use lead-safe practices in minor surface areas that are exempted by law.

OIG determined that this required immediate action by HUD and issued a management alert recommending that HUD require assisted property owners, including PHAs, to maintain evidence to support determinations that maintenance and hazard reduction work that disturbs lead-based paint in target housing is minor, such that it can be properly exempted from HUD’s safe work requirements. **(HUD OIG Management Alert No. 2023-IG-0001)**



### [HUD Did Not Sufficiently Flag Unacceptable Physical Condition Scores To Assess Its Controlling Participants](#)

OIG conducted an audit of HUD's Office of Multifamily Housing Programs' Section 8 controlling participants to determine whether HUD accurately identified risks and properly flagged properties that received poor physical inspection scores. OIG found 13 of 21 properties reviewed with consecutive Real Estate Assessment Center (REAC) scores below 60 that were missing the required flags in HUD's Active Partners Performance System (APPS) for unacceptable physical condition. Additionally, in 6 of the 13 instances, the property had more than 1 missing flag for the below-60 REAC score infraction. This condition occurred because HUD did not have a quality control program to ensure that the account executives manually entered the flags into APPS and an automated process for flagging a property once it received the second consecutive REAC score below 60. As a result, HUD relied on incomplete previous participation information to make decisions about future participation, which could potentially impact the health and safety of residents. OIG made two recommendations to help HUD address these issues. **(HUD OIG Report No. 2023-KC-0002, Office of Multifamily Housing Programs)**



Watch: [IG Introduction and Message: Previous Participation Flags in Multifamily's Active Partner Performance System](#)

### [Improvements are Needed to the U.S. Department of Housing and Urban Development's Process for Monitoring Elevated Blood Lead Levels and Lead-Based Paint Hazards in Public Housing](#)

OIG conducted an evaluation to assess HUD's processes for addressing cases of elevated blood lead levels (EBLL) in children residing in public housing and to determine the effectiveness of its EBLL tracker and lead-based paint response (LBPR) tracker in providing accurate and complete data. This evaluation determined that HUD did not align its EBLL value to the Centers for Disease Control and Prevention's (CDC) blood lead reference value (BLRV) for children under the age of 6 and that its EBLL and LBPR trackers need improvement. As of August 2022, HUD was using the EBLL value of 5 micrograms of lead per deciliter of blood ( $\mu\text{g}/\text{dL}$ ), despite CDC's lowering the BLRV to 3.5  $\mu\text{g}/\text{dL}$  in October 2021. By aligning EBLL processes with CDC's BLRV, HUD can help to ensure that cases of children with EBLLs between 3.5  $\mu\text{g}/\text{dL}$  and 4.9  $\mu\text{g}/\text{dL}$  are reported and monitored. Additionally, HUD uses its EBLL tracker to monitor cases of children with identified EBLLs residing in public housing, and it uses its LBPR tracker to monitor and resolve cases in which PHAs had missing or incomplete lead-related documentation. By improving its EBLL tracker and

## New and Ongoing Related Oversight

### *Management of Lead-Based Paint*

OIG initiated audits of two large PHAs in Ohio and California to determine whether the PHAs adequately managed lead-based paint and lead-based paint hazards in their public housing. The audits will focus on whether PHAs are properly disclosing lead hazards to tenants, properly conducting annual visual assessments and lead-based paint activities, acting appropriately following confirmed cases of EBLLs in children, and documenting the PHAs' lead hazard mitigation and other work.

- [Ohio](#)
- [California](#)



LBPR tracker, HUD could better ensure that it has accurate, complete, and useful data regarding where EBLLs and lead-based paint hazards are prevalent. OIG made seven recommendations to help HUD address these issues. **(HUD OIG Report No. 2021-OE-0011b, Office of Lead Hazard Control and Healthy Homes, Public and Indian Housing)**



Read: [Statement of Inspector General Rae Oliver Davis on HUD OIG’s Evaluation of HUD’s Processes for Monitoring Elevated Blood Lead Levels and Lead-Based Paint Hazards in Public Housing](#)

**Press Statement**

***Statement of Inspector General Rae Oliver Davis on HUD OIG’s Notification of Inquiry Into HUD’s Termination of Its Rental Assistance Contract at Peppertree Apartments in Memphis, TN***

*“Promoting safety in HUD housing is a top priority for my office. Everyone deserves to live in a decent, safe, and sanitary home without the fear of being exposed to safety hazards that pose a potential risk to their health and well-being...”*



Read: [Statement of Inspector General Rae Oliver Davis on HUD OIG’s Notification of Inquiry into HUD’s Termination of its Rental Assistance Contract at Peppertree Apartments in Memphis, TN](#)

**Recent Related Investigations**

[Contractor Sentenced to More Than 1 Year for Violating Federal Lead Paint Laws and Obstructing Justice](#)

A certified lead renovator pled guilty in U.S. District Court for the Southern District of Indiana to failure to comply with a regulation regarding a substance regulated under the Toxic Substances Control Act and falsifying documents in a Federal investigation. The defendant was sentenced to 16 months incarceration and 2 years supervised release. In 2015, the City of Richmond received approximately \$350,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds for owner-occupant repairs. The defendant was contracted to perform work on several properties. Interviews were conducted with homeowners and workers, who indicated that work was not conducted according to the contract and did not follow Lead Safe Work Practices. The workers indicated that they did not receive any training. The defendant’s company provided investigators with fabricated training records showing that their employees were trained in Lead Safe Work Practices. **(Press Release, USAO, Southern District of Indiana)**

**New and Ongoing Related Oversight**

**Unit Conditions**

OIG initiated audits of PHAs in Massachusetts and Ohio that administer HCV and public housing programs to determine whether the physical conditions of the PHAs’ HCV and public housing program units meet HUD’s requirements and their own.

- [Massachusetts](#)
- [Ohio](#)



**Former Worcester Housing Official Sentenced to 40 Months in Prison for \$2.3 Million Property Development Fraud Scheme**

During this semiannual period, a former City of Worcester chief of staff for the Executive Office of Economic Development was ordered, following a restitution hearing, to pay more than \$2.3 million in restitution to the City of Worcester following her conviction of conspiracy, wire fraud, and false statements. The defendant was previously sentenced to 40 months incarceration and 3 years supervised release. From July 2010 through September 2011, the defendant and her coconspirator applied for and received approximately \$2.3 million in HOME, Neighborhood Development Program, and lead abatement funds to rehabilitate a multifamily apartment building. The defendant knowingly approved false or fraudulent payment requests for HUD grant funds from her coconspirator for work that had not been completed and costs that had not been incurred as represented on the payment requests. See also, [Press Release from Previous Sentencing](#). (Press Release, USAO, District of Massachusetts)

**HUD’s Progress in Addressing Open Recommendations**

During this semiannual reporting period, HUD issued Federal Register Notice 6358-N-01, Addressing Radon in the Environmental Review Process: Request for Comment, to clarify that radon must be considered in the contamination analysis for 24 CFR parts 50 or 58, to provide guidance on recommended best practices for considering radon, and to identify the HUD programs that have established specific radon guidance. This specifically recognizes that radon is the leading cause of lung cancer in nonsmokers and kills an estimated 21,000 Americans each year and states that HUD seeks to protect resident lives by considering radon as part of the contamination analysis. This action relates to recommendation 1 in OIG Evaluation Report, 2020-OE-0003, [HUD Program Offices’ Policies and Approaches for Radon](#), which has been identified as a priority open recommendation.





### Improving IT Modernization and Cybersecurity

HUD and its stakeholders increasingly rely on HUD’s IT systems, which maintain at least a billion records containing personally identifiable information and facilitate thousands of transactions daily. OIG has made several priority recommendations through its oversight work to assist HUD in reaching its goal of strengthening its IT, cybersecurity, and data management systems and continuing toward adapting and implementing a secure and modernized IT environment.

Below is a summary of OIG’s oversight work in this area, as well as HUD’s progress in resolving a related priority open recommendation.

