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Audit Report Number 2012-PH-0001
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TO: Frances W. Bush, Acting Deputy Assistant Secretary for Operations, DO

//signed//

FROM: John P. Buck, Regional Inspector General for Audit, Philadelphia Region,  
3AGA

SUBJECT: HUD Needed to Improve Its Use of Its Integrated Disbursement and Information System To Oversee Its Community Development Block Grant Program

## **HIGHLIGHTS**

### **What We Audited and Why**

We audited the U.S. Department of Housing and Urban Development's (HUD) use of its Integrated Disbursement and Information System to provide oversight of activities in its Community Development Block Grant program. The audit was performed based on the Office of the Inspector General's (OIG) annual audit plan and its strategic plan to help HUD improve its fiscal responsibilities. The objective of the audit was to assess the adequacy of HUD's use of its System to provide oversight of activities in its Block Grant program.

### **What We Found**

HUD did not adequately use its System to provide oversight of activities under its Block Grant program. HUD was unaware of how grantees used nearly \$67 million that it provided them to fund more than 1,300 activities that grantees later cancelled in the System. In addition, HUD lacked adequate oversight of almost \$3 billion used to fund more than 20,000 long-standing<sup>1</sup> open activities that grantees had reportedly not completed for up to 11 years.

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<sup>1</sup> For purposes of this review, OIG defined a long-standing program activity as an activity that remained open for at least 5 years after it was funded through a grantee's annual consolidated plan.

## **What We Recommend**

We recommend that HUD implement policies and procedures requiring it to (1) periodically use the data contained in its System to provide oversight of cancelled and long-standing open or revised activities and (2) evaluate the adequacy of actions grantees take regarding cancelled and long-standing open or revised activities shown in its System. We further recommend that HUD direct responsible grantees to justify the use of nearly \$67 million that it disbursed for activities that they later cancelled in the System or repay HUD from non-Federal funds.

For each recommendation in the body of the report without a management decision, please respond and provide status reports in accordance with HUD Handbook 2000.06, REV-4. Please furnish us copies of any correspondence or directives issued because of the audit.

## **Auditee's Response**

We discussed the report with HUD during the audit and at an exit conference on September 21, 2011. HUD provided written comments to our draft report on October 14, 2011. For the most part, HUD agreed with the conclusions in the report. The complete text of HUD's response, along with our evaluation of that response, can be found in appendix B of this report.

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## BACKGROUND AND OBJECTIVE

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The Community Development Block Grant program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons. The Block Grant program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383 as amended, 42 U.S.C. (United States Code) 5301. The U.S. Department of Housing and Urban Development (HUD) awards grants to entitlement community and State grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. Entitlement communities and States develop their own programs and funding priorities. To be eligible for funding, every activity, except for program administration and planning, must meet one of the following national objectives: (1) benefit low- and moderate-income persons, (2) aid in preventing or eliminating slums or blight, or (3) meet certain community development needs having a particular urgency.

The Integrated Disbursement and Information System is the drawdown and reporting system for all of HUD's Office of Community Planning and Development (CPD) formula grant programs including the Block Grant program, which is the focus of this audit report. The other CPD formula grant programs covered by the System are the HOME Investment Partnerships program, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS. Grantees also use the System for tracking American Recovery and Reinvestment Act of 2009 CPD programs. As a nationwide database, the System is intended to provide HUD with current information regarding CPD activities underway across the Nation, including funding data. The System is used by HUD in managing the activities of more than 1,200 HUD grantees, including urban counties and States, which use the System to plan projects and activities, draw down program funds, and report on accomplishments. HUD also uses the System to generate reports used within and outside HUD, including the public, participating jurisdictions, and Congress. Grantees are able to update, change, cancel, reopen, and increase or decrease project funding in the System without review by HUD. They also self-report the number of families housed by their projects without a comprehensive review by HUD.

On its public Web site, HUD displays profiles that show program accomplishments for selected housing, economic development, public improvement, and public service activities in a summary format. These profiles contain accomplishments reported, by program year, by entitlement communities and States and are part of HUD's effort to provide grantees and citizens with comprehensive information on its programs. These profiles are further intended to help increase the amount of information that is available about the performance of grantees to stakeholders and citizens.

The objective of the audit was to assess the adequacy of HUD's use of its System to provide oversight of activities in its Block Grant program.

## RESULTS OF AUDIT

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### Finding: HUD Did Not Adequately Use Its System To Provide Oversight of Its Block Grant Program

HUD lacked oversight of nearly \$67 million that it disbursed to fund more than 1,300 Block Grant program activities that grantees later cancelled in the System. In addition, HUD did not have adequate oversight of almost \$3 billion associated with more than 20,000 long-standing open activities that grantees reportedly failed to complete for up to 11 years. This situation occurred because HUD (1) did not have policies or procedures requiring it to periodically use the data contained in its System to provide oversight of cancelled and long-standing open or revised activities and (2) did not evaluate the adequacy of actions grantees took regarding cancelled and long-standing open or revised activities shown in its System. As a result, HUD could provide little assurance that significant amounts of Block Grant program funding it disbursed nationwide (1) benefited low- and moderate-income persons, (2) aided in preventing or eliminating slums or blight, or (3) met community development needs having a particular urgency.

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#### Cancelled Activities Totaling Nearly \$67 Million Lacked Oversight

HUD was unaware of how grantees used nearly \$67 million that it disbursed to fund Block Grant program activities that grantees later cancelled in the System. Our analysis of System data contained in HUD's list of activities by program year and project (PR02 report) showed there were 366 grantees responsible for more than 1,300 cancelled activities as of May 2011 (see appendix C).

Year	Cancelled activities	Amount drawn
2001	133	\$10,973,923
2002	136	11,814,409
2003	218	9,601,698
2004	233	10,312,224
2005	170	7,622,761
2006	153	7,585,416
2007	118	3,141,137
2008	68	1,631,361
2009	54	3,853,404
2010	21	174,587
2011	1	138,738
<b>Totals</b>	<b>1,305</b>	<b>\$66,849,658</b>

Responsible officials acknowledged that HUD lacked control of cancelled activities since grantees were permitted to cancel activities in the System and use the associated funds for other purposes without HUD oversight or review. In comparison to HUD's HOME program, HUD's controls related to cancelled activities in its Block Grant program were weak. HUD's HOME program required the grantee to repay funds to other open activities before cancelling a HOME program activity. The System training manual provided specific instructions for the cancellation of HOME program activities but did not provide instructions related to the cancellation of Block Grant program activities. HOME regulations at 24 CFR (Code of Federal Regulations) 92.503(b)(2) require that any HOME funds invested in a project that is terminated before completion be repaid by the participating jurisdiction. Due to the lack of controls relating to cancelled Block Grant program activities, grantees may have been able to manipulate the system and inaccurately report program activities.

Regulations at 24 CFR 570.200(a)(2) require that to be eligible for funding, every Block Grant program activity, except for program administration and planning, meet one of the following national objectives: (1) benefit low- and moderate-income persons, (2) aid in preventing or eliminating slums or blight, or (3) meet certain community development needs having a particular urgency. HUD should begin using the data already reported and available in its System to improve its oversight of activities cancelled by grantees to ensure that the grantees use the funds to meet a national objective. HUD should also direct responsible grantees to justify the use of nearly \$67 million that it disbursed for cancelled activities.

