



**U.S. Department of Housing
and Urban Development
Washington, DC**

**Monitoring of Public Housing Demolition
and Disposition Unit Inventory
Data in IMS/PIC**



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SUBJECT: HUD's Monitoring of Public Housing Authority Demolition and Disposition
Projects Was Not Always Adequate to Ensure Data in IMS/PIC Was Accurate

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), final audit report on our review of HUD's controls to ensure the reliability of public housing authority inventory data in HUD's Inventory Management System / Public and Indian Housing Information Center (IMS/PIC).

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, section 8M, requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at 212-264-4174.



June 11, 2014

HUD's Monitoring of Public Housing Authority Demolition and Disposition Projects Was Not Always Adequate to Ensure Data in IMS/PIC Was Accurate

Highlights

Audit Report 2014-NY-0002

What We Audited and Why

We audited the U.S. Department of Housing and Urban Development's (HUD) Inventory Management System-Public and Indian Housing Information Center (IMS/PIC) inventory data related to public housing demolition and disposition projects. The objective of the audit was to determine whether HUD adequately monitored the demolition and disposition projects to ensure the reliability of IMS/PIC inventory data and awarded appropriate Capital Fund program funding related to these projects.

What We Recommend

We recommend that HUD officials (1) clarify guidance to public housing authorities (PHA) for reporting on the status of demolition and disposition projects and updating inventory data in IMS/PIC upon the completion of the projects, (2) strengthen controls in IMS/PIC to ensure that HUD field offices have adequate information to monitor the projects and related inventory data, (3) strengthen controls to ensure that reported data errors are adequately resolved, and (4) establish procedures to ensure field offices properly monitor the projects and determine if PHA-certified inventory data is accurate.

What We Found

HUD's process for monitoring public housing authority (PHA) units approved for demolition and disposition was not always adequate to ensure that IMS/PIC data was accurate. We attribute this condition to a lack of standardized field office procedures, inadequate guidance to PHA officials for reporting the status of their demolition and disposition projects, and HUD's failure to correct PHA-reported unit inventory errors in a timely manner. Consequently, HUD field office staff was not always aware of the status of PHA demolition and disposition projects, IMS/PIC did not always have up-to-date information on PHA units approved for demolition and disposition, and HUD officials did not identify that some PHAs incorrectly certified the number of their standing units, resulting in 8 of the 14 PHAs reviewed overstating the number of units eligible for Capital Fund program funding and receiving \$554,714 to which they were not entitled.

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BACKGROUND AND OBJECTIVE

The Office of Public and Indian Housing (PIH) developed and implemented the Public and Indian Housing Information Center (PIC) on December 15, 1999, to facilitate a more timely and accurate exchange of data between public housing authorities (PHA) and the U.S. Department of Housing and Urban Development (HUD) by allowing PHAs to submit information to HUD over the Internet. PIC has eight modules and a series of submodules that maintain detailed information on PHAs. PIC has evolved into the PIH Inventory Management System (IMS), now referred to as IMS/PIC, which is responsible for gathering and maintaining data on PIH's inventory of PHAs, including developments, buildings, units, agency officials, HUD offices and staff, and IMS/PIC users.

IMS/PIC records detailed building and unit inventory data on 1.1 million public housing units and tenant family data for 3.3 million households assisted under HUD's low-rent and Housing Choice Voucher programs. IMS/PIC is also used for various HUD administration functions, including determining PHA annual Public Housing Capital Fund program formula grant funding. HUD's Real Estate Assessment Center manages IMS/PIC and provides technical assistance for the system.

Our audit focused on the Housing Inventory module and its two submodules, the Development and Inventory Removals submodules, because the information in this module affects the amount of a PHA's annual Capital Fund formula grant.

The Development submodule is used by PHA officials to provide building and unit information to HUD. Once approved by the field office, these data represent a PHA's official unit inventory. PHA building and unit data began to be entered into IMS/PIC in October 2000. Summary building and unit data and detailed demolition and disposition data had previously been maintained in HUD's predecessor system, the Integrated Business System. HUD has taken many actions since transition to IMS/PIC to ensure that PIH inventory data have been successfully migrated from the Integrated Business System. Further, in an effort to increase confidence in the accuracy of the Development submodule data, since 2007, HUD has required PHA officials to certify annually as to the accuracy of the building and unit data they have submitted to HUD through the CAPFUND B&U Certification page located in the Development submodule.