### Recent OIG Reports

[Assessment of HUD’s IT Infrastructure To Support Extensive Telework](#)

OIG audited HUD’s IT infrastructure to support mandatory telework and determined that HUD experienced challenges. Specifically, OIG found that (1) there were significant delays in processing computer security updates, (2) users encountered months of network performance issues, (3) the user password expiration policy was not enforced, and (4) the help desk system did not capture complete data. OIG made five recommendations to help HUD resolve these issues. **(HUD OIG Report No. 2023-FO-0008, Office of the Chief Information Officer)**

[Fiscal Year 2022 Federal Information Security Modernization Act of 2014 Penetration Test and Vulnerability Assessment](#)

The Federal Information Security Modernization Act of 2014 (FISMA) requires all Federal agencies to conduct annual, independent penetration tests and vulnerability assessments on a sampling of information systems. In conjunction with the fiscal year 2022 FISMA evaluation (2022-OE-0001), OIG conducted a targeted penetration test and vulnerability assessment of sample systems, which resulted in a topic brief. The objective of this testing was to determine whether the HUD sample systems and their supporting infrastructure contained security weaknesses. OIG identified potential vulnerabilities among the tested applications that HUD should review as part of its cybersecurity program and noted that HUD should prioritize remediation of risks deemed critical, high, or medium. This report did not contain any formal recommendations. This report contains sensitive information and is, therefore, not publicly available. **(HUD OIG Report No. 2022-OE-0001a, Office of the Chief Financial Officer)**





### HUD's Robotic Process Automation Program Was Not Efficient or Effective

OIG conducted an evaluation to assess the maturity of HUD's robotic process automation (RPA) activities to determine whether HUD had implemented related controls to address technology and program management risks. RPA is a software technology (referred to as bots) used to emulate human actions on a computer. The evaluation determined that HUD lacked adequate internal controls and staffing capacity to effectively oversee and manage the program. OIG made four recommendations to help HUD address these issues. The report also lists opportunities for improvement that are noted as general suggestions to improve HUD's RPA program effectiveness. **(HUD OIG Report No. 2021-OE-0007, Office of the Chief Information Officer)**

### Closure of Priority Open Recommendation Related to HUD's Web Applications

Federal Government publicly accessible web applications are a key capability to communicate with the public and implement mission requirements. HUD maintains many web applications in support of its mission, and the management and security of these web applications is critical and a challenge due to external and regular IT security threats. OIG is pleased to share that during this semiannual reporting period, HUD took important steps to address this challenge.

In January, 2023, HUD addressed and was able to close recommendation 3 from the June 2017 report, [HUD Web Application Security Evaluation](#), recommending that HUD enforce the requirement for all HUD web applications and services to be approved and authorized by the Chief Information Officer, which OIG had identified as a priority open recommendation. To address the implementation and operations of approved and secure web applications run by HUD and prevent unauthorized web applications, HUD's Office of the Chief Information Officer developed and released a Web Applications Directive to all HUD program offices. This directive described how web applications are defined, approved, inventoried, and maintained, including processes for tracking and monitoring such applications.



## Managing Human Capital and Increasing Efficiency in Procurement

Recruitment, retention, and hiring qualified employees has been a challenge across the Federal Government, including within HUD. After a period of staffing declines from 2012 through 2019, HUD has reported a net increase in staffing over the last four years. Efficient management of its hiring process is essential in maintaining this positive trend. OIG has been working with HUD to resolve recommendations from a recent evaluation report on its hiring process and has initiated additional oversight related to this challenge.

In addition, almost all of HUD’s program areas require contracting and procurement services to sustain and effectively execute mission operations. HUD has longstanding challenges related to procurement and acquisition management and has acknowledged a need to streamline and improve business function processes, building these goals into its strategic plan. It is critical that HUD meet the procurement needs of its program offices in a timely manner so that it can effectively and efficiently carry out its mission, and OIG is performing oversight to assist HUD in this area.

Below are related OIG oversight projects initiated and concluded during this semiannual reporting period as well as the progress that HUD has made in resolving the remaining recommendations from OIG’s previous hiring report.

### Recent OIG Reports

#### [HUD Could Improve Its Field Service Management Quality Assurance Surveillance Plans](#)

OIG audited HUD’s Office of the Chief Procurement Officer’s use of its quality assurance surveillance plan (QASP) for its Atlanta Homeownership Center field service management (FSM) housing contracts to determine whether HUD effectively administered QASPs for its FSM contracts to assist in achieving HUD’s mission. OIG’s audit found that HUD’s Atlanta Homeownership Center did not effectively develop and implement a QASP for the six FSM housing contracts reviewed. Specifically, HUD did not (1) include all contract performance tasks requiring surveillance in its monitoring plans, (2) sufficiently review and accurately rate contractor performance, or (3) consistently document contractor performance in the Contractor Performance Assessment Reporting System. The report included four recommendations to address these issues. **(HUD OIG Report No. 2023-BO-0002, Office of Administration)**



## HUD's Actions To Resolve Remaining Hiring Report Recommendations

Hiring is a challenge across the Federal Government, including within HUD. Both HUD and OIG recognized that HUD's inability to efficiently hire qualified staff could negatively impact its ability to accomplish its mission. OIG is pleased to share that during this semiannual reporting period, HUD took important steps to address this challenge. In October 2022 and March 2023, OIG closed the last two recommendations from Evaluation Report, 2020-OE-0002, [Opportunities Exist To Improve the U.S. Department of Housing and Urban Development's Hiring Process](#), which pertained to the top management challenge of human capital management. The recommendations closed were:

Recommendation 4: Develop and document comprehensive reference documents on the hiring processes, procedures, roles, and responsibilities.

Recommendation 6: Create and implement a knowledge management strategy, such as developing standard operating procedures, reference sheets, and program office fact sheets.

To address inconsistent hiring process roles and responsibilities and the lack of hiring managers' knowledge and understanding of their role in the hiring process, HUD's Office of the Chief Human Capital Officer (OCHCO) developed and released a hiring efficiencies memorandum to all HUD hiring managers and hosted recurring training sessions. The memorandum described hiring process changes and improvements, included information on hiring process roles and responsibilities, and outlined the steps of the recruitment process and timeframes in which to perform each step. The training sessions are held on a variety of human capital-related topics, such as how to initiate a recruitment request and best practices for meeting hiring process step timeframes.

Recommendation 6 was a priority recommendation and included in OIG's [Priority Open Recommendations](#), indicating that implementation would have the greatest impact on helping HUD achieve its mission to create strong, sustainable, inclusive communities and quality, affordable homes for all. In response, OCHCO developed and implemented client profiles for each HUD program office to address knowledge loss and the need for offices to explain or reexplain their mission and functions. The profiles will serve as a central repository to learn about the various programs and missions of HUD and will allow OCHCO staff, other key HUD program office staff, and HUD's service provider staff to view critical information for each HUD program office. By closing this recommendation, OCHCO has created a

## New and Ongoing Related Oversight

[HUD's Recruitment Efforts To Address Underrepresentation of Employees Who Identify as Hispanic or Latino](#)

OIG is conducting an evaluation of HUD's recruitment efforts to address underrepresentation of employees who identify as Hispanic or Latino.

The objectives of this evaluation are to

- determine the status of HUD's recruitment plans to address the underrepresentation of employees who identify as Hispanic or Latino and
- identify how HUD tracks the effectiveness of its recruitment actions to increase representation of employees who identify as Hispanic or Latino.



long-term knowledge management solution that will strengthen the efficiency of its hiring process and improve HUD's effectiveness in achieving its mission.







## Administering Disaster Recovery and Grants Management

Grant making is an essential component of HUD's business. HUD's grant portfolio includes a diverse range of programs that contribute toward HUD's strategic goals, including programs designed to advance housing justice, reduce homelessness, invest in the success of communities, increase the supply of affordable housing, strengthen environmental justice, and provide emergency funding for communities devastated by natural disasters and impacted by the pandemic.

HUD is responsible for administering billions of grant dollars each year effectively and in a timely manner. These funds are distributed to a wide variety of public and private grantees that often distribute funds to subgrantees, subcontractors, and other subrecipients to carry out work that advances HUD's mission. Under this structure, funds—as well as documentation and data—are distributed across a diverse range of organizations, geographic locations, and systems, making effective oversight a challenge.

Below are audits, investigations, and evaluations completed during this semiannual reporting period, as well as progress made by HUD in improving grants management.