**Long-Standing<sup>1</sup> Open Activities  
Totaling \$3 Billion Lacked  
Adequate Oversight**

The audit identified almost \$3 billion in Block Grant funding for long-standing open activities which grantees reportedly failed to complete for up to 11 years. Our analysis of data contained in HUD's PR02 report showed there were 804 grantees responsible for 20,764 long-standing open activities. Of the \$3 billion, HUD had disbursed \$2.8 billion to the grantees as of May 2011.

Unlike its HOME program, HUD did not have reports on its public Web site to identify individual open Block Grant program activities. Under the HOME program, regulations at 24 CFR 92.500 require HUD to reduce or recapture HOME funds that are not expended within 5 years. Since a similar requirement did not exist for the Block Grant program, HUD officials did not focus reviews on long-standing open Block Grant program activities. Regulations at 24 CFR 570.902 did require HUD to review the performance of each entitlement, HUD-administered small cities, and insular areas recipient to determine whether each recipient carried out its assisted activities in a timely manner. However, HUD only considered corrective action such as reductions in future funding if 60 days

before the end of the grantee's current program year, the amount of entitlement grant funds available to the recipient, under grant agreements but undisbursed by the U.S. Treasury, was more than 1.5 times the entitlement grant amount for its current program year.<sup>2</sup>

Recent congressional hearings and media coverage have focused on concerns regarding HUD's oversight of long-standing open activities in its HOME program. With about \$3 billion reportedly associated with long-standing open Block Grant program activities from 2000 to 2005, HUD should focus on improving its oversight of these activities as well.

### **Grantees Transferred Funds to Other Activities Without HUD Oversight**

The audit identified 3,970 disbursements of Block Grant program funds totaling \$89.8 million that grantees received 90 or more days before the setup of the activity in the System. To learn why grantees reportedly drew down funds long before setting up of the activities in the System, we further analyzed data contained in HUD's drawdown report by voucher number. Our analysis showed that this situation occurred primarily because grantees transferred previously drawn down funds among various other activities without restrictions or HUD oversight. For example, our detailed analysis of two long-standing open activities showed that the funds disbursed to the grantees for approved activities were later split up by the grantee and transferred several times among several other activities over a 5-year period without explanation or HUD oversight.

Responsible officials acknowledged that HUD lacked control over grantees' revising activities since they were permitted to revise activities in the System and use the associated funds for other purposes without HUD oversight or review. With at least \$89.8 million associated with revised Block Grant program activities, HUD needs to focus on improving its oversight of these revised activities.

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<sup>2</sup> 24 CFR 570.902 does not cover the States' Block Grant program and a similar "expenditure timeliness" requirement did not exist for the States. However, on its public Web site HUD posted a document entitled "State Community Block Grant Program - Methods for Improving Timely Performance" dated January 2004 which states: "Although there is no timely *expenditure* regulatory standard for States, they should realize that such a requirement is likely to be established in the future. Congress and oversight agencies increasingly judge Block Grant and other programs by "the bottom line." Appropriators look at funds allocated in prior years but not yet expended and ask why additional funds should be appropriated. HUD is concerned that without a serious strategy to reduce the level of prior year funds unexpended by grantees, the Block Grant program may see its appropriations reduced in the future."



## External OIG Audit Illustrated Problems With Long-Standing Open Activities

The importance of the need for improved HUD oversight can be further illustrated by a recent OIG external audit that reported significant problems with the failure of a grantee to justify that its Block Grant program activities complied with Federal requirements. In audit report 2011-PH-1002,<sup>3</sup> OIG reported that the City of Scranton, PA, failed to adequately administer its Block Grant program funds and could not demonstrate that it used more than \$11.7 million in accordance with applicable HUD requirements. Specifically, it (1) failed to maintain adequate records identifying the source and application of funds for its HUD-sponsored activities, (2) did not maintain required documentation and budget controls demonstrating that its expenditures complied with program requirements, (3) did not use proper subrecipient agreements, and (4) failed to adequately monitor its subrecipients. Additionally, it did not ensure that its activities complied with program requirements and allowed an apparent conflict-of-interest situation to exist. It is important to note that our analysis of HUD's PR02 report as of May 2011 showed that the City had 12 long-standing open program activities included in the audit results that were opened in 2004 and 2005 and were funded at more than \$2.8 million.

## Recommendations

We recommend that the Acting Deputy Assistant Secretary for Operations

- 1A. Implement policies and procedures requiring HUD to periodically use the data contained in its System to provide improved oversight of cancelled Block Grant program activities.
- 1B. Direct responsible grantees to justify the use of \$66,849,658 that it disbursed for cancelled Block Grant program activities or repay HUD from non-Federal funds.
- 1C. Implement policies and procedures requiring HUD to periodically use the data contained in its System to provide improved oversight of long-standing open Block Grant program activities.

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<sup>3</sup> HUD OIG audit report number 2011-PH-1002, "The City of Scranton, PA, Did Not Administer Its Community Development Block Grant Program in Accordance With HUD Requirements," dated November 8, 2010



- 1D. Implement policies and procedures requiring HUD to periodically use the data contained in its System to provide improved oversight of revised Block Grant program activities.
- 1E. Periodically evaluate the adequacy of actions grantees take regarding cancelled and long-standing open or revised activities shown in its System.

## SCOPE AND METHODOLOGY

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We performed the audit from January to July 2011 at HUD headquarters in Washington, DC, and at the State of Virginia's offices located in Richmond, VA. The audit generally covered the period October 2007 through December 2010 but was expanded when necessary to include other periods. We relied in part on computer-processed data in HUD's computer system. Although we did not perform a detailed assessment of the reliability of the data, we did perform a minimal level of testing and found the data to be adequate for our purposes. To accomplish our objective, we

- Interviewed officials from HUD CPD including the Office of Block Grant Assistance and Office of Affordable Housing.
- Interviewed HUD CPD staff located in Richmond, VA, Philadelphia, PA, Pittsburgh, PA, Baltimore, MD, Chicago, IL, Los Angeles, CA, Houston, TX, and New Orleans, LA.
- Interviewed officials from the State of Virginia Department of Housing and Community Development.
- Reviewed HUD headquarters' CPD key staff and employee listings.
- Reviewed position descriptions for key CPD staff in the HUD field offices.
- Reviewed organization charts for HUD CPD headquarters, the HUD CPD Richmond field office, and the State of Virginia Department of Housing and Community Development.
- Analyzed System selected data tables and preformatted reports.
- Reviewed pertinent System manuals, the Code of Federal Regulations, HUD handbooks, Block Grant notices and training manuals, and a HUD memorandum.
- Reviewed HUD monitoring reports of selected grantees.
- Reviewed the State of Virginia's action plan, consolidated action plan evaluation report, and performance and evaluation report.
- Reviewed the HUD CPD Richmond field office's risk analysis; disaster grant files for the State of Virginia; and approval letters for the State of Virginia's action plan, consolidated action plan evaluation report, and performance evaluation report.
- Reviewed supporting documents relating to activities for the five selected Block Grant program draws made by the State of Virginia.
- Reviewed Washington Post articles concerning delayed HOME projects and congressional testimony that included HUD's response to the Washington Post articles.

- Evaluated System data by using Audit Command Language software to determine a universe of 690,620 draws. We filtered the universe to determine 8,078 draws for CPD activities set up on or after October 1, 2007, that were submitted 90 or more days before the setup of the activity. Also, there was a universe of 168,165 activities associated with the 690,620 draw transactions.