The Inventory Removals submodule is used by PHA officials to apply to HUD's Special Application Center for approval to demolish or dispose of buildings and units and to remove the buildings and units from their housing inventory maintained in IMS/PIC upon the completion of demolition or disposition. Field offices are responsible for monitoring the progress of Special Application Center-approved demolition and disposition projects for the PHAs in their jurisdiction and approving the removal of the buildings and units from IMS/PIC inventory data upon completion of the projects. The Capital Program Division of Public Housing Investments administers the Capital Fund program, which provides funding annually via a formula to

approximately 3,200 PHAs for development, financing, modernization, and management improvements. The formula calculation is extensively based on the inventory data in IMS/PIC.

The objective of the audit was to determine whether HUD adequately monitored the demolition and disposition projects to ensure the reliability of IMS/PIC inventory data and awarded appropriate Capital Fund program funding related to these projects.

RESULTS OF AUDIT

Finding: HUD's Monitoring of Public Housing Authority Demolition and Disposition Projects Was Not Always Adequate to Ensure IMS/PIC Data Was Accurate

HUD's process for monitoring PHA units approved for demolition and disposition was not always adequate to ensure that IMS/PIC data was accurate. We attribute this condition to a lack of standardized field office procedures, inadequate guidance to PHA officials for reporting on the status of approved demolition and disposition projects, and HUD's failure to correct PHA-reported unit inventory errors in a timely manner. Consequently, HUD field office staff was not always aware of the status of PHA demolition and disposition projects, IMS/PIC did not always have up-to-date information on PHA units approved for demolition and disposition, and HUD officials did not identify that some PHAs incorrectly certified the number of their standing units, resulting in 8 of the 14 PHAs reviewed overstating the number of units eligible for Capital Fund program funding and receiving \$554,714 to which they were not entitled.

Monitoring of PHA Demolition and Disposition Project Data Was Not Always Adequate

Field office monitoring of PHA demolition and disposition projects was not always adequate to ensure that IMS/PIC accurately reflected the status of the units involved in the PHAs' demolition and disposition projects. While HUD field offices were required to monitor PHA demolition and disposition projects, field office staff lacked standardized monitoring procedures. In addition, PHAs did not receive adequate guidance for periodically reporting on the status of their demolition and disposition projects and requesting removal of affected units upon project completion. Further, reported PHA unit errors in IMS/PIC were not always resolved in a timely manner.

Lack of Standard Field Office Monitoring Procedures

PIH Notice 2005-12 requires that HUD field office staff contact PHA officials quarterly for information on the status of their demolition and disposition projects as part of HUD's requirements for reporting data to Congress and for routine monitoring of PHA program performance. Further, the Special Application Center approval letters sent to PHAs for a demolition or disposition project provided that the appropriate field office was responsible for monitoring the progress of approved projects; however, information, such as project milestones

and estimated completion dates, which would facilitate monitoring, was not always available to the field office in IMS/PIC. Therefore, each field office had to establish its own manual system of monitoring. However, none of the three field offices reviewed had written procedures for monitoring PHA demolition and disposition projects or provided documentation to support that they contacted the PHAs quarterly as required to determine the progress of the project. Further, PIH Notice 2005-12 stated that HUD would establish a quality assurance protocol, including onsite reviews to ensure that data entered into IMS/PIC are accurate. However, the protocol has not been established. In general, field office staff involvement was limited to giving final approval for the removal of demolished or disposed of units from IMS/PIC after the PHA submitted the removal request. In addition, although some field office staff members were aware that PHA officials did not report adjustments to their inventory in a timely manner, they did not determine the reasons for the delay.

Further, some field office staff were unfamiliar with the PHA procedures required to remove units from the inventory. For example, staff at one field office was not aware that a PHA should update its inventory in IMS/PIC within 7 days after the completion of the demolition or disposition project. Staff at another field office was unaware that PHA officials had to complete a two-step process within IMS/PIC before the request to remove inventory would be submitted to the field office for approval to remove units from a PHA's inventory. These officials also incorrectly believed that PHA units were removed from the PHA's inventory once the Special Application Center approved the demolition or disposition project application and that the units automatically became ineligible for Capital Fund formula grant funding.

