



95 SAR

OCTOBER 1, 2025
to MARCH 31, 2026

Semiannual Report *to Congress*

OFFICE OF
INSPECTOR GENERAL

U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT



Message *from the* Acting Inspector General **Brian D. Harrison**

Dear Members of Congress:

On behalf of the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), I am honored to submit this Semiannual Report to Congress for the period of October 1, 2025, through March 31, 2026. This report reflects the work of our office over the past six months and demonstrates how well-positioned our office is to continue our statutory mission with your support.

The relationship between the OIG, HUD, and Congress is foundational to effective oversight. HUD relies on the professional judgment of the OIG in pursuing its mission, and congressional support is critical to the OIG's delivery of independent, objective, and timely oversight that informs legislative decision-making, strengthens program integrity, and ensures accountability in the use of taxpayer resources. I hold with the deepest appreciation the complementary responsibility of the OIG and Congress to deliver meaningful oversight—a responsibility central to maintaining public trust.

Over the past six months, our team of dedicated professionals delivered high-quality investigations, audits, and evaluations focused on preventing and detecting fraud and abuse and promoting the economy, efficiency, and effectiveness across HUD's programs and operations. Our team's efforts continue to produce results. During this period, our audits and evaluations produced \$28,323,894 in questioned costs, \$5,917,046 in recommended funds put to a better use, and \$43,164,331 in audit collections. In addition, we held accountable individuals who engaged in fraud and other crime impacting HUD's programs and operations. To that end, our investigations resulted in more than \$30 million in recoveries and receivables, 47 indictments, informations, and criminal complaints, 39 convictions, pleas, and pretrial diversions, and 86 arrests. Overall, we have elevated combating fraud as a core priority, recognizing that every dollar we safeguard strengthens the housing programs that serve communities across the Nation.

During this reporting period, HUD OIG also welcomed the

opportunity to present our work to Congress, including testimony before the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies. Framed by our report on HUD's top management and performance challenges, my testimony emphasized the urgent need for HUD to become a data-driven organization. Modernizing HUD's information technology systems would transform oversight by giving the OIG access to a robust data environment that is currently lacking. This shift would significantly enhance efficiency, sharpen our understanding of risks across HUD programs and participants, and help move HUD toward a more enhanced, fraud-prevention posture.

Most significantly, the success of HUD OIG has been driven by our people. As Acting Inspector General, I have established a clear priority: our mission begins with supporting those who carry it out every day. The special agents, auditors, evaluators, attorneys, analysts, and mission support staff of this office are the foundation of our effectiveness. By investing in their capabilities, fostering collaboration, and reinforcing a culture of excellence, we ensure that the oversight work we produce is high-quality, impactful, and helps HUD make meaningful changes in its programs and protects taxpayer dollars that fund them.

I appreciate the continued support of Congress and HUD for our important work and look forward to continuing to advance accountability, integrity, and results for the American people.

Respectfully,

Digitally signed by
BRIAN HARRISON
Date: 2026.05.20
12:08:10 -04'00'

Brian D. Harrison
Acting Inspector General
U.S. Department of Housing and Urban Development

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HUD OIG Oversight

Throughout the reporting period, our team conducted audits, investigations, and operated a Hotline to address complaints, safeguard taxpayer dollars, and prevent fraud, waste, and abuse. In addition to the Acting Inspector General's testimony before our House Appropriations Subcommittee, we worked closely with law enforcement and task forces to promote safety and compliance, while providing recommendations to strengthen HUD programs. This work reflects the dedication, professionalism, and collaboration of a team committed to advancing HUD's mission and protecting public resources.

[Read the Acting IG's March 2026 Testimony](#) →

[Read Past Semiannual Reports to Congress](#) →

[Read FY 2026 Top Management Challenges](#) →



\$5M

RECOMMENDED FUNDS PUT TO BETTER USE



\$28M

QUESTIONED COSTS



\$43M

COLLECTIONS FROM AUDITS



\$28M

TOTAL RECOVERIES-RECEIVABLES



\$1M

TOTAL RECOVERIES AND RECEIVABLES TO HUD PROGRAMS

Operation Clean House – Multi-Jurisdictional Enforcement Actions

[COLUMBUS, OHIO](#) → [MINNEAPOLIS–SAINT PAUL, MINNESOTA](#) →

In January 2026, HUD OIG supported Operation Clean House and partnered with the U.S. Marshals Service in Columbus, Ohio, and Minneapolis, Minnesota, to execute arrest warrants for fugitive felons. The operations yielded significant results: 55 arrests of individuals residing in HUD-assisted housing. These coordinated enforcement actions underscore HUD OIG's commitment to ensuring HUD-assisted housing is safe housing.

55
Arrests

IN HUD-ASSISTED HOUSING

Potential Fraud Risks for HUD Programs [JUMP TO FULL SUMMARY](#) →

HUD OIG reviewed HUD's anti-fraud efforts and found the program still developing. The review identified additional fraud risks across Single Family Housing, Disaster Recovery, and Capital Fund programs that were not fully captured in HUD's existing materials. HUD OIG advised HUD to utilize these expanded risk inventories to improve oversight, engage stakeholders, and strengthen data systems to better prevent and detect fraud.