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

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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.

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## Relevant Internal Controls

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

- HUD's monitoring of its Block Grant program – Policies and procedures that management has implemented regarding open program activities, voucher revisions, cancelled program activities, and repayment for ineligible program activities.

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 adequately use its System to provide oversight of activities under its Block Grant program.

## APPENDIXES

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### Appendix A

#### SCHEDULE OF QUESTIONED COSTS

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Recommendation number	Unsupported 1/
1B	\$66,849,658

- 1/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of the audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.

# Appendix B

## AUDITEE COMMENTS AND OIG'S EVALUATION

### Ref to OIG Evaluation

### Auditee Comments




OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

OCT 14 2011

MEMORANDUM FOR: John Buck, Regional Inspector General for Audit, 3AGA

FROM: Frances W. Bush, Acting Deputy Assistant Secretary  
for Operations, DO 

SUBJECT: Office of Community Planning & Development Comments  
on Draft Audit Report "HUD Needed to Improve Its Use of IDIS to  
Oversee its CDBG Program"

Thank you for the opportunity to comment on this draft audit report. We appreciate your bringing the matter of Community Development Block Grant (CDBG) program data quality to the forefront with this draft audit report. Over the past several years, the Office of Community Planning and Development (CPD) has devoted significant time and attention to the issue of CDBG formula grantees' data quality in the Integrated Disbursement and Information System (IDIS). This draft report has served as the impetus for CPD to accelerate a number of planned actions regarding CDBG program data quality.

#### Draft Audit Recommendations

The draft report makes recommendations to CPD in three areas:

1. Implement policies and procedures requiring HUD to periodically use the data contained in its System to provide improved oversight of cancelled, long-standing open, and revised Block Grant program activities. (Recommendations 1A, 1C, 1D)
2. Direct responsible grantees to justify the use of \$67,004,923 that were disbursed for cancelled CDBG program activities or repay HUD from non-Federal funds. (Recommendation 1B)
3. Periodically evaluate the adequacy of actions grantees take regarding cancelled and long-standing open or revised activities shown in its System. (Recommendation 1E)

As described below, CPD has initiated a broad set of actions to respond to these draft audit recommendations, as well as to resolve the data issues with the specific activities upon which OIG based its conclusions. Recommendations 1A, 1C, and 1D are closely related and CPD is moving to address them comprehensively; they address similar concerns about different categories of activities based on those activities' IDIS status. CPD suggests that these three recommendations be combined into one in the final report, as OIG has already done with Recommendation 1E.

### Comment 1

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

[espanol.hud.gov](http://espanol.hud.gov)

**Comment 2**

**Policies and Procedures**

Extensive IDIS reference materials and training materials already exist on CPD's website. Following the conversion from the mainframe-based "legacy" IDIS system to the web-based "IDIS OnLine" system in 2009, CPD issued new IDIS reference manuals for CDBG Entitlement grantees and State CDBG grantees. In the past two years, CPD has presented 40 grantee training sessions around the country specifically on accurate IDIS data reporting; the associated training materials (including case studies) are posted online. (Six more training sessions are scheduled for the next few months.) In August, 2011, CPD presented a series of four IDIS training webinars for CDBG grantees; these webinars are also available for online viewing. (CPD also believes that the many functional improvements of the IDIS OnLine system lessen the likelihood of grantee data entry errors.) Notwithstanding these efforts, CPD agrees that it would be beneficial to provide grantee and Field Office staff with additional guidance that explains IDIS system features and requirements in the context of CDBG programmatic requirements (e.g. when it is appropriate to cancel an activity with draws, when to return funds to the Line of Credit because an activity failed to meet a national objective). CPD will issue updated, consolidated guidance in three phases:

1. In the short term, issue a document indexing all existing reference and training materials. This will be particularly helpful to newer grantees and Field Office staff.
2. Develop new guidance describing IDIS OnLine system features and requirements in the context of programmatic policies and requirements.
3. Upon implementation of the IDIS system and reporting enhancements discussed below, update all relevant guidance materials to incorporate these changes.

CPD will also undertake a review of its CPD Grantee Monitoring Handbook (HUD Handbook 6509.2) to identify ways in which reviews of grantee reporting and data quality can be better integrated into its risk-based monitoring process.

Finally, CPD will issue guidance to its Field Offices reminding staff of CDBG program policies and requirements regarding corrective actions and sanctions. CPD's remote monitoring work has shown that CPD Field Office staff can benefit from additional guidance on addressing long-running activities for which national objective compliance has not been demonstrated and on engaging grantees for whom accurate reporting seems to be a recurring issue.

**Immediate Actions Taken to Resolve Audit Findings**

On September 8, 2011, CPD initiated a review of every open activity and cancelled activity identified in this draft audit report. This review process is being undertaken as "remote monitoring" pursuant to the CPD Grantee Monitoring Handbook. Field Offices have notified affected grantees of this review. Conducting this review as formal monitoring allows CPD to make findings against grantees where the review discloses potential noncompliance with either reporting or programmatic requirements. Where grantees are unable to support the costs, to document compliance, or to provide adequate and timely justifications, CPD will issue monitoring findings to grantees and will apply appropriate corrective actions. Over the next several months, CPD intends to obtain resolution for every activity on OIG's lists of cancelled

**Comment 3**



activities with draws and longstanding open activities. In the past five weeks, CPD has already achieved significant results in obtaining more accurate grantee reporting in IDIS. In appendices 1-4 to this memorandum, CPD provides a status report on the results achieved to date through its remote monitoring.

**Comment 4**

**System/Reporting Improvements**

CPD will IDIS system changes to ensure that grantees provide more complete and accurate information on cancelled, revised, and long-standing open activities. These changes will also allow CPD staff to readily identify such activities for further review. Changes being reviewed include: automatic flagging of activities which have had no change in their status for extended time periods; edits that will require grantees to regularly update or complete activities that remain open but incomplete for extended time periods; edits that will require grantees to enter justifications before cancelling activities with draws; edits that will require grantees to enter justifications into IDIS before revising draws from one activity to another; and creation of new reports displaying long-open but uncompleted activities, cancelled activities with draws, and activities with revised draws. It is CPD's goal to have these system enhancements in place by the end of Fiscal Year 2012, assuming funding availability.

**Comment 5**

**Extent of the Problem**

As evidence to support its conclusions, OIG provides a list of over 1,300 cancelled activities and over 20,000 longstanding open activities which OIG judged to have outdated, insufficient, or questionable data<sup>1</sup>. CPD is conducting remote monitoring on all activities and has run updated IDIS reports on these activities. Our analysis shows that, for a combination of reasons, the potential problem is significantly less than the draft report implies.

**Comment 6**

OIG cites 1,314 activities that were initiated by grantees from 2000-2011 and that were cancelled with draws. While CPD agrees that grantees should not cancel activities after drawing down funds without sufficient justification (and should reimburse the program if HUD determines the justification to be unacceptable), it is again important to view this number in context. From 2000 to the present, grantees have initiated 617,356 activities in IDIS. Thus, the number of cancelled-with-draws activities cited by OIG represents 0.2% (two-tenths of one percent) of all activities initiated over this time period.