### Recent OIG Reports

#### [Management Challenges of Federal Agencies in Preparing for and Responding to Natural Disasters](#)

OIG participated in a Council of the Inspectors General on Integrity and Efficiency cross-cutting initiative concerning Federal agencies' preparedness for responding to natural disasters and related management challenges. OIG summarized the conclusions, findings, and recommendations of 28 reports related to natural disaster preparedness and response issued by 7 OIGs. The 28 reports made 89 recommendations to the Federal agencies and grant recipients, including recapturing questioned costs, strengthening internal controls, maintaining adequate oversight of contractors and grants, and complying with Federal regulations. OIG's goal was for agencies to learn from these reports and implement controls and systems to limit future obstacles to spending disaster relief funds more efficiently and effectively to protect these critical funds from fraud, waste, and abuse. **(HUD OIG Report No. 2023-FW-1001)**

#### [HUD Could Improve Its Tracking and Monitoring of Continuum of Care Grantee Spending Levels](#)

OIG audited HUD's monitoring and tracking of Continuum of Care (CoC) grantees that have been slow to spend their grant funds. The purpose of this review was to determine whether HUD was effectively tracking and monitoring CoC grant spending and to determine the impact of COVID-19 on grantee spending. OIG's audit found that HUD generally tracked and monitored its grantees but did not



prioritize grantees that encountered challenges in spending their grant funds before the grants expired. OIG recommended that HUD implement written procedures to ensure consistency among field offices in reviewing spending and that HUD design and implement strategy-intensive training for grantees. **(HUD OIG Report No. 2023-LA-0002, Office of Community Planning and Development)**

#### [Native American Programs' CARES Act and ARP Act Block Grants](#)

OIG audited HUD's Office of Native American Programs' (ONAP) Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan (ARP) Act block grant programs to identify drawdown levels and assessed information ONAP made publicly available. As of October 4, 2022, grantees had drawn \$231.6 million of the \$300 million in CARES Act block grant funds and \$135.8 million of the \$735 million in ARP Act block grant funds. The audit concluded that most grantees had an approved plan in place to spend the funds and that grantees and other stakeholders were generally informed of the program requirements and which grantees received funding. There are no recommendations in this report. **(HUD OIG Report No. 2023-LA-0003, Office of Native American Programs)**

#### [CDBG-DR Program Generally Met Low- and Moderate-Income Requirements](#)

OIG audited the Office of Community Planning and Development's (CPD) monitoring and oversight of the CDBG-DR program to determine whether CPD had effectively and efficiently designed its CDBG-DR program requirements and monitoring to ensure that the grantees met statutory and other Federal low- and moderate-income (LMI) requirements. The audit found that generally, CPD had effectively and efficiently designed its CDBG-DR program requirements and monitoring to ensure that the grantees met the various LMI requirements. Almost all (98 percent) of the closed grants met the requirements, and a majority (80 percent) of the active grants were meeting the requirements. OIG identified opportunities for CPD to improve its monitoring and oversight of its grantees' compliance with the requirements and made four related recommendations. **(HUD OIG Report No. 2023-FW-0001, Office of Community Planning and Development)**

#### [The State of Georgia Did Not Adequately Monitor Its Harvey, Irma, and Maria Grants' Activities and Subrecipients](#)

OIG conducted an audit of the State of Georgia's monitoring of its CDBG-DR Hurricanes Harvey, Irma, and Maria (HIM) grants' activities and subrecipients to determine whether the State effectively monitored its HIM grants' activities and subrecipients to ensure that the activities addressed unmet long-term recovery needs. The audit determined that the State had inadequate monitoring procedures

### New and Ongoing Related Oversight

[ESG CARES Act Subrecipient and Contractor Monitoring](#)

[California-Based Grantee ESG-CV Program Fraud Risk Management Assessment](#)

[Assessment of Puerto Rico 2017 CDBG-DR Program Fraud Risk Management](#)

[City of New Orleans Community Development Block Grant National Disaster Resilience \(CDBG-NDR\) Grant](#)



and lacked policies and procedures to conduct remote monitoring. OIG made six recommendations to help HUD address these issues. **(HUD OIG Report No. 2023-AT-1001, Office of Community Planning and Development)**

[The Puerto Rico Department of Housing’s Contracting Method for Program Management Services for the R3 program](#)

OIG conducted an audit of the Puerto Rico Department of Housing’s (PRDOH) Home Repair, Reconstruction, or Relocation (R3) program. OIG’s objective was to determine whether PRDOH followed applicable program requirements when spending R3 program funds. The audit determined that PRDOH generally followed applicable program requirements; however, OIG identified four contracts in which PRDOH may have used the prohibited cost-plus-a-percentage-of-cost contracting method to acquire program management services. This report contains no recommendations. However, OIG is troubled by the manner in which PRDOH handled these four contracts, especially in their formation and administration, before HUD’s 2019 monitoring review. OIG believes additional monitoring of PRDOH’s contracting actions is prudent to ensure that they comply with HUD requirements. **(HUD OIG Report No. 2023-AT-1002, Office of Community Planning and Development)**

[The Office of Community Planning and Development’s Use of Remote Monitoring](#)

OIG conducted an evaluation of CPD’s use of remote monitoring of grantees during the COVID-19 pandemic. The evaluation focused on CPD’s monitoring approach from October 1, 2018, through September 30, 2021. In a survey that OIG conducted on CPD employees’ experiences using remote monitoring, of the 269 survey respondents who reported that they received guidance, training, or technical support specific to remote monitoring, 239, or 89 percent, reported that the guidance, mentoring, or technical support prepared them either very well or somewhat well to monitor remotely.

However, some CPD employees faced challenges and limitations with remote monitoring related to safeguarding personally identifiable information, the duration of remote monitoring sessions, and the ability to verify physical assets effectively. **(HUD OIG Report No. 2021-OE-0010, Office of Community Planning and Development)**



**Outreach and Stakeholder Engagement**

***Disaster Grantee Fraud Training for the Pacific Islands Grantees***

During January 2023, HUD OIG conducted OIG Disaster Grantee Fraud Training for the Pacific Islands Grantees, which included Hawaii, Kauai, Northern Mariana, American Samoa, and Guam. For these training sessions, there were a combined total of 139 grantees, subrecipients, investigators, HUD Office of General Counsel personnel, contractors, and vendors who participated. The presenters provided practical guidance on fraud indicators one should look for and steps to enhance fraud prevention, using real life examples to highlight the various areas of grant fraud and show controls that could help detect fraud.



## Recent Related Investigations

### [Former Prattsville Town Supervisor Sentenced for Grant Fraud](#)

A former town supervisor was sentenced in U.S. District Court for the Northern District of New York to 12 months probation and ordered to pay more than \$24,000 in restitution to the State of New York following his guilty plea to wire fraud. From October 2013 through March 2015, the defendant devised a scheme to fraudulently obtain CDBG-DR funds through the New York State Housing Trust Fund Corporation by submitting fraudulent documents about work he claimed to have completed on property damage sustained during Hurricane Irene. **(Press Release, USAO, Northern District of New York)**



## Sustaining Progress in Financial Management

HUD focused on financial management in its [FY 2022-2026 Strategic Plan](#) through strategic goal 5D, enhancing financial and grants management, stating, “HUD aims to provide sound financial and grants management services so the Department can achieve financial excellence.”

OIG is pleased to report that during this semiannual reporting period, HUD maintained clean audit opinions in the fiscal year 22 financial audit cycle.

## Recent OIG Reports

### [Audit of HUD’s Fiscal Years 2022 and 2021 Financial Statements](#)

OIG contracted with the independent public accounting firm of CliftonLarsonAllen LLP (CLA) to audit the financial statements of HUD as of and for the fiscal years ending September 30, 2022, and 2021, and to provide reports on HUD’s (1) internal control over financial reporting and (2) compliance with laws, regulations, contracts, and grant agreements and other matters, including whether financial management systems complied substantially with the requirements of the Federal Financial Management Improvement Act of 1996. CLA reported (1) that the financial statements as of and for the fiscal years ending September 30, 2022, and 2021, were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles; (2) one material weakness for fiscal year 2022 in internal control over financial reporting, based on the limited procedures performed; and (3) two reportable matters for fiscal year 2022 of noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements or other matters. The audit report contained several recommendations to help HUD address the issues identified. **(HUD OIG Report No. 2023-FO-0004, Office of the Chief Financial Officer)**

### [Independent Public Accountant’s Audit Report of Government National Mortgage Association’s Fiscal Years 2022 and 2021 Financial Statements](#)

OIG contracted with CLA to audit the financial statements of Ginnie Mae as of and for the fiscal years ending September 30, 2022, and 2021, and to provide reports on Ginnie Mae’s (1) internal control over financial reporting and (2) compliance with laws, regulations, contracts, and grant agreements and other matters. CLA reported (1) that Ginnie Mae’s financial statements were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles; (2) no material weaknesses for fiscal year 2022 in internal control over financial reporting, based on limited procedures performed; and (3) no reportable noncompliance issues for fiscal year 2022 with provisions of applicable laws, regulations, contracts, and grant agreements or other matters. **(HUD OIG Report No. 2023-FO-0002, Ginnie Mae)**



[Independent Public Accountant's Audit Report on the Federal Housing Administration's Fiscal Years 2022 and 2021 Financial Statements](#)

OIG contracted with CLA to audit the financial statements of FHA as of and for the fiscal years ending September 30, 2022, and 2021, and to provide reports on FHA's (1) internal control over financial reporting and (2) compliance with laws, regulations, contracts, and grant agreements and other matters. CLA reported (1) that the financial statements as of and for the fiscal year ending September 30, 2022, and 2021, were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles; (2) one material weakness for fiscal year 2022 in internal control over financial reporting, based on the limited procedures performed; and (3) no reportable noncompliance issues for fiscal year 2022 with provisions of applicable laws, regulations, contracts, and grant agreements or other matters. **(HUD OIG Report No. 2023-FO-0003, Housing and FHA)**





## Fraud Risk Management

Fraud risk management is a challenge throughout the Federal Government. Beyond the monetary loss to taxpayers, fraud against HUD programs reduces HUD's ability to meet the needs of vulnerable communities with critical housing needs.