1
SECTION

Office
of Investigation

Investigative Highlights

Key Statistical Data *for the Period of October 1, 2025, to March 31, 2026*



Financial Impact

Recoveries and Receivables	\$30,350,749
Recoveries and Receivables to HUD Programs	\$1,412,530
Total recoveries and receivables to PHAs and HUD Grantees ¹	\$866,873

Investigative Results²

Arrests	86
Indictments, Informations, and Criminal Complaints	47
Convictions, Pleas, and Pretrial Diversions	39
Civil Actions	25
Search Warrants	41
Subpoenas	104

Investigative Reports

Total investigative reports issued (Includes approved reports of investigation)	62
Total persons referred to the U.S. Department of Justice for criminal prosecution	74
Total persons referred to State and local prosecuting authorities for criminal prosecution	34
Total indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities (Includes all charging documents reported: criminal complaints, indictments, informations, and superseding indictments)	47

Strengthening Task Force Partnerships

During the reporting period, HUD OIG remained an active law enforcement partner supporting task force efforts, working closely with federal, state, and local agencies. These coordinated efforts advanced the President's initiative to reduce crime in cities nationwide.

The DC Safe and Beautiful Task Force and the Memphis Safe Task Force

Households with Registered Sex Offenders Referred to the U.S. Attorney's Office for Prosecution	55
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Termination Notices Served to Individuals to Vacate HUD Housing ³	136
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1 | May include comingled funds

2 | Delays can occur in recording investigative results during a semiannual reporting period. These figures were accurate as of March 31, 2026.

3 | Termination notices were served by Public Housing Authorities based on OIG work.

Administrative Actions

Administrative	Sanctions	Referrals
Suspensions	19	20
Debarments	9	46
Administrative False Claims Act (Program Fraud Civil Remedies Act)	0	0
Program or Professional License or Certification	0	1
Evictions	18	252
Other ⁴	1	3
Total	47	388

⁴ | This category includes employee-related actions (reprimands, suspensions, demotions, or terminations of employees of Federal, State, or local governments or of Federal contractors and grantees as the result of HUD OIG activities), limited denials of participation, and indemnifications.

Hotline Results

Total Intakes Received	11,032
Total Intakes Referred	17,190



The hotline is the primary method by which HUD OIG receives allegations of fraud, waste, abuse, mismanagement, or whistleblower retaliation involving HUD and HUD-funded programs. During this semiannual reporting period, the Hotline received 11,032 intakes, referred 17,190 intakes to HUD program offices, and referred 775 intakes to HUD OIG components for further evaluation. Table 1 provides a summary of the total number of intakes received as of March 31, 2026. Table 2 provides a summary of the total number

of intakes referred to HUD program offices as of March 31, 2026.

TABLE 1

Hotline Intake Sources

Web	7,008
Hotline Call Center	3,807
Internal/Other Referrals	217

TABLE 2

Hotline Intakes Referred to HUD Program Offices 17,190

Public and Indian Housing	15,724	Chief Financial Officer	4
Housing & Federal Housing Administration	1,008	Chief Information Officer	2
Community Planning and Development	255	Equal Employment Opportunity	2
Fair Housing and Equal Opportunity	157	Policy Development and Research	1
Chief Human Capital Officer	23	Field Policy and Management	1
HUD Office of Administration	6	Healthy Homes and Lead Hazard Control	1
Labor Standards and Enforcement	5	General Counsel	1

Key Investigative Cases

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HOMELESSNESS FRAUD

DIRECTOR OF RICHMOND HOMELESS SHELTER SENTENCED TO THREE YEARS IN PRISON FOR STEALING FUNDS DESIGNATED FOR THE SHELTER | *February 25, 2026* [➔](#)

A Richmond homeless shelter operator pleaded guilty and was sentenced to 36 months in prison and ordered to pay nearly \$200,000 in restitution, \$47,975 of which is due to HUD, for submitting at least 35 fabricated invoices for services never provided.

SEXUAL HARASSMENT

JUSTICE DEPARTMENT SECURES \$850,000 SETTLEMENT IN SEXUAL HARASSMENT LAWSUIT AGAINST KENTUCKY LANDLORD AND PROPERTY MANAGER | *February 18, 2026* [➔](#)

The Justice Department reached an \$850,000 settlement with property owners and managers in Lexington, Kentucky, resolving allegations of long-term sexual harassment of female tenants in violation of the Fair Housing Act. The agreement provides compensation to impacted tenants, imposes a civil penalty, permanently bars the managers involved from property management, and requires safeguards to prevent future violations.

BRIBERY, FRAUD, & EXTORTION

ALL 70 NYCHA EMPLOYEES CHARGED IN FEBRUARY 2024 SWEEP CONVICTED OF BRIBERY, FRAUD, OR EXTORTION OFFENSES | *November 25, 2025* [➔](#)

All 70 New York City Housing Authority (NYCHA) employees charged in a February 2024 corruption sweep have now pleaded guilty or been found guilty at trial of bribery, fraud, or extortion offenses. The schemes involved more than \$2.1 million in bribes, tied to over \$15 million in contracts. During this reporting period, four defendants were sentenced to a combined total of more than 4.5 years in prison and ordered to pay over \$89,000 in restitution. Overall, 68 convicted individuals have been collectively sentenced to nearly 50 years in prison and ordered to pay more than \$2 million in restitution. The investigation, supported by HUD OIG and partner agencies, exposed systemic misuse of NYCHA micro-purchase contracting and led to 14 contracting reforms.

EMBEZZLEMENT

FORMER KILLEEN HOUSING AUTHORITY EXECUTIVE SENTENCED TO FEDERAL PRISON | *November 18, 2025* [➔](#)

A former executive director of the Killeen Housing Authority was sentenced to 37 months in federal prison for embezzling \$297,473 from the agency. The investigation, led by HUD OIG and the FBI, found that she used agency funds for personal expenses and concealed the theft through kickback schemes. During this reporting period, both defendants charged in the case were sentenced, with the former executive director ordered to pay full restitution of the embezzled money.