Lack of Guidance for PHA Reporting on Demolition and Disposition Project Status

Regulations at 24 CFR (Code of Federal Regulations) 970.35 require that PHA officials report to HUD when a project is completed and other information that HUD may require. However, the regulations lack details on the nature and frequency of reporting, and HUD did not provide additional guidance. Further, although the Special Application Center letter approving the PHA's application for a demolition or disposition project instructed PHA officials to report the status of the project to the appropriate HUD field office, it did not specify the details or frequency of the reporting. However, there was no documentation showing that any of the 14 PHAs reviewed had periodically informed HUD staff (see appendix C) of the ongoing status of their demolition or disposition projects. Therefore, field office staff was not afforded the opportunity to identify potential problems with the implementation of the projects.

Reported Data Errors Not Corrected in a Timely Manner

HUD's Capital Fund Data Certification Step by Step Instruction Guide (January 22, 2009, version) provides that PHA officials should report IMS/PIC inventory data errors to HUD's Technical Assistance Center, which is under the Real Estate Assessment Center. The Center assigns a ticket number, which is stored in the Customer Assistance Subsystem.¹ However, errors reported by PHAs were not always corrected in a timely manner to ensure that Capital Fund formula grants were accurately awarded. For example, when certifying the number of standing units for their fiscal year 2007 Capital Fund formula grant, officials at one PHA reported that their public housing unit numbers in IMS/PIC for one partially demolished development were incorrect. However, while a ticket had been assigned, HUD officials did not have records showing how or when this error was corrected. While certifying their fiscal year 2008 Capital Fund formula grant for the same development, the PHA officials reported that the demolition had been completed and asked HUD to correct IMS/PIC data that did not reflect the status of the demolished units. However, this error was not corrected until fiscal year 2011, although the PHA officials continued to report the error every year from fiscal year 2008 to 2011. In addition, these PHA officials reported errors with public housing unit numbers at another demolition development each year from fiscal year 2009 through 2011 when the error had been corrected.

Further, while HUD's Customer Assistance Subsystem indicated that all of those tickets had been closed, HUD officials did not have records showing how the tickets were closed and whether the Capital Fund formula grants for the corresponding years were properly adjusted based on the correct number of units. This condition occurred due to weaknesses in resolving reported IMS/PIC inventory errors. As a result, HUD lacked assurance that all reported errors were adequately resolved before the due date for certification and that Capital Fund formula grants were properly adjusted for any inaccurate unit data.

Unit Status in IMS/PIC Inaccurate and Capital Funds Awarded for Ineligible Units

PHA officials incorrectly reported the status of their demolition and disposition projects in IMS/PIC and certified the eligibility for Capital Fund program funding of their inventory approved for demolition and disposition. Due to insufficient guidance and review of the status of PHA demolition and disposition projects, HUD did not identify these errors. Officials at 12 of the 14 PHAs reviewed did not report the completion of their demolition or disposition projects in IMS/PIC within 7 days of the completion as required, and 5 of the 12 PHAs did not submit

¹ The Customer Assistance Subsystem is HUD's stand-alone system used to maintain customer (PHA) profile records, inquiry tracking and management, and ticket escalation for resolution.

the second step of the inventory removal approval request to the field office in a timely manner (see appendix C). Officials at another PHA complied with the after-project reporting requirement; however, IMS/PIC incorrectly displayed the unit status and unit numbers, and neither HUD staff nor PHA officials noted this error. As a result, IMS/PIC did not accurately reflect the status of units approved for demolition and disposition at 13 PHAs.

PHAs receive Capital Fund program funds based upon an annual certification² of their standing units. As noted in the table below, 8 of the 13³ PHAs with inaccurate inventory data in IMS/PIC also submitted to HUD inaccurate self-certified data on standing units, which are used by HUD to calculate the amount of a PHA's Capital Fund program formula grant. Since HUD did not identify these inaccuracies, the PHAs received Capital Fund program formula grant funds to which they were not entitled for 1,328 units.