Through its oversight, OIG identified systemic challenges HUD faces in completing its testing and mitigation requirements for programs susceptible to significant improper and unknown payments. OIG has issued recommendations concerning the development of program-specific fraud risk assessments and risk

profiles for HUD's pandemic relief and other community planning and development programs to assist HUD in identifying and reducing improper payments. Implementation of these recommendations related to the development of program-specific fraud risk assessments and risk profiles for its programs will help HUD improve its fraud risk management practices, reduce the risk of fraud against its programs, and reduce reputational risk to the Department.

During this semiannual period, OIG has engaged in significant outreach toward protecting HUD programs and beneficiaries from fraud. In addition, OIG is pleased to report that the Inspector General and HUD's Chief Financial Officer partnered on a joint video to raise awareness about fraud and effectively prevent, detect, and respond to internal and external threats of fraud against HUD's programs.

## Recent OIG Reports

### [Improvements Are Needed in HUD's Fraud Risk Management Program](#)

OIG audited HUD's fraud risk management program at the enterprise and program-office levels and assessed its overall maturity. OIG's objective was to determine HUD's progress in implementing a fraud risk management framework at the enterprise and program-office levels that encompasses control activities to prevent, detect, and respond to fraud. OIG found that all four phases of HUD's fraud risk management program were in the early stages of development, or at an "ad hoc" maturity level. OIG recommended that HUD (1) perform a complete agencywide fraud risk assessment and develop a plan to improve the maturity of HUD's fraud risk program; (2) communicate to program staff the differences among HUD's processes for enterprise risk management, the Payment Integrity Information Act of 2019, and HUD's financial risk management risk assessment; and (3) develop policies, procedures, and strategies for collecting and analyzing data to identify fraud in HUD's programs, promote fraud awareness, and develop antifraud risk mitigation tools. **(HUD OIG Report No. 2023-FO-0001, Office of the Chief Financial Officer)**



## Recent Related Investigations

Throughout this semiannual report, OIG includes examples of fraud cases pursued by its Office of Investigation during this semiannual period. Many of these cases involved complex multiagency investigations conducted in coordination with OIG's law enforcement partners and in coordination with the U.S. Department of Justice.

The press releases below are organized by category to demonstrate the types of schemes that impact HUD's programs and beneficiaries and the significant risk that fraud poses to HUD's programs and the communities that rely on them.

OIG relies on all of its stakeholders to come forward and share information with it when they suspect fraud, waste, and abuse.

### *Pandemic-Related Fraud:*

- [Former West Haven Employee and State Representative Admits Stealing COVID Relief and Other City Funds](#)
- [Former West Haven City Employee Sentenced to 13 Months in Prison for Stealing COVID-19 Relief Funds](#)
- [North Providence Woman Sentenced for Defrauding the Federal Housing Administration, Business, and Unemployment COVID Relief Programs](#)

### *Identity Theft:*

- [Real Estate Agent and Her Husband Sentenced for Fraud Using Stolen Personal Identifying Information](#)

### *Public Corruption:*

- [Former Rochester Housing Authority Chair Going to Prison for Fraud, Money Laundering, and Lying to FBI](#)
- [Family Members of Former Executive Director of St. Clair Housing Commission Sentenced to Prison for Defrauding HUD](#)
- [NYCHA Superintendents Sentenced to Prison for Accepting Bribes](#)

### *Federal Program Theft-Embezzlement*

- [Cleveland Woman Sentenced to Prison for Stealing Pension Benefits and Defrauding Government Programs](#)
- [Illinois Attorney Found Guilty of Embezzlement, Bankruptcy Fraud, and Tax Fraud](#)

## Outreach and Stakeholder Engagement

### *United States Inspectors General Commit to Fighting Waste, Fraud and Abuse of Federal Funds in the Virgin Islands*

As the lead for the U.S. Virgin Islands Council, an OIG special agent led the development of a U.S. Virgin Islands symposium that took place on March 22-23, 2023, in St. Thomas, USVI, which was hosted by U.S. Attorney Delia Smith, USAO, District of the Virgin Islands. This inaugural event was established to bring the Inspector General community together after 3 years of virtual partnerships to an in-person interagency collaboration in combatting fraud, waste, and abuse through OIG's joint investigative work. The symposium was an opportunity for each OIG to explain how its agency's funds are administered in the Virgin Islands and give on-island law enforcement officers an opportunity to liaison directly with the individuals responsible for Virgin Islands investigations. OIG discussed various HUD funding, particularly CDBG-DR funding allocations to the islands. The symposium hosted 40 Federal and local law enforcement partners.



- [Berwick Woman Ordered To Pay \\$59,140 in Restitution to SSA, HUD Following Decade-Long Fraud](#)

*Mortgage Fraud:*

- [Wakefield Man Sentenced for Decade-Long Mortgage Fraud Scheme](#)
- [Salem Man Sentenced to 4 Years in Prison for Decade-Long Mortgage Fraud Scheme](#)
- [Sentencing in \\$8 Million Southern California Mortgage Loan Fraud Scheme](#)

*False Claims:*

- [Holyoke Landlord Agrees to \\$15,000 Settlement for False Claims Act Violations](#)

## **Fraud Bulletins Published**

[Cash or Gift Card Phone Scams](#): Providing red flags, ways to report suspicious activity, and how to act if readers have fallen victim to a scam.

[Landlord Overcharging Section 8 Tenant Fraud Scheme](#): Outlining what landlords can and cannot charge their tenants.

[Public Corruption](#): Describing instances in which public officials have used their public positions for personal gain and providing red flags and case summaries.

[Identity Theft](#): Informing the public about identity theft and associated fraud schemes.

[Reverse Mortgage Fraud](#): Informing the public about commonly related schemes, red flags, and how individuals can protect themselves from this type of fraud.

[Impostor Landlords](#): Highlighting schemes by individuals falsely purporting to be landlords, who list properties that they do not own for rent on various rental websites.

[Deed Fraud](#): Informing the public about deed fraud schemes that intentionally target vulnerable populations, red flags, and how to protect themselves from these schemes.



## Additional Significant Reports

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

HUD's focus on fair housing is highlighted in [HUD's 2022-2026 Strategic Plan](#), which sets forth HUD's efforts to expand housing opportunities for underserved Americans and to reduce homelessness by enforcing fair housing laws. This is an emerging issue for OIG oversight, and during this semiannual period, OIG completed and initiated the related projects below.

### [HUD and FHAP Agencies Can Better Document Decisions Not To Investigate Fair Housing Complaints](#)

OIG audited HUD Title VIII complaint intake data and jurisdictional determinations recorded in the HUD Enforcement Management System (HEMS) to assess its process for complaint inquiries that resulted in filed fair housing complaints and inquiries that were closed during the intake stage. OIG found that HUD and Fair Housing Assistance Program (FHAP) agencies adequately documented decisions to convert inquiries to complaints in HEMS but that HEMS did not always include (1) adequate documentation supporting the recorded closure reason, (2) sufficient information supporting jurisdictional determinations made, and (3) letters properly notifying claimants when HUD lacked jurisdiction to pursue their allegations. OIG recommended that HUD update HUD Handbook 8024.01, REV-2, and regional intake policies and procedures as necessary and develop a process for overseeing allegations of housing discrimination that FHAP agencies close during the intake stage to ensure that closure and jurisdictional determinations are consistent with the Fair Housing Act. **(HUD OIG Report No. 2023-BO-0001 – Office of Fair Housing and Equal Opportunity)**

### [Fair Housing and Equal Opportunity's Oversight of Fair Housing Enforcement Agencies](#)

OIG initiated this review to determine whether the Office of Fair Housing and Equal Opportunity (FHEO) is providing the necessary oversight to ensure that FHAP agencies meet mandated performance standards. OIG determined that FHEO could provide more guidance related to its performance assessment process to improve its oversight of State and local fair housing enforcement

## New and Ongoing Related Oversight

### [Assessment of Fair Housing Complaint Intake Process at a Fair Housing Assistance Program Agency](#)

OIG is conducting an audit of the fair housing complaint intake process of an FHAP agency located in Kentucky. FHAP agencies receive housing discrimination complaints and conduct investigations to determine whether the alleged discrimination occurred.