**Comment 7**

Subsequent discussions among our respective staff revealed that OIG staff was unable to download or view data entered by grantees into some IDIS fields – most notably the narrative fields where grantees would typically provide further explanations of activities. Had OIG staff been able to access all IDIS data entered by grantees, the number of long-open activities would have been significantly fewer. Likewise, the number of activities and associated dollar amounts questioned under Recommendation 1B would be well less than \$67 million. Although the OIG did not see all

**Comment 8**

<sup>1</sup> The draft report text cites 20,764 longstanding open activities whereas OIG's spreadsheet contains 20,763 activities. Of the 1,314 cancelled activities with draws in OIG's spreadsheet, 9 appear to be duplicate records. CPD's comments and analysis use 20,763 and 1,314 as the reference universe.

fields, CPD Field Office staff can and do review such additional narrative information – during the course of day-to-day grant oversight, during monitoring, and during reviews of annual performance reports.

**Comment 5**

The draft audit also report lists 20,763 open activities with a plan year between 2000 and 2005 and with no recent activity reported in IDIS (defined by OIG as open for 6-11 years). It is important to place these numbers into the context of the total universe of activities funded by grantees over the time period covered by the audit. From 2000 to 2005, grantees initiated a total of 329,968 CDBG activities, of which 90.5% are already completed in IDIS; just under 7% were subsequently cancelled by the grantee. The number activities listed by OIG as long-open activities represents 6.2% of all activities initiated by grantees from 2001-2005.

**Comment 9**

Because of the parameters OIG apparently used in generating its list, the list appears to overstate the number of activities that have been open since 2005 without being completed. CPD has determined that only 11,821 (57%) of these 20,763 activities were initiated during FY2005 and prior years. The remaining 43% of open activities on OIG's list were initiated more recently (between FY06 –FY11) and thus have been open less than 6 years. A grantee may have recently-initiated activities associated with these older plan years for valid reasons, such as reprogramming of leftover older-year funds to new activities or initiating new activity as part of a larger project that was initially set up under a prior year. CPD would be happy to meet with OIG to review our analysis regarding the number of long-standing open activities.

**Comment 5**

CPD's remote monitoring has disclosed that an IDIS system issue has caused the number of still-open 2001-2005 era activities to be artificially high. In 2006, CPD introduced its Performance Measurement System into IDIS. This system added new reporting elements for activities initiated starting in 2006. CPD has discovered a flaw in the programming of the system edits, which has unintended consequences for activities from prior years: the system's data edits requires these additional data elements to be entered in order to complete pre-2006 activities, even though CPD did not require this data for pre-2006 activities. Thus, the IDIS system has prevented grantees from closing many 2001-2005 era activities. To solve this problem, CPD will, where requested by grantees, undertake a manual system override to complete activities that grantees cannot complete on their own. To date, CPD has completed 886 such activities.

**Comment 5**

CPD's data analysis and remote monitoring efforts have disclosed that the issues of longstanding open activities and cancelled activities with draws are less widespread than stated in the report. The majority of CDBG grantees have few or no activities on OIG's lists. A small number of grantees are responsible for large percentage of activities on each of OIG's lists. For example, just 64 of the current 1,165 CDBG grantees account for approximately \$2 billion of the \$2.8 billion cited by OIG as tied up in long-standing open activities. Please see Appendix 4, which shows the distribution of OIG's list of open activities among grantees. A large percentage of the activities on each list can be easily resolved - or already have been resolved.

*Cancelled Activities:*

**Comment 5**

CPD's analysis of the 1,314 cancelled activities list reveals that a significant proportion can be easily resolved. Based on actions taken to date by CPD, the number of activities (and associated

Comment 5

dollar amounts) identified in Recommendation 1B with Unsupported Costs has been drastically reduced. Grantees have resolved issues with over 43% of the identified activities; these account for over 60% of the questioned costs. 577 of the 1,314 activities were apparently cancelled by grantees in error; 476 activities have now been completed in IDIS and 101 have been reverted to 'open' status. CPD expects these numbers to increase as field offices receive requested explanations and documentation from grantees. Please see Appendix 1 and Appendix 2 for a summary of CPD's findings to date regarding cancelled activities with draws.

*Longstanding open activities:*

Comment 5

Similarly, CPD's analysis of the 20,763 longstanding open activities list reveals that a significant proportion can also be resolved. Based on actions taken to date, nearly 33% of the open activities (comprising 35% of the dollars) identified by OIG have already been completed by grantees. 6,845 of the 20,763 activities, totaling over \$997 million, have already been completed in IDIS. An additional 14.5% of all open activities (2,466 activities) ultimately were not assisted with CDBG funds and will be corrected as the IDIS data cleanup effort continues. Taken together, these two categories represent more than 47% of all open activities cited in the draft report and have been or will be addressed within IDIS. Please see Appendix 1 and Appendix 3 for a summary of CPD's findings to date regarding longstanding open activities.

**Broader Challenges to Data Management Oversight**

Comment 5

Data quality issues are symptomatic of broader challenges faced by CPD and grantees. Instituting improved data quality oversight procedures alone will not resolve some of these larger challenges. State and local fiscal constraints have resulted in the loss of experienced staff. Notwithstanding the availability of CDBG funds to cover administrative costs, many grantees are unable to replace lost staff capacity. In many instances, staff turnover and staffing constraints have eroded grantees' overall level of IDIS system expertise. Further, grantee staffing and capacity issues may have led to instances in which grantee staff did not fully troubleshoot and resolve minor issues, such as cancelling an activity when they meant to complete it or not resolving data entry errors.

Recognizing that a broad range of actions is needed to help address such issues, CPD is significantly transforming its delivery of technical assistance resources to grantees through the OneCPD Technical Assistance (OneCPD TA) initiative. OneCPD will provide a range of capacity building products based on past performance and the results of needs assessments. Grantees that lack adequate management systems, have programs that are under-performing, or have serious and repeated monitoring findings will be prioritized for assistance under OneCPD. OneCPD will be able to effect improvement in grantee program oversight and reporting by addressing systemic management and compliance issues as noted above.

Over the past year, HUD's Strategic Plan has prioritized the replacement of key field positions such as Financial Analysts. CPD has also revamped and expanded its own staff training efforts to ensure that CPD staff have the requisite tools and knowledge to perform their jobs.

CDBG and HOME Comparison in Report: Not Valid

**Comment 10**

CPD is concerned about several statements contained in the audit, particularly those in which OIG draws comparisons between the CDBG and HOME programs. While CDBG and HOME are both formula grants utilizing the IDIS system, there are substantial statutory and procedural differences that complicate any attempted comparisons of data quality and oversight. Please see the attached table in Appendix 5 comparing basic characteristics of the HOME and CDBG programs. The programmatic differences are substantial. HOME has four discrete uses and grantees have two years to commit funds to specific activities and five years to expend funds. CDBG, on the other hand, has 25 broad categories of eligible activities, has multiple national objectives criteria, has very different programmatic compliance requirements, and provides more discretion to grantees in the design and implementation of activities.

**Comment 10**

CPD is concerned that OIG has misinterpreted the CDBG Entitlement program Timely Expenditure requirements in its discussion of Long-Standing Open Activities (pages 6-7 of the draft report). In conducting monitoring, CPD staff examine the status of individual activities, particularly those where progress is lagging. However, consistent with the Housing and Community Development Act of 1974, as amended, the CDBG regulations base annual timely expenditure determinations on a grantee's program as a whole. There is no requirement (nor is there any basis for a requirement) to make timely expenditure determinations on individual years of funding, much less on individual activities.