MORTGAGE AND LOAN FRAUD

RINGLEADER SENTENCED IN MULTIMILLION-DOLLAR FRAUD OPERATION WHICH SADDLED VICTIMS WITH CRUSHING DEBT | *November 5, 2025* [➔](#)

A CEO of a fraudulent credit card company was sentenced to 121 months in prison for leading a nationwide mortgage and loan fraud scheme that saddled victims with significant debt. The scheme relied on falsified loan applications, shell companies, straw buyers, and fraudulent pandemic relief claims, resulting in millions of dollars in losses. During this reporting period, seven defendants were sentenced to a combined total of nearly 23 years in prison and ordered to pay \$1.8 million in restitution. Of the 17 individuals charged, 16 have been convicted and collectively sentenced to nearly 29 years in prison, with more than \$3 million in total restitution ordered.

Whistleblower Protection

Whistleblowers play a critical role in keeping government programs honest, efficient, and accountable. HUD OIG continues to ensure that HUD and HUD OIG employees are aware of their rights to disclose fraud, waste, or abuse in HUD programs without reprisal and to seek redress when they believe they have been subject to retaliation for whistleblowing. Generally, HUD OIG will refer these employees to the U.S. Office of Special Counsel.

In addition, HUD OIG receives complaints filed under 41 U.S.C. § 4712, the statute that extends whistleblower protections to employees of federal contractors, subcontractors, grantees,

subgrantees, and personal services contractors. Employees covered by Section 4712 may file whistleblower retaliation complaints with HUD OIG. In turn, HUD OIG reviews these retaliation complaints and, when appropriate, investigates the allegations and provides a report of findings to the HUD Secretary for a determination of whether unlawful reprisal occurred.

The chart below provides further information on Section 4712 whistleblower retaliation complaints received by HUD OIG during the period covered by this report.

Whistleblower Retaliation Complaints Received During the Period

Number of complaints alleging whistleblower retaliation	58
Complaints meeting threshold requirements for initial inquiry and/or full investigation	15



2
SECTION

Office
of **Audit and Evaluation**

Audit and Evaluation Highlights

Key Statistical Data *for the Period of October 1, 2025, to March 31, 2026*


Audit and Evaluation Results⁵

 **Reports Issued** 18

Financial Impact

 **Recommended Funds Put to Better Use** \$5,917,046

 **Questioned Costs** \$28,323,894

 **Collections from Audits** \$43,164,331



5 | During this semiannual reporting period, U.S. Department of Housing and Urban Development, Office of Inspector General (HUD OIG), audits did not result in administrative actions, civil actions, or personnel actions. Therefore, HUD OIG did not include those categories under audit results in this report.

Resolution of HUD OIG Recommendations

HUD OIG conducts audits and evaluations and, in addition to reporting findings, makes recommendations for corrective action that HUD and program participants can take to cure deficiencies and improve the delivery of critical housing services. HUD OIG collaborates closely with HUD to ensure that its corrective actions are focused and achieve the intended results of providing safe and quality housing for its beneficiaries, as well as reducing the risk of fraud, waste,

and abuse. During this reporting period, HUD successfully resolved 68 open recommendations from previous HUD OIG audits and evaluations.

This collaborative effort has significantly reduced the total number of open HUD OIG recommendations. As of March 31, 2026, HUD had 568 open recommendations.

Open Audit and Evaluation Recommendations by SAR period



Closure of Priority Open Recommendations

REPORT, 2014-KC-0002, REC 1B

The Data in CAIVRS Did Not Agree with the Data in FHA's Default and Claims System

On **March 31, 2026**, HUD took action to close priority recommendation 1B from the HUD OIG Audit Report, *The Data in the Credit Alert Verification Reporting System (CAIVRS) Did Not Agree with the Data in FHA's Default and Claims System*, issued July 2, 2014. To close this recommendation, HUD's Office of Single-Family Housing updated the data feed sent from its Single-Family Insurance System - Claims

Subsystem to CAIVRS to include all deficiency judgement data for all parties until resolved. HUD provided the Interface Control Document showing what data is sent to CAIVRS related to deficiency judgments. By taking these steps in June 2024, HUD helped ensure complete reporting of all ineligible borrowers which should put \$9.5 million to better use.

REPORT, 2021-KC-0004, REC 1A

HUD's Office of Multifamily Housing Programs' Complaint Process Did Not Ensure That Health and Safety Complaints Were Resolved in a Timely Manner

On **March 30, 2026**, HUD took action to close priority recommendation 1A from the HUD OIG Audit Report, *HUD's Office of Multifamily Housing Programs' Complaint Process Did Not Ensure That Health and Safety Complaints Were Resolved in a Timely Manner*, issued July 28, 2021. To close this recommendation, HUD revised its process. When an FHA Resource Center complaint is referred to the Multifamily Regional Office, it is entered into the Asset Management Processing System (AMPS), the workload tracking system for HUD's Multifamily Programs. All tenant complaints are required to be entered into AMPS within one day of receipt

and tracked to completion with a goal of resolution within 21 days of receipt. If a complaint is categorized as health and safety, it is prioritized for expeditious response by the assigned Account Executive. Field Multifamily management reviews AMPS and track responses. The Multifamily Regional management team also requires that the Account Executives follow the complaint through to resolution, often requiring a call to the resident to confirm the issue has been resolved. Based upon the process as described, HUD OIG concurred with the closure of this priority recommendation.