The objectives of this audit are to

- determine the extent to which the FHAP agency processed fair housing complaints within 30 days,
- evaluate the FHAP agency's reasons for closing fair housing complaints, and
- evaluate how the FHAP agency provided customer services to complainants concerning closed fair housing complaints.





agencies participating in FHAP. The report included four recommendations for FHEO to ensure that regional offices provide consistent oversight to FHAP agencies by providing HUD reviewers with enhanced guidance and more frequent training. **(HUD OIG Report No. 2021-OE-0008, Office of Fair Housing and Equal Opportunity)**

#### [Sale of Section 184 Properties on Tribal Trust and Other Restricted Lands](#)

OIG audited HUD's Office of Native American Programs' sale of defaulted loan notes and real estate-owned (REO) properties on tribal trust and other restricted lands to determine whether HUD appropriately marketed, sold, and tracked defaulted loan notes and REO Section 184 tribal trust land properties. OIG found that its systems and controls for managing its portfolio had weaknesses that resulted in delays in selling defaulted loan notes and REO properties. OIG made three recommendations to help HUD address the issues identified. **(HUD OIG Report No. 2023-LA-0001, Office of Native American Programs)**

#### [Attestation Review of HUD's Compliance With Office of National Drug Control Policy for Fiscal Year 2022](#)

OIG conducted an attestation review of HUD's drug control accounting for the fiscal year ending September 30, 2022. OIG performed this review under section 705(d) of Public Law 105-277, which requires National Drug Control Program agencies to submit to the Office of National Drug Control Policy (ONDCP) a detailed accounting of all funds spent by the agencies for National Drug Control Program activities during the previous fiscal year and that the accounting be authenticated by agency inspectors general before submission. Based on this review, OIG is not aware of any material modifications that should be made to HUD's Detailed Accounting Report and Budget Formulation Compliance Report for them to be in accordance with (or based on) ONDCP's circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021. **(HUD OIG Report. No. 2023-FO-0801, Community Planning and Development)**



# Whistleblower Protection

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

The OIG Whistleblower Protection Coordinator works with HUD and OIG employees to provide information on:

- 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 when an employee believes he or she has been retaliated against for making protected disclosures.

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

The Whistleblower Protection Coordinator also provides training to OIG personnel on whistleblower-related issues. OIG’s mandatory whistleblower training for OIG personnel is an interactive, virtual training experience about whistleblower rights and protections, making protected disclosures, and making disclosures about investigative agencies, such as OIGs.

While OIG previously had staff whose ancillary duties included serving as Whistleblower Protection Coordinator, as of December 2022, OIG has hired one full-time employee to fulfill the functions of Whistleblower Protection Coordinator and to oversee complaints received and whistleblower retaliation investigations conducted by OIG.

OIG received several complaints filed under 41 U.S.C. (United States Code) 4712, which 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, which will review the complaint and, if necessary, investigate the matter and provide a report of findings to the HUD Secretary for a determination as to whether unlawful reprisal has occurred.

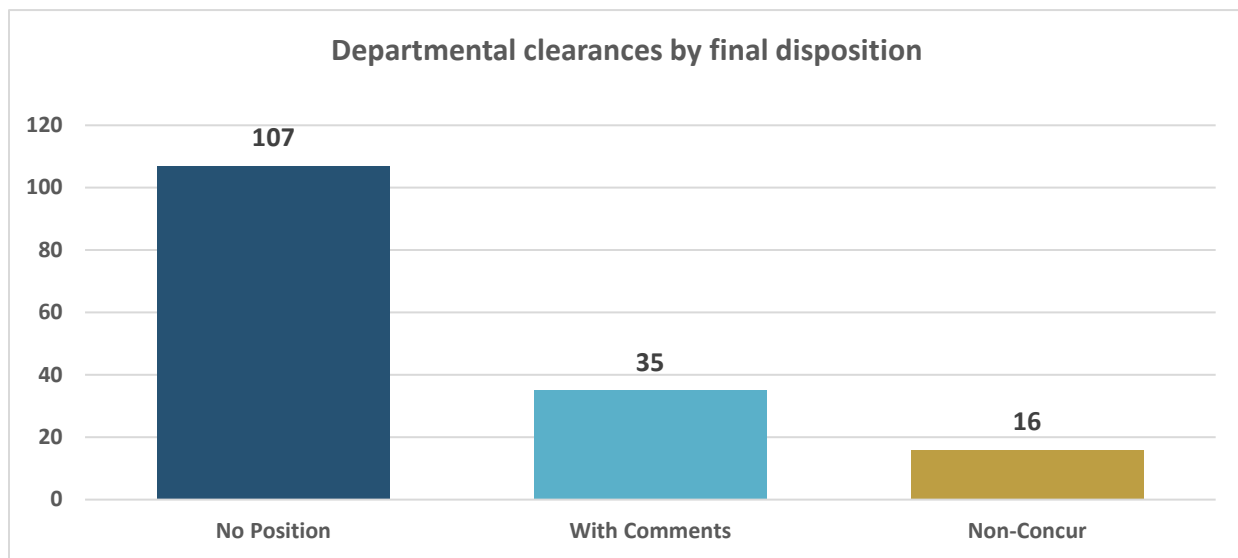
The chart below provides further information on whistleblower retaliation complaints received by OIG.

Number of complaints alleging whistleblower retaliation	88
Complaints meeting threshold requirements for investigation	3
Reports of findings transmitted to HUD for determination (pertaining to matters opened during previous reporting periods)	2



## 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 committed more than 580 hours to reviewing 158 issuances. The draft directives consisted of 101 notices, 13 mortgagee letters, and 44 other directives. OIG provided comments on 35 (or 22 percent) of the issuances and nonconcurred on 16 (or 10 percent) but lifted 9 nonconcurrences. Of the 44 other directives, OIG reviewed 4 final rules and 4 proposed rules, took no position on 4, and commented on 4; 13 handbooks-guidebooks; 17 research reports; one Frequently Asked Questions With Answers document for Office of Multifamily Housing Programs stakeholders related to emergency preparedness and coronavirus disease 2019; and 5 responses to congressional inquiries-requests, namely, 2 quarterly reports on public housing agencies (PHA) under administrative and judicial receivership, 2 quarterly reports on housing choice voucher trends, and a report on troubled PHAs.



### Legislation

**HUD’s Request for Permanent Authorization of the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program in Response to OIG Recommendations** – Community Development Block Grant – Disaster Recovery (CDBG-DR) grant funds are not provided under a program codified in the Code of Federal Regulations (CFR). Although the CDBG program requirements provide a framework, HUD must issue Federal Register (FR) notices with additional, disaster-specific program requirements and waivers for each supplemental appropriation. With each newly issued FR notice, grantees must navigate the various notices, consider their communities’ pressing unmet needs, and develop a program that navigates both. These steps are expected to be completed during a time of great uncertainty, given that personnel, operations, and infrastructure may have been impacted following a disaster. OIG and GAO have issued multiple oversight reports with recommendations to ensure HUD’s disaster recovery funding reaches vulnerable communities quickly.





finances, and civil and administrative penalties. (18 U.S.C. [United States Code] §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).”

HUD has been receptive to these recommendations and has accepted and incorporated OIG’s recommended warning and certification language into several of its policies.

## Notice and Other Directives

Below is a summary of selected reviews for this 6-month period.

### *Single Family Housing*

**Acceptance of private flood insurance for FHA-insured mortgages** – On November 21, 2022, HUD issued a final rule in Federal Register Notice FR-6084-F-02, which amends Federal Housing Administration (FHA) regulations to allow borrowers the option to purchase private flood insurance on FHA-insured mortgages for properties located in special flood hazard areas (SFHA), in satisfaction of the mandatory purchase requirement of the Flood Disaster Protection Act of 1973 (FDPA). FDPA, as amended, requires the owner of a property mapped in an SFHA and located in a community participating in the National Flood Insurance Program to purchase flood insurance as a condition of receiving a mortgage backed by the Government Sponsored Entities, U.S. Department of Veterans Affairs, U.S. Department of Agriculture, or FHA. In consideration of public comments, HUD’s experience in implementing the program, and HUD’s goals of aligning with the Biggert-Waters Act, while mitigating risk and protecting taxpayers’ funds, this final rule adopts HUD’s November 23, 2020, proposed rule with minor changes. Also, this clearance item addressed OIG audit report 2022-KC-0002, recommendations 1C and 1D. Specifically, OIG recommended that the Deputy Assistant Secretary for Single Family Housing review the language in the statutes, regulations, and handbooks and if warranted, adjust the forward mortgage handbook (recommendation 1C) and Home Equity Conversion Mortgage handbook (recommendation 1D) to ensure consistency with the statute and regulation.