**Comment 11**

Recommendation 1B and Schedule A of the report questions \$67 million worth of grantee funds that were drawn down for some activity but later revised to another activity. CPD agrees that better mechanisms can be put in place to oversee such changes in IDIS; as noted above, CPD proposes to revise IDIS to require grantee justifications for revisions of draws. However, there are scenarios under which it is not only acceptable but also more practical or efficient for a grantee to revise a draw from a cancelled activity to another activity rather than to return the funds to the Line of Credit. For example, if an activity is funded with locally-held program income and must be cancelled, any funds drawn would not be returned to the Line of Credit but would be returned to the local program account. For this reason, CDBG cannot impose the exact same system edits that the HOME program has in place. IDIS does provide for sufficient tracking of revisions in that revised vouchers can be tracked to specific new activities.

Summary

**Comment 5**

CPD is implementing the recommendations in this draft audit report by committing to an array of longer-term actions to clarify expectations, to enhance IDIS data management by grantee and CPD staff, and to strengthen internal controls. CPD has also taken immediate action to address data accuracy issues with all activities cited by the OIG, as evidenced by the fact that grantees have already resolved data issues on 43% of the cancelled-with-draws activities and 47% of the

## Comment 5

longstanding open activities<sup>2</sup>. CPD will continue its remote monitoring of all activities over the next several months, and it will take appropriate corrective actions wherever our review discloses programmatic compliance problems. CPD is maintaining documentation of its review of all activities, and it will be happy to share this documentation with OIG.

While OIG's concerns and observations have validity, CPD's analysis of the same data is that the draft audit report overstates the number of activities at issue. CPD suggests that additional in-person meetings between OIG and CPD staff would be beneficial, so that CPD can further explain to OIG the findings of the data analysis contained in this memo.

Please feel free to contact me with any questions regarding CPD's comments, or to schedule follow-up meetings regarding CPD's analysis of the status of activities identified in your draft report.

Attachments

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<sup>2</sup> 33% of all longstanding open activities have already been completed in IDIS by grantees and additional 14% of open activities ultimately were not assisted with CDBG funds and will be corrected as the IDIS data cleanup effort continues.



Comment 5

**APPENDIX 1: STATUS OF HUD REVIEW ACTIONS TO DATE**

CPD has conducted an extensive analysis of the 1,314 activities identified in the audit as being canceled despite having had funds drawn down against them, and the 20,763 activities identified in the audit as having remained open in IDIS with no recent change in their status. Field Office staff are conducting remote monitoring of all activities to obtain appropriate resolutions for all 22,077 activities. To date we have already determined the following:

Comment 5

**Cancelled Activities with Draws:**

- Based on Field Office and grantee actions taken so far, the number of activities (and associated dollar amounts) of Unsupported Costs in Recommendation 1B should be reduced to \$24,347,641 from the \$67 million reflected in the draft audit report.
- 577 of the 1314 activities, totaling over \$40.5 million, were apparently cancelled by the grantee in error; grantees have since completed 476 activities worth over \$36 million, and have reverted the status of 101 other activities (worth over \$4 million) back to 'Open' in IDIS.
- The 577 completed or re-opened activities account for 43.9% of the 1314 cancelled-with-draws activities identified by OIG, and account for 62.5% of the \$67 million in questioned costs.
- CPD continues to work with grantees on the 737 activities still showing in IDIS as cancelled with draws to obtain documentation and justification materials from grantees. As CPD receives and reviews information, the number and dollar value of activities still in this category will continue to decline.
- Of the \$67 million in costs questioned by OIG, \$2.1 million is accounted for by activities where the grantee returned the funds to their Line of Credit or program account but neglected to make corresponding corrective entries in IDIS reflecting the return. HUD is working with grantees to resolve these reporting discrepancies.
- Field Offices have already issued 141 monitoring findings against activities (totaling \$10.6 million) for noncompliance with reporting or programmatic requirements; resolution of these findings will determine the proper resolution of these activities' status in IDIS.
- Activities included on this list are concentrated in a small number of grantees. Just 25 CDBG grantees were responsible for 540 of the 1314 activities in this category as identified by OIG.
- The 50 largest-dollar-value activities on OIG's list accounted for half (\$33.5 million) of the \$67 million in costs questioned by OIG.

**Comment 9**  
**Comment 5**

**Longstanding Open Activities:**

- HUD has found that 43% (8,942) of the 20,763 activities listed by OIG as long-open activities were, in fact initiated by grantees in 2006 or later, and thus have not been open as long as thought by OIG.
- 6,845 of the 20,763 activities, totaling over \$997 million, have since been completed in IDIS by grantees. This represents approximately 33.0% of all activities identified by the OIG and 35.5% of the total dollar value contained in all activities on OIG's list.
- 3,025 of the 20,763 activities, or 14.5%, had zero financial draws associated with them in IDIS. Of these, grantees have since cancelled 559 activities. For the other 2,466 activities, grantees entered some CDBG-related data in IDIS but never actually funded any CDBG funds to them in IDIS. HUD is working with grantees to resolve these reporting discrepancies.
- Together, the above two categories account for 47.5% of all long-open activities (9,870 of 20,763) identified in the report.
- Activities included on this list are concentrated in a small number of grantees. 304 grantees had no long-open activities on OIG's draft report. Only 46 grantees were cited as having more than 100 open activities in their data.
- Just 64 grantees were responsible for \$2.1 billion of the \$2.8 billion worth of long-open activities identified in the audit. A number of these grantees could be characterized as large grantees with serious management challenges.



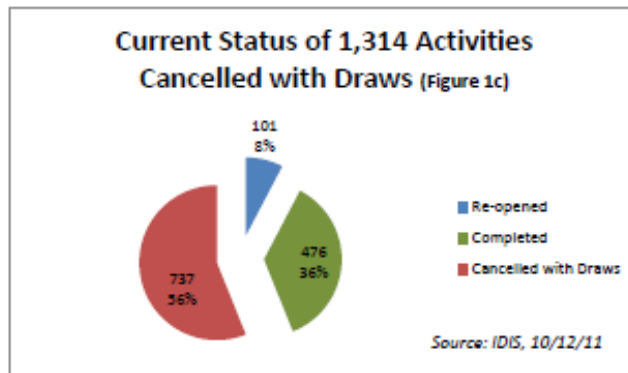
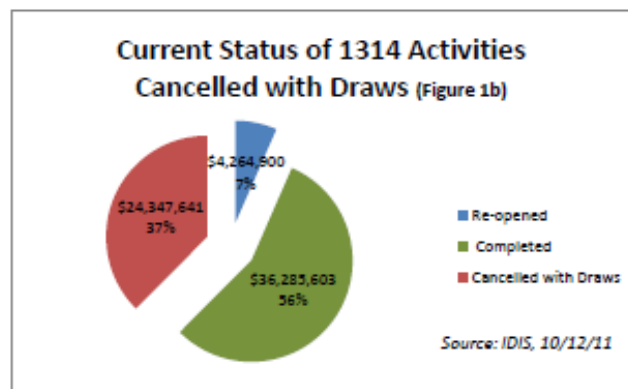
Comment 5

Appendix 2

CANCELLED ACTIVITIES UPDATE

Current Status of Cancelled Activities in IDIS (Figure 1a)				
Activity Status	Count	% of Total Count	Funds Drawn	% of Total Funds Drawn
Re-opened by grantee	101	7.7%	\$ 4,264,900.29	6.6%
Completed	476	36.2%	36,285,602.73	55.9%
Cancelled with Draws	737	56.1%	24,347,641.09	37.5%
<b>Current Total</b>	<b>1314</b>	<b>100%</b>	<b>64,898,144.11</b>	<b>100%</b>
Draws Reduced to 50*		0%	(2,106,149.48)	-3.1%
<b>OIG Total</b>	<b>1314</b>	<b>100%</b>	<b>\$ 67,004,293.59</b>	<b>100%</b>

\*Note: Grantees returned \$2.1 million to Line of Credit or program account.