Recommendations Dashboard

Our Recommendations Dashboard provides public access to open, closed, and priority recommendations for HUD programs. Users can see the number of recommendations, related costs, and explore visual insights through interactive charts and graphs.



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

On **March 17, 2026**, HUD took action to close priority recommendation 1 from the HUD OIG Evaluation Report, *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*, issued February 28, 2023. To close the recommendation, HUD issued a new joint notice titled Implementation of the Reduced Elevated Blood Lead Level (EBLL) Triggering Response in Certain Assisted Target Housing, for the Office of Lead Hazard Control and Healthy Homes (OLHCHH). The notice provides guidance on when owners and HUD staff must undertake actions if they are notified of a child under age 6 residing in HUD-assisted housing with

an EBLL at or above the threshold level of 3.5 µg/dL. HUD published the notice on several public webpages.

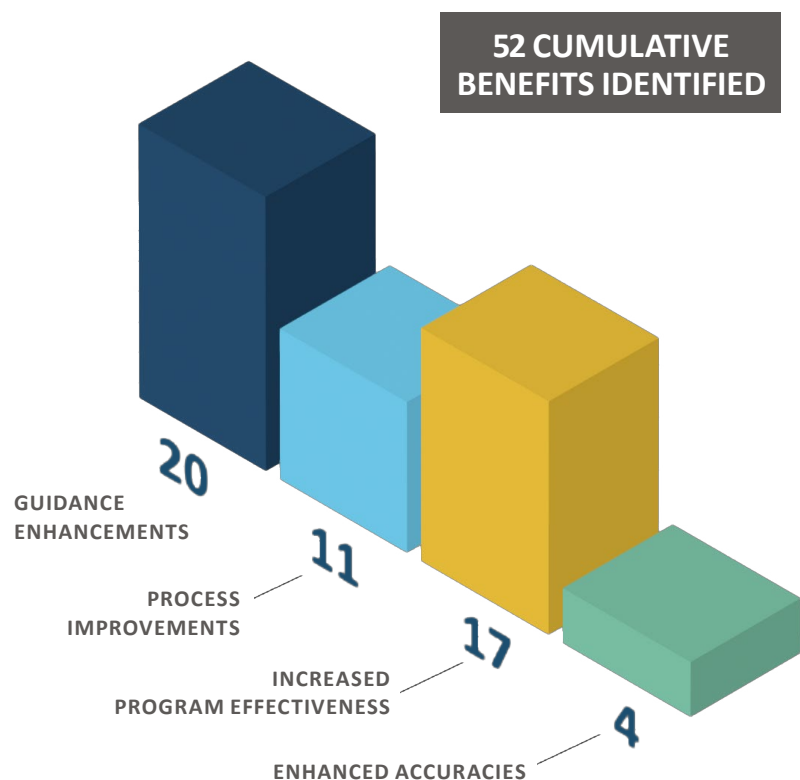
In addition, OLHCHH has updated HUD regulations, policies, and procedures, following the regulatory process required by the amended Lead Safe Housing Rule (LSHR), in consideration of the Center for Disease Control and Prevention’s (CDC) lowered blood lead reference value (BLRV) of 3.5 µg/dL. The revised standard enables earlier identification of lead exposure, allowing housing authorities to intervene more quickly and reduce potential long-term health impacts. This enhancement advances HUD’s commitment to providing safer living environments for vulnerable families.

Non-Monetary Benefits

Along with monetary benefits, HUD OIG has developed a robust method for tracking non-monetary and other benefits resulting from its reports and recommendations. HUD OIG uses an Other Benefits Review Board to ensure that all its components are consistently tracking and reporting the non-monetary and other benefits that result from HUD’s implementation of policy, guidance, technical, or other changes to address HUD OIG report recommendations.

HUD OIG is pleased to report the results for non-monetary recommendations assessed for October 2025 through March 2026. HUD OIG identified 52 non-monetary benefits generated by closed HUD OIG recommendations: 20 guidance enhancements; 11 process improvements; 17 instances of increased program effectiveness; and 4 enhanced accuracies.

See the definitions and examples on the next page.



1. Guidance Enhancement

20 IDENTIFIED

When HUD creates new rules, policies, or procedures because of HUD OIG's work. These changes give clearer direction and help prevent future problems.

2. Process Improvement

11 IDENTIFIED

When HUD makes a program or process run more smoothly or efficiently because of HUD OIG's work. This can include simplifying steps or improving how work gets done.

3. Increased Program Effectiveness

17 IDENTIFIED

When HUD takes action based on HUD OIG's recommendations that helps a program perform better and support HUD's goals.

4. Enhanced Accuracy

4 IDENTIFIED

When HUD improves the accuracy or clarity of its data or records to optimize accountability, transparency, or customer experience because of HUD OIG's recommendations.

Examples

1. Guidance Enhancements

On March 5, 2026, HUD OIG closed a recommendation requiring HUD to conduct regular reviews of all system environments - testing, development, and production - for unnecessary disclosure of Personally Identifiable Information (PII). As a result of our work, HUD issued a Privacy Office

Directive that requires system owners to attest every 90 days that no live data or PII is present in development, testing, staging, or other non-production environments. Issuing this guidance to strengthen controls over PII is a direct benefit of our oversight.

REPORT 2023-OE-0007, REC 5

2. Process Improvements

As a result of our work, HUD obtained evidence showing that the audited Public Housing Authority (PHA) has improved its controls over the stop payment process. As of June 26, 2025, the PHA implemented a new procedure that generates new inspection IDs in the system to prevent improper housing assistance payments for units with uncorrected

deficiencies. Based on a sample review, HUD confirmed that this new process strengthens controls and complies with both the PHA's administrative plan and HUD regulations. This improvement over the stop-payment process is a direct benefit of our oversight.