### *Public and Indian Housing*

**Troubled Public Housing Agencies Congressional Report** – HUD provides this fiscal year (FY) 2022 report to Congress in which it specifies the state of the troubled portfolio of public housing agencies (PHA) in accordance with section 6(j)(5) of the U.S. Housing Act of 1937, as amended (1937 Act) (42 U.S.C. 1437d(j)(5)). Specifically, HUD reports key facts about the portfolio: the affected PHA name, the Public Housing Assessment System (PHAS) score that is used to determine the troubled designation of the PHA, and its status. In most cases, the status for a PHA is noted by one of the following: a) a date of an executed recovery agreement, b) an indication that the PHA has been referred or is being evaluated for action under section 6(j)(3) of the 1937 Act, c) an indication that the PHA is in substantial default or HUD possession, or d) an indication that the PHA has recovered by receiving a new PHAS score of 60 or greater. OIG provided a no position response regarding this report. Also, this clearance item addressed OIG’s evaluation (Memorandum 2019-OE-0001, dated February 4, 2020) in which OIG found that for at least 11 years, HUD has not submitted an annual report to Congress regarding troubled PHAs as the law requires. This clearance item contains the required annual report for FY 2022.



*Federal Housing Administration*

**Office of Housing Counseling Agency performance review** – On December 6, 2022, HUD issued a Federal Register notice, FR-7056-N-47, which seeks approval from the Office of Management and Budget (OMB) for the information collection related to performance reviews under the HUD-approved Housing Counseling Programs. The revisions to the currently approved collection are needed to ensure that the document complies with the requirements of an OIG audit, which found that the collection was not in compliance with 24 CFR 214.3 and 2 CFR 200.501, Audit requirements. The information is used to assist HUD in evaluating the managerial and financial capacity of organizations to sustain operations sufficient to implement HUD-approved Housing Counseling Programs and in reducing its own risks from fraudulent activities or supporting inefficient or ineffective Housing Counseling Programs. Since HUD publishes a web list of HUD-approved housing counseling agencies and maintains a toll-free housing counseling hotline, performance reviews help HUD ensure that individuals seeking assistance from these approved agencies will receive high-quality services. HUD uses performance reviews to determine the professional and management capacity of HUD-approved housing counseling agencies to provide adequate housing counseling services necessary to comply with the requirements of the Housing and Urban Development Act and to ensure that grant-funded organizations comply with HUD and OMB administrative and financial regulations. If this information is not collected, HUD will be unable to effectively monitor the Housing Counseling Program to guard against waste, fraud, abuse, or inappropriate program practices. This collection provides the means to meet that obligation. OIG provided a no position response regarding this notice. The revised information collection would help address recommendation 1C of a 2018 audit report related to HUD’s administration of the Housing Counseling Program (2018-NY-0001). OIG recommended that HUD update policies and procedures to ensure consistency and adequacy of the agency approval, performance review, voucher approval, and termination and post termination processes.

*Multiple Program Areas*

**Grants Management Handbook 2210.17, REV-3.2** – The Grants Management Handbook implements requirements for HUD’s administration of grants and cooperative agreements. This handbook gives HUD program and administrative offices a uniform set of requirements that staff must follow to fully implement OMB directives, Federal statutes, and regulations throughout the grant life cycle. This handbook revises HUD Grants Handbook 2210.17, REV-3.1 (February 2020), and updates it. OIG initially reviewed this handbook in 2022 and made suggestions to HUD. In 2023, OIG reviewed the revised handbook, which was a reclearance, for suggestions OIG had initially provided to HUD. OIG suggested that HUD consider (1) a sentence that informs all HUD staff reading this handbook that OIG maintains a hotline to receive allegations of fraud, waste, and abuse related to HUD programs and operations with the hotline phone number (1-800-347-3735) and a link to [HUD OIG’s hotline](#); (2) a link to [HUD OIG’s common fraud schemes website](#) so that HUD staff reviewing this handbook has a reference for what might constitute fraud that should be reported to OIG; (3) additional language that mentions HUD’s duties under 41 U.S.C. 4712(d) to ensure that grantees and subgrantees are informing their employees in writing of the rights and remedies provided under 41 U.S.C. 4712 and to ensure that HUD staff is aware of whistleblower protections for employees of grantees and subgrantees under 41 U.S.C. 4712; (4) a sentence explaining that Federal employees are protected from retaliation for making protected disclosures with a link to more information for [Federal employees on HUD OIG’s webpage](#); and (5)



revising the section regarding false certification to also explicitly state that the applicant may be subject to criminal and administrative penalties in addition to the False Claims Act and including a statement expressly stating that it is critical that applicants be truthful in all communications with HUD, including applications. This measure would emphasize how important this responsibility is and make it clear to HUD staff the truthfulness of applicants is expected in all certifications, assurances, and application materials given to HUD.

**HUD Handbook 3417.1, Web Applications Policy** – HUD’s public web applications are important online information resources that are relied upon to deliver programmatic information or services to the public and OIG’s partners. These web applications reside across a variety of delivery platforms and devices and support the proper performance of HUD’s mission. All HUD organizations planning, implementing, and using web applications to meet programmatic requirements will ensure compliance with the requirements of this policy. This HUD policy is for identifying and managing HUD web applications, including Native web applications, SharePoint web applications, mobile applications, Cloud applications, Microservices, Software-as-a-Service applications, Web Services, and Web Application Programming Interfaces.

OIG reviewed and provided a comment on this handbook, dated November 2022, which updated a directive that HUD issued in June 2020. The original directive required the scanning of web applications every 72 hours. However, this policy requires the scanning of web applications every 2 weeks. This handbook would help address OIG’s fiscal year 2018 Federal Information Security Management Act report (2018-OE-0003), recommendations 8 and 16. Part of recommendation 8 was to implement and formally document a comprehensive credentialed vulnerability scan program of all network components and applications, including web applications, in accordance with HUD risk management decisions, and ensure that resources for all configuration management activities are allocated in a risk-based manner.\* Regarding recommendation 16, OIG has determined that the contents of this recommendation would not be appropriate for public disclosure and has, therefore, limited its distribution to selected officials.

\*OIG has determined that some reports containing the recommendations are not appropriate for public release. In some cases, the recommendations have been summarized.



## Peer Review

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 of doing so is to enhance transparency within the Government. Both the U.S. Department of Housing and Urban Development, Office of Inspector General's (HUD OIG) Office of Audit and Office of Investigation 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:

**Table 1. Peer reviews conducted of HUD OIG**

Type of review	Date of peer review	Reviewing OIG	Rating	Outstanding recommendations
Audit	December 17, 2021	USAID* OIG	Pass	None
Evaluation	March 28, 2023	DHS** OIG	In compliance	None
Investigation	October 14, 2022	SSA*** OIG	In compliance	None

**Table 2. Peer reviews conducted by HUD OIG**

Type of review	Date of peer review	Reviewing OIG	Rating	Outstanding recommendations
Audit	June 24, 2022	DOE**** OIG	Pass	None
Evaluation	September 10, 2019	FHFA***** OIG	In compliance	None
Investigation	June 5, 2020	DHS OIG	In compliance	None

\* U.S. Agency for International Development  
\*\* U.S. Department of Homeland Security  
\*\*\* Social Security Administration  
\*\*\*\* U.S. Department of Energy  
\*\*\*\*\* Federal Housing Finance Agency



## Appendix 1 - Reports Issued This SAR Period

### Internal Audit Reports

#### Chief Financial Officer

2023-FO-0001	<a href="#">Improvements Are Needed in HUD's Fraud Risk Management Program, 10/26/2022.</a>
2023-FO-0004	<a href="#">Transmittal of Independent Public Accountant's Audit Report on the U.S. Department of Housing and Urban Development's Fiscal Years 2022 and 2021 Financial Statements, 11/17/2022.</a>

#### Chief Information Officer

2023-FO-0008	<a href="#">HUD's IT Infrastructure Needs Improvement, 01/24/2023.</a>
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#### Chief Procurement Officer

2023-BO-0002	<a href="#">HUD Could Improve Its Field Service Management Quality Assurance Surveillance Plans, 03/30/2023.</a>
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#### Community Planning and Development

2023-FW-0001	<a href="#">CDBG-DR Program Generally Met Low- and Moderate-Income Requirements, 03/03/2023. Questioned: \$666,666.</a>
2023-LA-0002	<a href="#">HUD Could Improve Its Tracking and Monitoring of Continuum of Care Grantee Spending Levels, 10/19/2022. Better use: \$47,000,000.</a>

#### Deputy Secretary

2023-IG-0001	<a href="#">Management Alert 2023-IG-001: Action Needed To Ensure That Assisted Property Owners, Including Public Housing Agencies, Comply With the Lead Safe Housing Rule, 10/04/2022.</a>
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## Fair Housing and Equal Opportunity

2023-BO-0001

[HUD and FHAP Agencies Can Better Document Decisions Not To Investigate Fair Housing Complaints, 11/04/2022.](#)

## Government National Mortgage Association

2023-FO-0002

[Transmittal of Independent Public Accountant's Audit Report on the Government National Mortgage Association's Fiscal Years 2022 and 2021 Financial Statements, 11/14/2022.](#)