Comment 9

Appendix 3

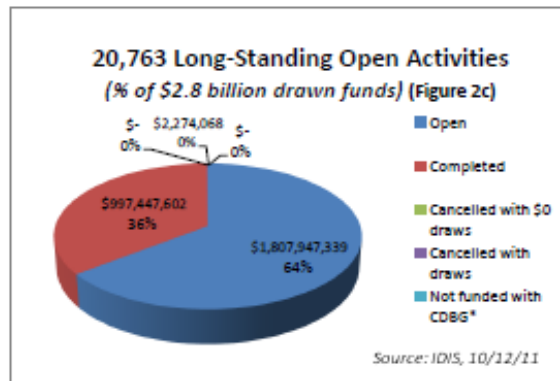
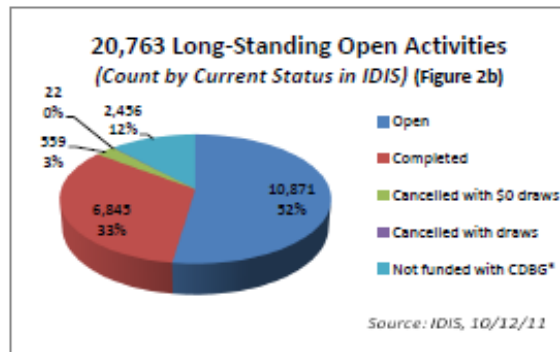
Comment 5

**OPEN ACTIVITIES UPDATE**

Current Status of Open Activities in IDIS (Figure 2a)				
Activity Status	Number of Activities	% of Total Activity Count	Drawn Amounts	% of Total Drawn Funds
Open	10,871	52.4%	\$ 1,807,947,339.76	64.4%
Completed	6,845	33.0%	997,447,602.17	35.5%
Cancelled with \$0 draws	559	2.7%	-	0.0%
Cancelled with draws	22	0.1%	2,274,068.39	0.1%
Not funded with CDBG*	2,466	11.9%	-	0.0%
<b>OIG Total</b>	<b>20,763</b>	<b>100.0%</b>	<b>\$2,807,669,010.32 **</b>	<b>100.0%</b>

\*Activities never funded with CDBG funds.

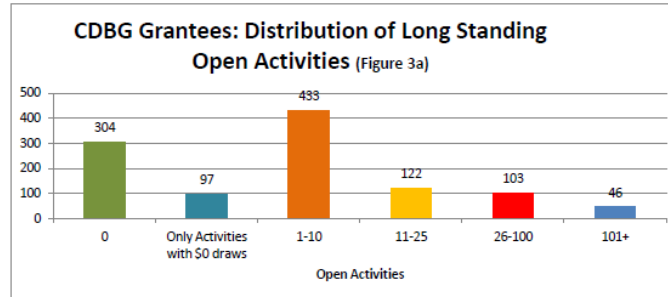
\*\*The total drawn amount is greater than the OIG's original figure because grantees are continuing to draw down funds for activities still in progress.



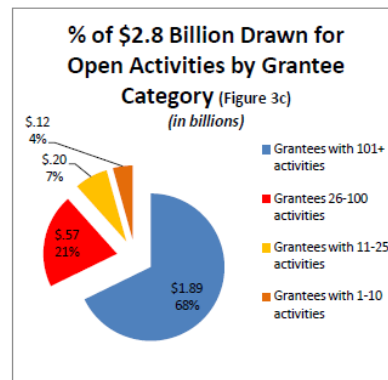
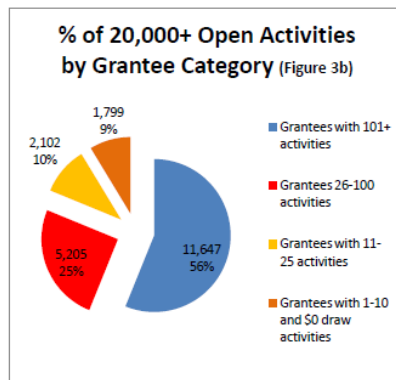
**Comment 5**

**OPEN ACTIVITIES DISTRIBUTION**

Between 2000 and 2005, the average number of grantees per year was 1105. With analysis, it was determined that, based on this average number of grantees per year, that 304 had no activities on the Long Standing Open Activities list for this six-year period. Of the 20,000+ activities on the list, the majority, or 433, of the 801 remaining grantees had only 1-10 activities on the Open Activities List. Among these 801 grantees, 97 grantees' open activities had no draw funds. It is also significant to note that only 46 grantees were responsible for more than 100 activities each on this list, with grantees such as Puerto Rico having over 1654 activities, or over 8% of the entire list.



As can be seen on Figure 2, these 46 grantees were responsible for approximately 56% of all activities on the Open Activities list. Disregarding the 304 grantees with no activities on the list, the 433 grantees with 1-10 activities on the list only are responsible for 8.7% of the long-standing open activities at the time of the audit.



Appendix 5

**HOME and CDBG –Two Different Programs**

	HOME	CDBG
<b>Purpose</b>	To expand the supply of decent, safe, sanitary, and affordable housing.	To improve the living environment for low and moderate income families.
<b>Recipients/Grantees</b>	Participating Jurisdictions (PJs) (States, urban counties, metropolitan cities, consortia).	Entitlement local governments (metro cities and urban counties) and States
<b>Formula Basis</b>	Jurisdictions with high relative poverty, large number of renters in poverty, pre-1950 housing stock, poor housing conditions and high construction costs.	Two formulas are used: Formula A measures population, poverty and overcrowded housing; Formula B measures poverty, pre-1940 housing, and growth lag (for Entitlements) or population (for States). Each grantee receives the greater of the two formula amounts, adjusted to fit the total appropriation amount.
<b>Number of Grantees</b>	645 Participating Jurisdictions (PJs)/Grantees (3 new consortia in FY 11) <ul style="list-style-type: none"> <li>- 589 local PJs including 142 consortia; and 4 Insular Areas.</li> <li>- 52 State PJs (PR and DC included)</li> </ul>	1,191 Grantees <ul style="list-style-type: none"> <li>- 1,141 local governments (46 percent of these grantees receive only CDBG)</li> <li>- 50 State Grantees</li> </ul>
<b>Eligible Activities</b>	HOME funds can only be used to support affordable housing activities-- Four eligible activities – new construction, rehabilitation, homeownership assistance, tenant-based rental assistance.	25 eligible activities, which can be grouped into five categories: economic development, acquisition, public facilities, public services, and housing rehabilitation only (not new construction). Approximately one-third of annual expenditures are used for public facilities.
<b>Participation Thresholds</b>	Jurisdiction must qualify for minimum allocation of \$500,000 if congressional appropriation is \$1.5 billion or greater; \$335,000 if appropriation is less than \$1.5 billion.	Cities with population over 50,000, principal cities of metropolitan areas, and urban counties with populations over 200,000 qualify as entitlement communities. All states and Puerto Rico qualify for State CDBG funds.
<b>State/Local Split</b>	40 percent of appropriation to States; 60 percent to Local Governments. States can use HOME funds in entitled areas and can jointly fund projects with local government. States can also undertake activities directly or sub grant funds to localities.	70 percent of funds to entitlement communities, 30 percent to states. States must develop method of distribution to allocate their CDBG funds to non-entitled local governments and are responsible for program administration.
<b>Metro/Rural Fund Usage</b>	HUD estimates that \$500 million, or approximately 31 percent of the FY 2011 HOME appropriation is used to provide housing in rural areas.	\$2.754 billion of CDBG funds in FY 2010 (70%) were directly allocated to entitlement communities in FY 2010. Approximately \$840 million (21%) of FY 2010 CDBG funding was directed to rural areas.