REPORT, 2024-CH-1004, REC 2B

3. Increased Program Effectiveness

As of January 7, 2026, HUD confirmed that the program grantee has put proper controls in place for its disaster recovery procurement process. As a result of our work, the grantee implemented controls to (1) ensure contracts longer than five years receive the required approval, (2) document

whether board approval was sought before contracts are executed, and (3) use a contract tracker that ensures contracts over five years receive approval from the overseeing agency. These control improvements to the grantee's procurement process are a direct benefit of our oversight.

REPORT 2025-FW-1001, REC 1C

4. Enhanced Accuracy

On December 16, 2025, HUD OIG closed a recommendation that required the program grantee to finish implementing an accounting system that properly tracked program funds in line with HUD requirements. As a result of our work,

the grantee put a financial management system in place to track program funds and transactions as HUD requires. Ensuring accurate compliance in tracking program funds and transactions is a direct benefit of our oversight effort.

REPORT 2016-AT-1010, REC 1A

Key Audits and Evaluations

[READ ALL 18 REPORTS ISSUED](#)

Potential Fraud Risks and Schemes for HUD's Single Family Housing, Disaster Recovery and Capital Funds

FRAUD RISK MANAGEMENT

Beginning in 2021, HUD OIG conducted several audits to assess HUD's anti-fraud efforts, which included the development of inventories of fraud risks for several of its programs. This work found that HUD's fraud risk management program was in its early stages of development, and HUD OIG recommended that HUD perform program-specific fraud risk assessments and incorporate these assessments into an agency-wide plan to further advance its program. To continue assisting HUD in improving its anti-fraud efforts, we conducted work to identify potential fraud risks that could negatively impact HUD's Single Family Housing, Disaster Recovery, and Capital Fund programs. Our objective was to assist HUD by developing inventories of fraud risks for these programs. We found that while HUD's anti-fraud efforts are still in development, it had identified some risks in these program areas. Specifically, we noted that HUD has created an agency-wide fraud risk catalog that includes fraud risks that may affect different operations such as procurement,

payroll, lending, or disbursements. This catalog is not broken down by specific program area. However, we found HUD has developed additional fraud risk inventories specifically for Single Family Housing (28 risks) and Disaster Recovery (20 risks). Our reviews also identified additional fraud risks for Single Family Housing (64 risks), Disaster Recovery (37 risks), and the Capital Fund Program (15 risks) that were not included in the catalog or in the individual inventories mentioned above. These risks could affect program integrity and increase the risk to HUD's funds and program participants. HUD OIG recommends that HUD use these expanded inventories to enhance its anti-fraud efforts and oversight, involve stakeholders in identifying fraud risks, communicate identified risks, and strengthen data and system capabilities to better monitor and address fraud. This work supports HUD's anti fraud efforts to safeguard taxpayer dollars, enhance oversight, and support program objectives.

RELATED REPORTS: **POTENTIAL FRAUD RISKS AND SCHEMES FOR HUD'S SINGLE FAMILY HOUSING PROGRAM** | *February 17, 2026* [➔](#)

POTENTIAL FRAUD RISKS AND SCHEMES FOR HUD'S DISASTER RECOVERY FUNDS
January 21, 2026 [➔](#)

POTENTIAL FRAUD RISKS AND SCHEMES FOR HUD'S CAPITAL FUND PROGRAM
December 18, 2025 [➔](#)

HUD OIG Review of Lead-Based Paint Grants and a Grantee

HEALTH AND SAFETY

We audited HUD's Office of Lead Hazard Control and Healthy Homes' (OLHCHH) oversight of Lead-Based Paint Hazard Control (LBPHC) and Lead Hazard Reduction Demonstration (LHRD) grant programs. These programs help reduce lead hazards in low-income households, particularly those with young children. Between fiscal years 2020 and 2022, OLHCHH awarded more than \$353 million in competitive lead grants to 101 grantees as part of HUD's efforts to

address lead hazards in U.S. low-income households. We conducted this audit due to concerns that grantees were not spending grant funds to assist with reducing lead in targeted households. We found that OLHCHH needs to improve its oversight of competitive LBPHC and LHRD grants. OLHCHH did not always (1) review grantees' past performance when evaluating capacity to manage competitive lead grant funds, (2) designate poor performing grantees as 'High Risk' after

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HUD OIG Review of Lead-Based Paint Grants and a Grantee (Cont.)

HEALTH AND SAFETY

two consecutive quarters of poor performance, and (3) provide timely reviews of quarterly performance reports. Due to the pandemic's impact on grantees, OLHCHH eased its application review criteria for evaluating grantees' performance history and how grantees are designated as 'High Risk' performers. OLHCHH believed that doing so would minimize any hindrance to grantees' eligibility for competitive lead grants and avoid penalizing grantees still recovering from the pandemic's impact.

To demonstrate what is taking place at the public housing level, we audited the Puerto Rico Public Housing Administration's management of lead-based paint in its public housing program based on our risk assessment. The risk factors assessed included the age of buildings, the number of units, and reported cases of childhood lead poisoning. The Puerto Rico Public Housing Administration (Authority) is the second largest public housing agency in the country with about 53,700 public housing units, the majority of which were constructed before 1978, the oldest having been constructed in 1941.