2023-KC-0001

[Ginnie Mae Did Not Ensure That All Pooled Loans Had Agency Insurance, 12/05/2022. Better use: \\$903,085,334.](#)

2023-KC-0003

[Opportunities Exist for Ginnie Mae To Improve Its Guidance and Process for Troubled Issuers, 03/28/2023.](#)

2023-KC-0004

[Ginnie Mae Mostly Implemented a Crisis Readiness Program That Followed Federal Guidance, 03/28/2023.](#)

## Housing

2023-FO-0003

[Transmittal of Independent Public Accountant's Audit Report on the Federal Housing Administration's Fiscal Years 2022 and 2021 Financial Statements, 11/16/2022.](#)

2023-KC-0002

[HUD Did Not Sufficiently Flag Unacceptable Physical Condition Scores To Assess Its Controlling Participants, 02/14/2023.](#)

2023-NY-0001

[HUD Communicated Critical Information to Homeowners About COVID-19 Policies but Improvements Can Be Made, 01/30/2023.](#)



**Public and Indian Housing**

2023-CH-0001	<a href="#">HUD Lacked Adequate Oversight of Lead-Based Paint Hazard Remediation in Public Housing, 10/11/2022.</a>
2023-CH-0002	<a href="#">HUD Could Improve Its Process for Evaluating the Performance of Public Housing Agencies' Housing Choice Voucher Programs, 03/06/2023.</a>
2023-LA-0001	<a href="#">HUD Appropriately Marketed and Sold Section 184 Properties on Restricted Lands; However, Its Systems and Internal Controls Had Weaknesses, 10/13/2022.</a>
2023-LA-0003	<a href="#">Review of Drawdown Levels and Publicly Available Information on the Office of Native American Programs' CARES Act and ARP Act Block Grants, 01/20/2023.</a>
2023-LA-0004	<a href="#">Opportunities Exist To Enhance Oversight of the Foster Youth to Independence Initiative To Improve Program Effectiveness, 03/29/2023.</a>

**Audit-Related Memorandums<sup>3</sup>****Community Planning and Development**

2023-FO-0801	<a href="#">Independent Attestation Review of the U.S. Department of Housing and Urban Development's Compliance With Office of National Drug Control Policy (ONDCP) Requirements for Fiscal Year 2022 Reporting, 01/31/2023.</a>
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**External Reports****Community Planning and Development**

2023-AT-1001	<a href="#">The State of Georgia Did Not Adequately Monitor Its Harvey, Irma, and Maria Grants' Activities and Subrecipients, 03/28/2023.</a>
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<sup>3</sup> The 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, attestation engagement, or civil actions or settlements.



## Community Planning and Development

2023-AT-1002

[The Puerto Rico Department of Housing's Contracting Method for Program Management Services for the R3 program, 03/31/2023.](#)

## Inspector General

2023-FW-1001

[Management Challenges of Federal Agencies in Preparing for and Responding to Natural Disasters, 10/18/2022.](#)

## Public and Indian Housing

2023-CH-1001

[The Philadelphia Housing Authority, Philadelphia, PA, Needs To Improve Oversight of Lead-Based Paint in Its Public Housing, 03/22/2023.](#)

## Evaluation Reports

Report #	Report title
2021-OE-0010	<a href="#">The Office of Community Planning and Development's Use of Remote Monitoring, 03/10/2023.</a>
2021-OE-0011b	<a href="#">Improvements Are Needed to the U.S. Department of Housing and Urban Development's Processes for Monitoring Elevated Blood Lead Levels and Lead-Based Paint Hazards in Public Housing, 02/28/2023.</a>
2021-OE-0007	<a href="#">HUD's Robotic Process Automation Program Was Not Efficient or Effective, 02/17/2023.</a>
2022-OE-0001a	<a href="#">Fiscal Year 2022 Federal Information Security Modernization Act (FISMA) Penetration Test and Vulnerability Assessment, 12/14/2022.</a>
2021-OE-0008	<a href="#">Fair Housing and Equal Opportunity's Oversight of Fair Housing Enforcement Agencies, 11/15/2022.</a>



## Appendix 2 - Streamlined SAR Reporting Requirements

Section 5273 of the FY 2023 National Defense Authorization Act (NDAA) included reforms recommended by the Inspector General Community as part of its Legislative Priorities for the 117th Congress, streamlining and modernizing semiannual reporting requirements, maximizing transparency, and allowing offices of inspectors general (OIG) to better focus semiannual reports on their most significant activities and most critical issues facing the agencies they oversee.

These reforms provide more flexibility to each OIG to use the semiannual report as a conduit for information that it has already made public and to leverage external websites, to include [www.oversight.gov](http://www.oversight.gov). In addition, the NDAA eliminated certain reporting requirements that had been incorporated into The Inspector General Empowerment Act (Public Law 114-317), enacted in December 2016.

Below are the U.S. Department of Housing and Urban Development (HUD), OIG's statutory requirements as set forth by the NDAA.

### Federal Financial Management Improvement Act of 1996

Section 803(a) of the Federal Financial Management Improvement Act (FFMIA) 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. Section 803(c) of FFMIA requires an agency to establish a remediation plan if it is determined that the agency's financial management systems do not comply with the requirements of section 803(a). Section 804(b) of FFMIA 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.

As of March 31, 2023, OIG and HUD had identified noncompliance with the three section 803(a) elements of FFMIA. Specifically, there was one financial system, the Tenant Rental Assistance Certification System (TRACS), that was noncompliant with the three section 803(a) requirements because it did not adequately record and track repayment agreements. The Office of Housing has been working to remediate this finding and has made progress. However, the timeline to address TRACS' FFMIA noncompliance keeps getting pushed back because the new TRACS release needs to address the Office of Asset Management and Portfolio Oversight's Housing Opportunity Through Modernization Act of 2016 Final Rule and Requirements and there have been delays in this process. On March 10, 2023, the Office of Housing told OIG that HUD's Office of the Chief Financial Officer has determined that repayment agreements should not have been tracked in TRACS and should have been tracked in the Line of Credit Control System (LOCCS) instead. Therefore, Housing is now in the process of moving all of the repayment agreements to LOCCS and developing new processes to ensure that all repayment agreements are properly tracked in LOCCS. With this new information, OIG and HUD will need to reevaluate TRACS during the fiscal year 2023 financial statement audit to determine whether it is still noncompliant since the functionality that was making TRACS noncompliant will no longer be used. HUD is in the process of drafting new management decisions to set forth its new path forward.



### Statistical Table Showing Investigative Report Metrics – 5(a)(11)

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 4.7.2, and the database is SQL 2017. 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 provide additional guidance pertaining to each requested category of information.

Measure	Total
A. Total number of investigative reports issued during the reporting period	148
B. Total number of persons referred to the U.S. Department of Justice for criminal prosecution during the reporting period	114
C. Total number of persons referred to State and local prosecuting authorities for criminal	14
D. Total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities	50

#### Footnotes

- A. Includes approved reports of investigation
- D. Includes all charging documents reported: criminal complaints, indictments, informations, and

### Instances of Whistleblower Retaliation – 5(a)(14)

(A) a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and (B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable;

None.

### OIG Independence – 5(a)(15)

Information related to interference by the establishment, including—(A) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including— (i) with budget constraints designed to limit the capabilities of the Office; and (ii) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly



delayed access to information, including the justification of the establishment for such action; and (B) a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period.

None.

### **Reports That Were Closed During the Period That Were Not Disclosed to the Public - 5(a)(16)**

Detailed descriptions of the particular circumstances of each (A) Inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public and (B) Investigations conducted by the office involving a senior government employee that is closed and not disclosed to the public.

All OIG inspections, evaluations, or audits conducted by the office were disclosed to the public.

The Office of Investigation closed the following investigations involving senior government employees that were not disclosed to the public:

- OIG investigated allegations that HUD officials charged an incorrect mortgage insurance premium (MIP) rate on Federal Housing Administration (FHA) loans. Despite knowing this information, a HUD director failed to disclose this reportable event to HUD OIG's Office of Audit, as required. However, there was ambiguity in HUD's regulations and various interpretations of the program rules. The United States Attorney's Office declined criminal prosecution and OIG closed the case.
- OIG investigated allegations that a HUD director misappropriated HUD funds intended for a municipality. The investigation disclosed that the account used for the transfer of funds was a clerical error. The allegations were unsubstantiated, and OIG closed the case.
- OIG investigated allegations that a HUD director allegedly had a personal bias against a multifamily property owner-manager and instructed a Real Estate Assessment Center inspector to fail one of the owner's properties. It was alleged that this failure resulted in the owner's not receiving housing assistance payments (HAP) or applicable tax credits. The investigation revealed that the owner did not obtain HUD's approval to purchase the property; therefore, the owner was ineligible for HAP and applicable tax credits. The allegation was unsubstantiated, and OIG closed the case.