PHA	Units reported as standing in PIC	Units reported in error as standing	Percentage of erroneously reported units	Year affected by the erroneous reporting	Potential amount of overfunded Capital Fund grant
1	1,611	480	29.8	2011	TBD ⁴
2	2,525	180	7.1	2010	TBD
3	614	178	29.0	2013 2014	\$295,623 TBD
4	8,372	156	1.9	2012	TBD
5	390	140	35.9	2012 2013	TBD \$182,382
6	1,954	102	5.2	2008	TBD
	1,940		5.3	2009	TBD
7	417	60	14.4	2013	\$61,301
				2014	TBD
8	250	12	5.6	2013	\$15,408
		32 ⁵	12.8	2014	TBD
Total		1,328		2013 Other years	\$554,714 TBD

² Unit status is certified as of the reporting date, which was normally September 30 of the previous fiscal year. However, the reporting date has been June 30 of the previous fiscal year beginning with annual certifications for fiscal year 2013 funding.

³ While the remaining five PHAs had inaccurate inventory data in IMS/PIC, their certifications were correct because the PHA officials corrected the inaccurate inventory data before the annual certification reporting date.

⁴ We could not determine the overfunded amount for years before fiscal year 2013 without access to the specifics of HUD's complex Capital Fund funding formula because Capital Fund formula grants for those periods were provided to a PHA in a lump sum at the entity level without apportionment to the development level as has been done since fiscal year 2013. In addition, HUD officials could not provide such information during our audit because it would have taken additional time to research how HUD calculated the Capital Fund formula for the years before 2013. The amount for fiscal year 2014 could not be determined because that year's Capital Fund funding had not yet been allocated.

⁵ This amount includes the 12 units from the prior year so it is not reflected in the grand total.

Conclusion

HUD's process for monitoring PHA units approved for demolition and disposition was not always adequate. Consequently, HUD field office staff was not always aware of the status of PHA demolition and disposition projects, IMS/PIC did not always have up-to-date information on PHA units approved for demolition and disposition, and HUD officials did not identify that some PHAs incorrectly certified the number of their standing units, resulting in 8 of the 14 PHAs reviewed overstating the number of units eligible for Capital Fund program funding and receiving \$554,714 to which they were not entitled.

Recommendations

We recommend that the Deputy Assistant Secretary for the Office of Public Housing Investments

- 1A. Establish specific guidance on the nature and frequency of project status information that PHAs with approved demolition or disposition projects should report to HUD, and specify a time limit within which PHA officials must submit demolished or disposed of unit information to the field office for approval after such information is entered into IMS/PIC to provide greater assurance that IMS/PIC reflects unit status.
- 1B. Strengthen controls within IMS/PIC to ensure that HUD field office staff has sufficient information (such as project milestones or approval letters) to adequately monitor the status of approved demolition and disposition projects and receives alerts when PHAs report that units have been demolished or disposed of.
- 1C. Determine whether the Capital Fund formula grants were properly adjusted for the PHA that reported unit data errors in IMS/PIC for two of its developments from fiscal years 2007 to 2011, and 2009 to 2011, respectively, and if the PHA received inaccurate funding, take appropriate action to recoup any overpayment or provide any funds due.
- 1D. Request that officials of the four PHAs that received \$554,714 in Capital Fund formula grants to which they were not entitled for fiscal year 2013 reimburse HUD from non-Federal funds.
- 1E. Determine the amount of Capital Fund formula grant funds in fiscal years 2008 through 2012 and in 2014 that eight PHAs may have incorrectly received and require repayment of any improper amounts to HUD from non-Federal funds.

We recommend that the Deputy Assistant Secretary for Field Operations

- 1F. Strengthen field office monitoring of approved demolition and disposition projects by implementing procedures and providing training to HUD field office staff based upon guidance from the Office of Public Housing Investments on the process for reporting the completion of demolition and disposition projects and identifying improper PHA certifications of standing units to provide greater assurance that timely action is taken to ensure the reliability of PHA unit data in IMS/PIC.

We recommend that the Deputy Assistant Secretary for the Real Estate Assessment Center

- 1G. Strengthen controls over the management of reported IMS/PIC inventory data errors to ensure that errors are adequately resolved in a timely manner, and if they are not resolved, that the Capital Program Division of Public Housing Investments is notified so it can take action to properly adjust the Capital Fund formula grant amount.