Appendix 5

**HOME and CDBG –Two Different Programs**

<p><b>Income Targeting— Households Served</b></p>	<p>HOME funds exclusively serve low-income households (&lt;80% area median income). Rental housing has additional targeting to households &lt;60% AMI and &lt;50% AMI.</p>	<p>CDBG primary objective is assist low- and moderate-income persons (&lt;80% area median income). All activities must meet one of three national objectives: low/moderate income benefit; elimination of slum and blight; or urgent need. At least 70% of funds across all activities for 1-3 year period must assist low- and mod persons.</p>
<p><b>Housing Affordability Period</b></p>	<p>Applies to homebuyer and rental projects. 5 to 20 years depending on activity type and funding amount. During the affordability period for rental housing, there are continuing income requirements for tenants and maximum rent limits to ensure affordability. For homebuyer units sold during this period, resale to another low-income family or recapture of HOME subsidy is required.</p>	<p>None. CDBG may only be used for housing rehabilitation, unless new construction is carried out by Community-Based Development Organization (CBDO). CBDOs are private, neighborhood-based non-profit (or sometimes for-profit) organizations created to undertake neighborhood-focused community development or economic development activities.</p> <p>In FY 2010, about 2 percent of all CDBG funds were used for homebuyer assistance and new housing construction and 13 percent for single-family rehabilitation.</p>
<p><b>Key Partners</b></p>	<p>Community Housing Development Organizations (CHDOs)*, nonprofit and for-profit housing developers, private lenders.</p> <p>*15% of each PJ's annual allocation must be reserved for housing owned, developed, or sponsored by CHDOs. CHDOs are designated by PJs for the specific purpose of providing affordable housing to the community.</p>	<p>Nonprofit and public organizations, nonprofit and for-profit housing developers, neighborhood groups, for-profit businesses, private lenders. In State CDBG program, local governments are recipients.</p>
<p><b>Administrative Cost</b></p>	<p>Up to 10% of each grant allocation, plus up to 10% of any program income received</p>	<p>Up to 20% of annual grant amount plus program income of prior year</p>

## OIG Evaluation of Auditee Comments

- Comment 1** We are encouraged that HUD has initiated a broad set of comprehensive actions to respond to our audit recommendations. While we agree that the issues in the three recommendations cited by HUD are related, important concerns associated with each recommendation warranted presenting them separately in our audit report.
- Comment 2** We are encouraged that HUD plans to issue updated, consolidated guidance to help it correct the problems the audit identified.
- Comment 3** We are encouraged that HUD has begun to review every long-standing and cancelled activity indentified in the audit report and that it plans to resolve any questionable costs associated with these activities.
- Comment 4** HUD states that its goal is to have System enhancements in place by the end of fiscal year 2012, assuming funding availability. These enhancements are critical because the audit showed current System controls provided little assurance that significant amounts of Block Grant program funding disbursed nationwide were used as required. HUD also uses the System to generate reports showing program accomplishments used by the public, participating jurisdictions, and Congress.
- Comment 5** We evaluated data that was in HUD's System at the time of the audit. This evaluation showed that HUD lacked oversight of nearly \$67 million that it disbursed to fund more than 1,300 Block Grant program activities that grantees later cancelled in the System. In addition, HUD did not have adequate oversight of almost \$3 billion associated with more than 20,000 long-standing open activities that grantees reportedly failed to complete for up to 11 years. After the audit, HUD undertook an extensive nationwide effort to review its system data. The results of HUD's review to date are shown in its Appendixes 1, 2, 3, and 4 of its comments. While we did not verify the results of HUD's ongoing review we are encouraged that it is now reviewing its System data closely and has increased its remote monitoring to include activities with outdated, insufficient or questionable data. By using data already available in its System to focus on reviewing questionable activities, HUD can more effectively monitor its Block Grant program and concentrate more fully on its broader challenges.
- Comment 6** HUD states it agrees that grantees should not cancel activities after drawing down funds without sufficient justification (and should reimburse the program if HUD determines the justification to be unacceptable). However, HUD states that the problem is small in relation to the total number of activities initiated. We did not verify any of the statistics or percentages in HUD's comments to this audit report. However it is important to note that many of activities comprising the nearly \$67 million had been canceled since 2001 and HUD is only now attempting to obtain justification from grantees of how they used the funds. This funding was required to be used to (1) benefit low- and moderate-income persons, (2) aid in preventing

or eliminating slums or blight, or (3) meet community development needs having a particular urgency.

- Comment 7** The narrative field mentioned did not provide enough information for us to determine whether the grantee provided adequate justification to support its cancellation or revision of a program activity. Additionally, we provided responsible HUD officials a comprehensive listing of the cancelled activities on two separate occasions during the audit and asked them for an explanation or justification for the cancelled activities and they failed to provide it.
- Comment 8** We revised the data to remove the nine duplicates and revised the audit report accordingly. HUD asserts that data provided during the audit showed long-standing activities totaling 20,763. Based on our review of data provided to HUD during the audit, the data always showed the number of long-standing activities as 20,764.
- Comment 9** We evaluated data in HUD's System at the time we performed the audit and did not overstate the problem with long-standing open activities. We analyzed data contained in HUD's list of activities by program year and project (PR02 report) which displayed the activity status, amount funded, and amount disbursed for the grantee's activities. After the audit, HUD undertook a nationwide effort to review the detailed System data. We did not verify the results of the review HUD undertook after the audit. However, to address HUD's concern we further clarified our definition of a long-standing program activity as an activity that remained open for at least 5 years after it was funded through a grantee's annual consolidated plan.
- Comment 10** We did not misinterpret the CDBG timely expenditure requirements and we did not assert that the programs are identical. As stated in the report, since similar timely expenditure requirements did not exist for the Block Grant program, HUD officials did not focus reviews on long-standing open Block Grant program activities. We made the comparison because with about \$3 billion reportedly associated with long-standing open Block Grant program activities from 2000 to 2005, we believe HUD needed to focus on improving its oversight of these activities as well. HUD could potentially use similar System controls and techniques as it currently has in its HOME program.
- Comment 11** HUD asserts that the nearly \$67 million in reported cancelled activities are a result of revisions to program activities but has yet to provide support for its assertion. It is important to note that we were conservative in our reported questioned costs because the audit identified an additional 3,970 disbursements of Block Grant program funds totaling an additional \$89.8 million that grantees received 90 or more days before the setup of the activity in the System. Our analysis showed that this occurred primarily because grantees transferred previously drawn down funds among various other activities without restrictions or HUD oversight.