We found that the Authority has not adequately managed lead-based paint in its public housing. It did not (1) conduct lead-based paint inspections or risk assessments, (2) maintain adequate records, (3) integrate interim controls, including ongoing maintenance and visual assessments, in its normal operations, or (4) properly disclose the presence of lead-based paint to its public housing residents. These deficiencies are the result of weak governance and inadequate oversight by the Authority. Leadership failed to allocate the necessary resources, implement effective risk management practices, and maintain up-to-date policies consistent with Federal regulations. As a result, individuals and families living in the Authority's public housing units, including those with children under 6 years of age, are at an increased risk of exposure to lead-based paint hazards shown to result in adverse health effects, a risk compounded by the absence of complete and reliable information necessary for the Authority and HUD to implement adequate mitigation measures.

RELATED REPORTS: [HUD NEEDS TO IMPROVE ITS AWARD AND OVERSIGHT OF LEAD-BASED PAINT HAZARD CONTROL AND LEAD HAZARD REDUCTION DEMONSTRATION GRANTS | January 27, 2026](#) →

[THE PUERTO RICO PUBLIC HOUSING ADMINISTRATION HAS NOT ADEQUATELY MANAGED LEAD-BASED PAINT IN ITS PUBLIC HOUSING | January 15, 2026](#) →

HUD OIG Review of Emergency Solutions Grants CARES Act Program

IMPROPER PAYMENTS

HUD OIG audited two Emergency Solutions Grants (ESG) CARES Act program grantees to determine whether improper payments existed, and we identified a total of more than \$3.4 million in questioned costs and funds to be put to better use. Our audit of the City and County of Honolulu found that the City and its subrecipients made improper payments totaling \$765,747 because they did not always follow HUD's requirements related to landlord signing bonus

payments, rent calculations, and duplication of benefits. The audit also disclosed that HUD communicated draw deadlines to grantees that were inconsistent with guidance it publicly issued, causing the City to draw \$1.9 million in grant funds after the deadline.

Our audit of the California Department of Housing and Community Development (HCD) disclosed that HCD and its

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Key Audits and Evaluations

[READ ALL 18 REPORTS ISSUED](#)**IMPROPER PAYMENTS**

HUD OIG Review of Emergency Solutions Grants CARES Act Program (Cont.)

subrecipients made improper payments totaling \$1,312,671 related to landlord incentives for holding fees, signing bonuses, security deposits, risk mitigation expenses, and food services. We made recommendations in the two audit reports intended to address the control deficiencies identified within the ESG CARES Act program as well as ensure that the risk of deficiencies occurring in the annual ESG program is mitigated. Specifically, we recommended that HUD determine the eligibility of the questioned costs or require repayment from nonfederal funds and instruct the grantees to implement improvements to its policies and

procedures. We also made recommendations for HUD to implement written policies to ensure the guidelines for any changes to expenditure and draw deadlines are provided in a formal document, such as a Community Planning and Development Notice. In addition, we recommended that HUD issue clarifying guidance to ensure grantees with tenant-based rental assistance prorate the rent amount correctly and issue guidance requiring grantees implement internal controls to prevent duplication of benefits with other programs.

RELATED REPORTS: **THE CITY AND COUNTY OF HONOLULU MADE SOME IMPROPER PAYMENTS IN ITS ESG CARES ACT PROGRAM** | *March 10, 2026* [↔](#)

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT NEEDED STRONGER CONTROLS TO PREVENT IMPROPER PAYMENTS IN ITS ESG CARES ACT PROGRAM | *March 17, 2026* [↔](#)

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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. HUD OIG's Office of Audit and Evaluation⁶ and Office of Investigation are required to undergo a peer review every three years 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.

Peer Reviews conducted on HUD OIG

Type of review	Date of peer review	Reviewing OIG	Rating	Outstanding recommendations
Audit	September 30, 2024	DOT* OIG	Pass	None
Evaluation	April 9, 2026 ⁷	VA** OIG	Pass	None
Investigation	October 14, 2022	SSA*** OIG	Pass	None

Peer Reviews conducted by HUD OIG

Type of review	Date of peer review	Reviewing OIG	Rating	Outstanding recommendations
Audit	June 17, 2025	SSA*** OIG	Pass	None
Evaluation	March 28, 2025	DoD**** OIG	Pass	None
Investigation	June 5, 2020	DHS OIG	Pass	None

* U.S. Department of Transportation

** U.S. Department of Veteran Affairs

*** Social Security Administration

**** U.S. Department of Defense

⁶ | During this reporting period, the Office of Evaluations was peer reviewed as a standalone component. It is combined as the Office of Audit and Evaluation.

⁷ | The final report for this peer review was received after the reporting period.

Legislation, Regulations, and Other Directives

Pursuant to its responsibilities under the Inspector General Act of 1978, as amended, the HUD OIG reviews proposed legislation and regulations concerning their impact on the economy and efficiency of HUD program and the prevention and detection of fraud and abuse in HUD programs and operations. During this six-month reporting period, HUD OIG reviewed 72 issuances. HUD OIG provided comments on 9 (13 percent) of the issuances and non-concurred on 14 (19 percent). The draft directives consisted of 51 notices, and 21 other directives. Of the other directives, HUD OIG reviewed one handbook-guidebook, one final rule, one proposed rule, one interim final rule, 8 congressional reports, and 9 other directives.

HUD OIG non-concurred on five clearances due to warning and certification language. HUD continues to be receptive to these recommendations and has accepted and incorporated HUD OIG's recommended warning and certification language into several of its policies.

