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HUD OIG Initiates Audit of the New York City Housing Authority's Fraud Risk Management Practices

WASHINGTON DC— Today, the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) announced an audit to assess the New York City Housing Authority's (NYCHA) processes for identifying and preventing fraud.

NYCHA provides housing assistance to over 500,000 New York residents and it is the largest public housing authority in the United States. HUD provides NYCHA with billions in federal funding each year for rental assistance programs, which accounts for over 25 percent of low-income rental assistance that HUD provides across the country.

Corruption and fraud schemes threaten the effectiveness of these important programs and increase the risk that NYCHA residents live in unacceptable conditions. NYCHA's massive programs must be monitored continuously and strategically to reduce the likelihood that fraud will take funds away from families and vulnerable populations who need housing assistance.

The HUD OIG audit will examine how NYCHA evaluates fraud risk, designs antifraud controls, and how NYCHA responds to known fraud to prevent it in the future.

Yesterday, HUD's Inspector General joined the U.S. Attorney for the Southern District of New York and other law enforcement partners to announce the unsealing of bribery and corruption charges against 70 current and former [NYCHA superintendents](#) related to their involvement in pay-to-play schemes for maintenance contracts.

Inspector General Rae Oliver Davis issues the following statement: "It has never been more evident that NYCHA must act to improve its handling of fraud risks. This audit will be a thorough review of the actions NYCHA has taken over the years to prevent fraud from negatively affecting the housing services it provides to residents. My office is committed to holding NYCHA accountable for better protecting its programs against fraud."

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to HUD programs should contact the HUD OIG Hotline at 1-800-347-3735 or visit, <https://www.hudoig.gov/hotline>. For media inquiries, contact us at OIGMediaRelations@hudoig.gov.

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