## Appendix 3 - Reporting Table

New citation	New requirement (NDAA* for fiscal year 2023, sec. 5273)	Page number
5(a)(1)	a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment and associated reports and recommendations for corrective action made by the Office	<a href="#">11-39</a>
5(a)(2)	an identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation	<a href="#">Table A</a> <a href="#">Oversight.gov</a> <a href="#">HUD OIG Open Recommendation Dashboard</a>
5(a)(3)	A summary of significant investigations closed during the reporting period.	<a href="#">11-37</a>
5(a)(4)	an identification of the total number of convictions during the reporting period resulting from investigations	<a href="#">5</a>
5(a)(5)	information regarding each audit, inspection, or evaluation report issued during the reporting period, including-- (A) a listing of each audit, inspection, or evaluation; (B) if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	<a href="#">Appendix 1</a> <a href="#">Table C</a> <a href="#">Table D</a> <a href="#">HUD OIG Open Recommendation Dashboard</a>
5(a)(6)	information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	<a href="#">Table B</a>
5(a)(7)	the information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	<a href="#">Appendix 2</a>
5(a)(8)	(A) an appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or (B) if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General;	<a href="#">46</a>
5(a)(9)	list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete;	<a href="#">46</a>
5(a)(10)	a list of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented;	<a href="#">46</a>



New citation	New requirement (NDAA* for fiscal year 2023, sec. 5273)	Page number
5(a)(11)	statistical tables showing (A) the total number of investigative reports issued during the reporting period; (B) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period; (C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and (D) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities;	<a href="#">Appendix 2</a>
5(a)(12)	a description of the metrics used for developing the data for the statistical tables under paragraph (11);	<a href="#">Appendix 2</a>
5(a)(13)	a report on each investigation conducted by the Office where allegations of misconduct were substantiated involving a senior Government employee or senior official (as defined by the Office) if the establishment does not have senior Government employees...	<a href="#">18</a>
5(a)(14)	(A) a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and (B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable;	<a href="#">Appendix 2</a>
5(a)(15)	information related to interference by the establishment, including - (A) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including— (i) with budget constraints designed to limit the capabilities of the Office; and (ii) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and (B) a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period;	<a href="#">Appendix 2</a>
5(a)(16)	Detailed descriptions of the particular circumstances of each - (A) Inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and (B) Investigations conducted by the office involving a senior government employee that is closed and not disclosed to the public.	<a href="#">Appendix 2</a>



## Appendix 4 - Acronyms and Abbreviations

**APPS**—Active Partners Performance System

**ARP**—American Rescue Plan

**BLRV**—blood lead reference value

**CARES Act**—Coronavirus Aid, Relief, and Economic Security Act

**CDBG**—Community Development Block Grant

**CDBG-DR**—Community Development Block Grant Disaster Recovery

**CDC**—Centers for Disease Control and Prevention

**CFR**—Code of Federal Regulations

**CIGFO**—Council of Inspectors General on Financial Oversight

**CLA**—CliftonLarsonAllen LLP

**CoC**—Continuum of Care

**COVID-19**—coronavirus disease 2019

**CPD**—Office of Community Planning and Development

**DHS**—U.S. Department of Homeland Security

**DOE**—U.S. Department of Energy

**EBLL**—elevated blood lead level

**ESG-CV**—Emergency Solutions Grant CARES Act

**FBI**—Federal Bureau of Investigation

**FDPA**—Flood Disaster Protection Act

**FFMIA**—Federal Financial Management Improvement Act

**FHA**—Federal Housing Administration

**FHAP**—Fair Housing Assistance Program

**FHEO**—Office of Fair Housing and Equal Opportunity

**FHFA**—Federal Housing Finance Agency

**FISMA**—Federal Information Security Modernization Act of 2014

**FR**—Federal Register

**FSM**—field service management

**FY**—fiscal year

**FYI**—Foster Youth to Independence

**Ginnie Mae**—Government National Mortgage Association

**HAP**—housing assistance payment

**HCV**—Housing Choice Voucher

**HECM**—home equity conversion mortgage

**HEMS**—HUD Enforcement Management System

**HIM**—Hurricanes Harvey, Irma, and Maria

**HUD**—U.S. Department of Housing and Urban Development

**IG**—Inspector General

**IT**—information technology

**LBPR**—lead blood paint response

**LMI**—low and moderate income

**LOCCS**—Line of Credit Control System

**MBS**—mortgage-backed securities

**MIP**—mortgage insurance premium

**NDAA**—National Defense Authorization Act

**OCHCO**—Office of the Chief Human Capital Officer



**OIG**—Office of Inspector General

**OMB**—Office of Management and Budget

**ONAP**—Office of Native American Programs

**ONDCP**—Office of National Drug Control Policy

**PHA**—public housing agency

**PHAS**—Public Housing Assessment System

**PRDOH**—Puerto Rico Department of Housing

**QASP**—quality assurance surveillance plan

**R3**—Home Repair, Reconstruction, or  
Relocation program

**REAC**—Real Estate Assessment Center

**REO**—real estate owned

**RPA**—robotic process automation

**SAR**—Semiannual Report to Congress

**SEMAP**—Section Eight Management  
Assessment Program

**SFHA**—special flood hazard area

**SSA**—Social Security Administration

**TRACS**—Tenant Rental Assistance Certification  
System

**µg/dL**—micrograms of lead per deciliter of  
blood

**USAO**—U.S. Attorney’s Office

**USAID**—U.S. Agency for International  
Development

**U.S.C.**—United States Code



## Appendix 5 - HUD OIG Directory

### Office of Audit

Headquarters	Washington, DC	202-708-0364
Fair Housing Audit Division	Boston, MA	617-994-8380
	Hartford, CT	860-240-9739
	Philadelphia, PA	215-656-0500
	Baltimore, MD	410-962-2520
	Pittsburgh, PA	412-644-6428
	Richmond, VA	800-842-2610
Single Family Housing (Originations)- Multifamily Insurance Audit Division	New York, NY	212-264-4174
	Buffalo, NY	716-551-5755
	Newark, NJ	973-622-7900
Portions of Audit Operations	Atlanta, GA	404-331-3369
	Miami, FL	305-536-5387
Rental Assistance-Safe and Affordable Housing Audit Division	Chicago, IL	312-913-8499
	Columbus, OH	614-280-6138
	Detroit, MI	313-226-6190
Disaster Recovery Audit Division (West)	Fort Worth, TX	817-978-9309
	Baton Rouge, LA	225-448-3975
	Houston, TX	713-718-3199
	New Orleans, LA	504-671-3000
	San Juan, PR	787-766-5540
Ginnie Mae-Single Family Housing (Servicing) Audit Division	Kansas City, KS	913-551-5870
	Denver, CO	303-672-5475
	St. Louis, MO	913-551-5870
Grants Management	Los Angeles, CA	213-894-8016
	Phoenix, AZ	602-379-7250
	San Francisco, CA	415-489-6400

### Office of Evaluation

Headquarters	Washington, DC	evaluations@hudoig.gov
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**Office of Investigation**

Headquarters	Washington, DC	202-708-0390
Northeast Region	Boston, MA	617-994-8450
	Buffalo, NY	716-646-7105
	Hartford, CT	860-240-4800
	Newark, NJ	973-776-7342
	New York, NY	212-264-8062
Mid-Atlantic Region	Alexandria, VA	206-498-6461
	Baltimore, MD	410-962-2520
	Cleveland, OH	216-357-7800
	Columbus, OH	614-280-6137
	Indianapolis, IN	317-226-6303
	Philadelphia, IL	215-430-6758
	Pittsburgh, PA	412-644-6598
	Richmond, VA	804-771-2100
Southeast Region	Atlanta, GA	404-331-5001
	Birmingham, AL	205-731-2630
	Greensboro, NC	336-547-4000
	Miami, FL	305-536-3087
	San Juan, PR	787-766-5872
	Tampa, FL	813-596-5764
Midwest Region	Chicago, IL	312-353-4196
	Detroit, MI	313-226-7900
	Kansas City, KS	913-551-5866
	St. Louis, MO	314-539-6278
South Central Region	Baton Rouge, LA	225-448-3941
	Fort Worth, TX	817-978-5440
	Houston, TX	713-718-3097
	New Orleans, LA	504-671-3700
Western Region	Denver, CO	303-672-5350
	Los Angeles, CA	213-894-8000
	Phoenix, AZ	602-379-7251
	San Francisco, CA	415-489-6400

Report fraud, waste, and mismanagement in HUD programs and operations by

**Calling the HUD OIG hotline:**

1-800-347-3735

**Visiting online at**

<https://www.hudoig.gov/hotline>

[www.hudoig.gov](http://www.hudoig.gov)

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