Departmental clearances by final disposition

No position	44
With comments	9
Nonconcur	13

Legislation

Permanent Authorization of the CDBG-DR Program

HUD OIG and the U.S. Government Accountability Office have issued multiple oversight reports with recommendations to ensure that HUD's Community Development Block Grant Disaster Recovery (CDBG-DR) program funding reaches vulnerable communities quickly, including that HUD seek permanent authorization of the CDBG-DR program through legislative action. Permanently authorizing the CDBG-DR program would streamline, reform, and inject greater fiscal responsibility into the program; mitigate funding lags and duplicative requirements; and ultimately help HUD achieve its mission.

The Department has taken consistent, meaningful steps to address HUD OIG's recommendations to pursue such permanent authorization by Congress. Secretary Turner and former Secretaries Carson and Fudge expressed support for permanent authorization in Congressional testimony.

Congressional support for permanent authorization of the program has been demonstrated through the introduction of various bills in both Chambers, and most recently passage by the Senate of the 21st Century ROAD to Housing Act.

Legislation Addressing Critical Gaps in HUD Whistleblower Protections

To address a gap in whistleblower protection for employees of thousands of contractors who receive HUD funding, HUD OIG recommended that HUD seek legislative authority to expeditiously include 41 U.S.C. § 4712 protections within contracts for which HUD believes it must otherwise wait until there is a major modification. The President's fiscal year 2026 Congressional Budget Justification requested new legal authority to protect whistleblowers by addressing this critical gap. In February 2026, Congress enacted the Consolidated Appropriations Act, 2026, which applies whistleblower protections to funded contracts, consistent with 41 U.S.C. § 4712 and HUD OIG's recommendation.

Warning and Certifications

HUD OIG regularly makes recommendations to HUD to include standard warnings and certifications in its policies and forms to protect HUD's programs from fraud. Clear warnings on HUD documents put fraudsters on notice that there can be serious criminal, civil, and administrative consequences to their actions that help discourage fraud. Certifications of accuracy and truthfulness under penalty of perjury, as well as warnings, play an important role in promoting accountability and enabling effective prosecution of those who commit fraud.

HUD OIG, therefore, continues to recommend that HUD include the following language in forms:

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §§ 3729, 3802).

HUD OIG non-concurred on three clearances due to warnings and certifications language. HUD continues to be receptive to these recommendations and has accepted and incorporated HUD OIG's recommended warning and certification language into several of its policies.

Notices and Other Directives

Implementation of the Reduced Elevated Blood Lead Level Triggering Response in Certain Assisted Target Housing

HUD issued a notice on February 27, 2026, which provides general guidance on when: owners of certain assisted target housing where "target housing" means most housing constructed prior to 1978, and HUD staff and their support contractors managing certain target housing must undertake response actions when they are notified by a public health department or other medical health care provider that a child under age 6 residing in such a housing unit has been identified as having an elevated blood lead level (EBLL) at or above the threshold level of 3.5 micrograms of lead per deciliter of blood ($\mu\text{g}/\text{dL}$).

Work Requirements or Term Limits in Housing Assistance Programs

HUD issued a proposed rule on March 2, 2026, which would amend HUD regulations in order to provide Public Housing Agencies (PHAs) and certain Multifamily Housing Owners (Owners) with the option to implement work requirements for work-eligible adults and term limits for non-elderly, non-disabled families residing in public housing or receiving assistance through Housing Choice Vouchers (HCV), Project-Based Vouchers (PBV), or Project-Based Rental Assistance (PBRA).

Housing and Community Development Act of 1980: Verification of Eligible Status

HUD issued a proposed rule on February 20, 2026, which would revise HUD's Section 214 of the Housing and Community Development Act of 1980 implementing regulations to require the verification of U.S. citizenship or the eligible immigration status of all applicants and recipients of assistance under a covered program regardless of age. The proposed rule would also make prorated assistance a temporary condition pending verification of eligible status of all family members, where permitted by statute, as opposed to under HUD's current regulations where prorated assistance could continue indefinitely.

Reducing Regulatory Constraints in Financing Residential Care Facilities: Proposed Rule - The Federal Housing Administration, Office of Healthcare Programs

Residential Care Facilities (ORCF) issued a proposed rule with the goal of positioning newer residential facilities to qualify for FHA-insured financing. Once final, the rule would eliminate the number of required bathrooms in an assisted living facility and a board and care home and eliminate the 1975 rule which requires newly constructed projects and projects that have been substantially rehabilitated to wait 3 years from completion prior to applying for FHA mortgage insurance financing.

Reporting Requirements

New citation	New requirement (NDAA* for fiscal year 2023, sec. 5273)	Page
(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	2-14
(a)(2)	an identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential cost savings associated with the recommendation	Table A Oversight.gov HUD OIG Open Recommendations Dashboard
(a)(3)	a summary of significant investigations closed during the reporting period	5-6
(a)(4)	an identification of the total number of convictions during the reporting period resulting from investigations	3
(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	2-14 Table C Table D HUD OIG Open Recommendations Dashboard
(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	Table B
(a)(7)	the information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	20
(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;	15
(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;	15
(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;	15

New citation	New requirement (NDAA* for fiscal year 2023, sec. 5273)	Page
(a)(11)	<p>statistical tables showing</p> <p>(A) the total number of investigative reports issued during the reporting period;</p> <p>(B) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;</p> <p>(C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and</p> <p>(D) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities;</p>	3
(a)(12)	<p>a description of the metrics used for developing the data for the statistical tables under paragraph (11);</p>	3
(a)(13)	<p>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...</p>	20
(a)(14)	<p>(A) a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and</p> <p>(B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable;</p>	None
(a)(15)	<p>information related to interference by the establishment, including -</p> <p>(A) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including—</p> <p style="padding-left: 20px;">(i) with budget constraints designed to limit the capabilities of the Office; and</p> <p style="padding-left: 20px;">(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;</p> <p>(B) a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period;</p>	None
(a)(16)	<p>Detailed descriptions of the particular circumstances of each -</p> <p>(A) Inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and</p> <p>(B) Investigations conducted by the office involving a senior government employee that are closed and not disclosed to the public.</p>	None

Streamlined Reporting Requirements

Section 5273 of the Fiscal Year 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 OIG's to better focus semiannual reports (SAR) on their most significant activities and most critical issues facing the agencies they oversee.