We recommend that the Director, Departmental Enforcement Center,

- 1H. Determine whether administrative sanctions, including civil monetary penalties, should be imposed against any of the eight PHAs that incorrectly certified as to their standing units.

SCOPE AND METHODOLOGY

The audit focused on whether HUD had established adequate controls to ensure the reliability of housing inventory data in IMS/PIC related to PHA demolition and disposition projects and awarded the appropriate Capital Fund program funding. We performed the audit fieldwork from February to October 2013 at the HUD field office in Newark, NJ.

To accomplish our objective, we

- Reviewed applicable Federal regulations to gain an understanding of the requirements for Federal information systems.
- Reviewed user manuals and HUD guidance to obtain an understanding of the IMS/PIC system.
- Reviewed applicable HUD regulations and policy regarding the approval and reporting of demolition and disposition projects and related inventory data management.
- Reviewed prior U.S. Government Accountability Office and HUD Office of Inspector General (OIG) audit reports for any IMS/PIC-related issues.
- Interviewed key personnel from HUD's Special Application Center in Chicago; Real Estate Assessment Center Capital Program Division of Public Housing Investments; Office of Field Operations in Washington, DC; and Newark, NJ, Hartford, CT, and New York, NY, field offices to gain an understanding of the responsibilities of HUD officials in approving and monitoring demolition and disposition projects.
- Interviewed officials of the PHAs selected in our sample to verify the data they entered into IMS/PIC and obtain supporting documentation if applicable
- Selected a non-statistical sample of 14 PHAs with 25 demolition or disposition projects approved by the Special Application Center as of December 19, 2012, under the supervision of the HUD Newark, New York City, or Hartford field offices. Specifically, we selected 9 of 19 PHAs from the Newark field office that had 17 demolition or disposition projects, 2 of 5 PHAs from the New York City field office that had 2 demolition or disposition projects, and 3 of 12 PHAs from the Hartford field office that had 6 demolition or disposition projects. We selected projects based on the length of time between Special Application Center approval of the projects and the reported completion dates and projects brought to our attention by HUD field office staff or that were of concern in prior OIG audits. The results of this review are applicable only to the three field offices reviewed and cannot be applied to other offices.

Our assessment of IMS/PIC data reliability was limited to the inventory data sampled and was reconciled with information provided by PHA officials and HUD staff; therefore, we did not assess the reliability of other data in the IMS/PIC system. In addition, we focused on the

inventory data related to the demolition and disposition projects. We determined, when possible, the potential overfunded amount of Capital Fund formula grants.

The audit generally covered the period January 1, 2008, through December 31, 2012, and was extended as needed to accomplish our objectives.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

INTERNAL CONTROLS

Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objective:

- Program operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Compliance with laws and regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.
- Safeguarding resources – Policies and procedures that management has implemented to reasonably ensure that resources are safeguarded against waste, loss, and misuse.
- Validity and reliability of data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.

We assessed the relevant controls identified above.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

Significant Deficiency

Based on our review, we believe that the following item is a significant deficiency:

- HUD did not have adequate controls over program operations when it did not ensure that valid and reliable data on PHA demolition and disposition unit inventories were obtained, maintained, and accurately used to calculate Capital Fund formula grant amounts (see finding).

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS

Recommendation number	Ineligible <u>1/</u>
1D	\$554,714

- 1/ Ineligible costs are costs charged to a HUD-financed or HUD-insured program or activity that the auditor believes are not allowable by law; contract; or Federal, State, or local policies or regulations.

Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

The auditee agreed with the findings and recommendations, and while not providing formal written comments, did provide technical and editorial comments which we considered and incorporated in the report as deemed appropriate.

Appendix C

PHA REPORTING DEFICIENCIES

PHAs with approved demolition and disposition projects are required to comply with various reporting requirements to keep HUD informed of the status of the projects during the term of the projects and notify HUD when the projects are completed so the affected units may be removed from the PHAs' inventory in IMS/PIC. PHA officials must also certify annually as to the number of standing units to have their Capital Fund program funding calculated.