These reforms provide more flexibility for each OIG to use the SAR as a conduit for information that has already been made public and to leverage external websites, such as www.oversight.gov. In addition, the NDAA eliminated certain reporting requirements that had been incorporated into the Inspector General Act of 1978, as amended.

Below are HUD OIG's statutory requirements as set forth by the NDAA, as well as the Trafficking Victims Prevention and Protection Reauthorization Act of 2022.

Federal Financial Management Improvement Act of 1996 – (a)(7)

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 SAR instances and reasons when an agency has not met the intermediate target dates established in its remediation plans.

As of March 31, 2026, HUD OIG and HUD had not identified any systems that were noncompliant with the three elements of section 803(a) of FFMIA. However, our IPA reported a disclaimer of opinion on HUD's financial statements for the fiscal year ending September 30, 2025. Due to the basis for disclaimer, our IPA was unable to obtain sufficient evidence to conclude whether HUD substantially complied with FFMIA in fiscal year 2025. All previously noncompliant system recommendations have been closed.

Senior Government Employee Investigations – (a)(13)

A report on each investigation conducted by the office in which 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, which should include - (A) the name of the senior government employee if already made public by the office and (B) a detailed description of - (i) the facts and circumstances of the investigation and (ii) the status and disposition of the matter, including - (I) if the matter was referred to the Department of Justice, the date of the referral and (II) if the Department of Justice declined the referral, the date of the declination.

HUD OIG conducted an investigation upon receipt of information that a former senior official in HUD's Office of the Chief Information Officer may have participated in an official capacity in certain matters involving companies in which the official owned stock. The investigation found that the official reported ownership of this stock in financial disclosure reports submitted to HUD throughout the official's tenure, but that the official did not effectively recuse from participating in certain matters involving some of the companies in which the official had invested. HUD OIG found no evidence indicating that the official took any action during the official's tenure for the purpose of or likely to result in personal financial benefit. Nonetheless, HUD OIG found that by failing to recuse from participating in matters related to the official's investments, the official failed to comply with the requirements of 5 C.F.R. § 2635.402. HUD OIG referred this matter to the appropriate office within the U.S. Department of Justice for prosecutorial consideration regarding any potential criminal violations on April 24, 2024, and no prosecution resulted. HUD OIG also referred its findings in this matter to HUD for any action it may deem appropriate.

Instances of Whistleblower Retaliation – (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 imposed to hold the official described in subparagraph (A) accountable.

None.

OIG Independence – (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 in which 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 – (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) investigation conducted by the office involving a senior government employee that is closed and was not disclosed to the public.

HUD OIG initiated an investigation regarding allegations that a HUD senior official misused government equipment, including a government owned vehicle; misused government furnished tech equipment; and slept in their office. The investigation did not substantiate the allegations and the HUD senior official voluntarily resigned.

Trafficking Victims Prevention and Protection Reauthorization Act of 2022

HUD OIG performed a review of records for this semiannual reporting period, which resulted in no reportable allegations of human trafficking as required by the Trafficking Victims Prevention and Protection Reauthorization Act of 2022.

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HUD's Top Management Challenges for Fiscal Year 2026

Improving Business Operations:
Modernizing IT Systems and Streamlining Procurement



Protecting Taxpayer Funds from
Fraud, Waste, and Abuse



Modernizing the
Management of Grant Funds



Ensuring the Availability of
Affordable and Quality Housing



Acronym Glossary

Authority	Puerto Rico Public Housing Administration
AMPS	Asset Management Processing System
BLRV	blood lead reference value
CDBG-DR	Community Development Block Grant Disaster Recovery
CDC	Center for Disease Control and Prevention
CPD	Community Planning and Development
EBLL	Elevated Blood Lead Level
ESG	Emergency Solutions Grant
FFMIA	Federal Financial Management Improvement Act
FHA	Federal Housing Administration
FY	fiscal year
Ginnie Mae	Government National Mortgage Association
HCV	Housing Choice Voucher (Program)
HUD	U.S. Department of Housing and Urban Development
IPA	Independent Public Accounting
IT	Information technology
LBPHC	Lead-Based Paint Hazard Control
LHRD	Lead Hazard Reduction Demonstration
LSHR	Lead Safe Housing Rule
NDAA	National Defense Authorization Act
NYCHA	New York City Housing Authority
OIG	Office of Inspector General

OLHCHH	Office of Lead Control and Healthy Homes
ORCF	Office of Residential Care Facilities
Owners	Multifamily Housing Owners
PBRA	Project-Based Rental Assistance
PHA	Public Housing Authority
PII	Personally Identifiable Information
PVB	Project-Based Vouchers
RAD	Rental Assistance Demonstration (Program)
SAR	Semiannual Report to Congress
U.S.C.	United States Code

95 SAR

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