Special Application Center approval letters advise the PHA that the status of the approved demolition or disposition project must be reported to the appropriate field office. Regulations at 24 CFR 970.35 require that PHA officials report in IMS/PIC the completion of a demolition or disposition project within 7 days of its occurrence. The regulations define the completion date as the date when final payment is made to the contractor for demolition or when sales or lease contracts are executed for disposition. The regulations further provide that when a demolition or disposition project is carried out in stages via multiple contracts, the PHA should record unit removal information in IMS/PIC as the units are demolished or disposed of at the completion of each demolition contract.

Further, PIH Notice 2005-12⁶ provides that after the completion of a demolition or disposition project, PHA officials should follow a two-step process to remove the demolished or disposed of units from the PHA's housing inventory in IMS/PIC. First, PHA officials should enter the actual date of demolition or disposition and information about the demolished or disposed of units into the IMS/PIC Inventory Removals submodule. Second, the officials should submit this information to the field office for approval. After this submission, the appropriate field office would receive an alert to approve the request for unit removal, and once approved, the units would be recorded in IMS/PIC as having been removed from the PHA's inventory.

However, as noted in the table below,

- Documentation was inadequate to show that officials at all of the 14 PHAs reviewed periodically informed HUD of their projects' status,
- Officials at 12 of the 14 PHAs did not enter information into IMS/PIC to report completion of their projects within 7 days as required, and
- Officials at 5 of the 14 PHAs did not submit the request to approve the removal of units to the appropriate field office in a timely manner.

⁶ PIH Notice 2005-12, Continuation of Implementation of the Public and Indian Housing Information Center (PIC) Demolition/Disposition Sub module for Application Submission and Data Collection for Public Housing Unit Removals

PHA	Did not inform HUD of project progress periodically	Did not report project completion within 7 days	Did not request to remove units in a timely manner	Reported inaccurate inventory data in IMS/PIC	Certified incorrect standing unit numbers
1	X			X	X
2	X	X		X	X
3	X	X		X	X
4	X	X	X	X	X
5	X	X	X	X	X
6	X	X		X	X
7	X	X		X	X
8	X	X	X	X	X
9	X	X	X	X	
10	X	X		X	
11	X	X		X	
12	X	X	X	X	
13	X	X		X	
14	X				
Total	14	12	5	13	8

PHA Officials' Unfamiliarity With Requirements Led to Reporting Deficiencies

PHA officials attributed their failure to comply with various reporting requirements to unfamiliarity with the requirements. Some said they were unaware that the completion of a demolition or disposition project had to be reported in IMS/PIC, some said they did not know that there was a 7-day reporting requirement, and some misinterpreted the definition of "project completion date." For example, officials at

- PHA 7 demolished 60 units in May 2012, but had not entered this information into IMS/PIC. These officials said they were unaware that they needed to use IMS/PIC to report the completion of a demolition project.
- PHA 6 disposed of 102 units on November 8, 2006, but officials did not enter the disposition into IMS/PIC until February 19, 2009. These officials believed that disposed of units should not be removed from the IMS/PIC inventory so that the PHA would be eligible for the asset repositioning fee subsidy.⁷

⁷ A PHA that removes projects or entire buildings of a project from its public housing inventory is eligible for an asset repositioning fee on a sliding scale as part of its operating subsidy.

- PHA 5 demolished 140 units in January 2011, but did not report the demolition in IMS/PIC until February 20, 2013. These officials said they were not able to remove the inventory from IMS/PIC and were not aware that they could report the data error to HUD's Technical Assistance Center.
- PHA 4 completed the first step of the IMS/PIC reporting process on October 26, 2011, reporting in IMS/PIC that 156 units had been demolished as of May 30, 2011, but did not complete the second step of submitting the information to the appropriate field office for approval until May 2012. These officials were not able to explain the cause of the delay because the person who had responsibility had retired and the current staff was not familiar with the requirements.
- PHA 1 officials entered data into IMS/PIC within 7 days and submitted in IMS/PIC a request to remove 480 units from their inventory; however, IMS/PIC incorrectly showed an inventory of 960 units: 480 units as both standing and demolished. Lacking knowledge of the IMS/PIC system, the PHA officials certified that these data were correct.