## Appendix C

### SUMMARY OF CANCELLED BLOCK GRANT PROGRAM ACTIVITIES BY GRANTEE

Grantee	State	Amount drawn	Number of cancelled activities
Chicago	IL	\$5,574,242.64	13
Missouri	MO	5,455,944.01	20
Schedectady	NY	4,419,826.64	45
Boston	MA	3,329,242.02	7
New Hampshire	NH	2,453,823.00	23
Salt Lake City	UT	1,525,427.78	1
Canton Township	MI	1,514,884.28	19
Birmingham	AL	1,475,308.22	27
Rogers	AR	1,295,821.00	20
Kentucky	KY	1,290,000.00	2
Nebraska	NE	1,175,127.00	17
Texas	TX	1,151,923.90	12
Cleveland	OH	1,128,444.00	28
Columbia	SC	1,090,875.14	6
Wisconsin	WI	1,032,300.00	4
New Orleans	LA	999,995.38	1
Sacramento County	CA	981,333.80	3
Port Arthur	TX	963,160.53	12
Allegheny County	PA	928,219.98	4
Mississippi	MS	733,403.72	7
Hartford	CT	727,808.59	7
Tampa	FL	676,537.00	1
Washington	DC	659,553.17	1
San Bernardino County	CA	602,694.01	10
Vermont	VT	601,500.00	2
Anaheim	CA	595,949.00	2
Miami Dade County	FL	533,389.70	6
California	CA	517,036.31	5
Los Angeles County	CA	499,362.74	4
Newark	NJ	494,499.41	3
Bergen County	NJ	494,315.73	5
Columbus	OH	481,000.00	4
Maine	ME	440,000.00	2
Nassau County	NY	426,017.30	12

<b>Grantee</b>	<b>State</b>	<b>Amount drawn</b>	<b>Number of cancelled activities</b>
Lancaster	PA	419,613.74	3
Niagra Falls	NY	405,269.96	13
Denver	CO	395,790.61	3
Hennepin County	MN	380,984.57	1
New Jersey	NJ	359,269.00	1
Hayward	CA	345,000.00	1
Houma	LA	335,079.55	14
Utah	UT	334,095.68	8
Florida	FL	334,092.98	8
Durham	NC	320,994.58	5
San Juan	PR	319,641.57	1
Vacaville	CA	317,900.00	5
New Mexico	NM	312,162.54	3
Lynwood	CA	309,207.94	1
Henrico County	VA	305,350.00	2
College Station	TX	294,860.07	1
Pierce County	WA	292,265.54	3
Portsmouth	VA	292,124.18	2
South Carolina	SC	287,977.00	8
Augusta	GA	284,800.30	12
Largo	FL	282,632.45	28
Los Angeles	CA	282,096.29	7
Maui County	HI	257,190.03	2
Riverside County	CA	236,631.36	5
Buffalo	NY	228,825.00	7
Iowa	IA	227,873.00	11
Warwick	RI	217,181.26	2
Massachusetts	MA	216,929.30	2
Kannapolis	NC	211,813.00	5
North Carolina	NC	205,310.00	4
Santa Maria	CA	204,947.36	3
Austin	TX	202,774.43	1
West Lafayette	IN	196,288.75	2
Santa Clara County	CA	195,353.62	1
Anoka County	MN	192,082.25	2
Hammond	IN	190,740.91	1
Muskegon Heights	MI	187,176.00	2
Hampton	VA	186,348.72	23
Louisiana	LA	185,369.78	9
Springdale	AR	184,305.56	3
Pompano Beach	FL	168,684.26	3

<b>Grantee</b>	<b>State</b>	<b>Amount drawn</b>	<b>Number of cancelled activities</b>
Prince George's County	MD	166,661.86	2
Lancaster	CA	164,323.00	2
Bayone	NJ	161,000.00	6
Wyoming	WY	158,992.00	5
Akron	OH	158,826.24	2
Oakland	CA	158,516.00	4
Lynn	MA	150,000.00	1
Yakima	WA	143,442.00	5
Hamden	CT	139,112.27	2
Sonoma County	CA	133,919.10	5
Bethlehem	PA	130,000.00	1
Rockland County	NY	125,337.42	2
North Dakota	ND	125,000.00	1
Orange County	FL	123,659.75	3
Essex County	NJ	121,795.44	4
Rochester	NH	118,347.93	5
Myrtle Beach	SC	114,338.00	2
Montgomery County	TX	112,427.58	2
Bridgeton	NJ	111,439.34	2
New Rochelle	NY	111,183.49	2
Hagerstown	MD	110,898.88	8
Kern County	CA	110,835.06	8
Pennsylvania	PA	110,354.27	4
Saginaw	MI	110,114.10	1
Milpitas	CA	105,000.00	1
Hanford	CA	100,000.00	1
Barberton	OH	99,779.99	3
Tustin	CA	94,904.51	2
Oak Ridge	TN	93,265.49	5
Rome	NY	93,038.44	2
Lakewood	OH	91,875.85	3
Ventura County	CA	89,394.00	2
Cleveland Heights	OH	88,774.50	1
Johnson City	TN	87,981.67	9
Lakewood Township	NJ	84,919.16	1
Manchester	NH	83,075.00	1
Oklahoma	OK	82,075.00	2
Cook County	IL	81,747.34	4
Fort Pierce	FL	81,624.55	4
Vallejo	CA	80,854.00	5
St. Petersburg	FL	80,657.04	1
Monroe	LA	78,328.03	1

<b>Grantee</b>	<b>State</b>	<b>Amount drawn</b>	<b>Number of cancelled activities</b>
Kansas City	MO	76,458.24	2
Prescott	AZ	74,034.05	2
Atlanta	GA	74,000.00	1
Puerto Rico	PR	73,853.00	3
St. Louis	MO	72,000.00	2
Attleboro	MA	69,436.49	1
Baltimore	MD	68,060.00	3
Jersey City	NJ	67,375.99	4
Fort Worth	TX	65,950.77	1
Haverhill	MA	65,765.00	3
Perth Amboy	NJ	65,749.76	3
Eugene	OR	65,000.00	2
Paterson	NJ	64,545.00	2
Grand Forks	ND	61,849.25	2
Bowling Green	OH	60,000.00	1
Jefferson City	MO	60,000.00	1
Georgia	GA	58,750.00	3
New York	NY	56,254.00	3
Cuyahoga County	OH	56,000.00	1
Irondequoit	NY	55,882.62	3
Greenville County	SC	54,056.69	29
Richmond	VA	51,450.00	2
San Diego	CA	50,628.69	5
Dunkirk	NY	50,149.00	1
Altoona	PA	50,000.00	1
Baton Rouge	LA	50,000.00	1
Bessemer	AL	50,000.00	2
Luzerne County	PA	50,000.00	1
Tulare	CA	50,000.00	1
Milwaukee	WI	49,937.50	1
La Crosse	WI	49,377.15	2
Shawnee	OK	48,976.00	3
Sandusky	OH	48,649.50	1
Pensacola	FL	47,716.00	10
Rio Rancho	NM	47,100.00	2
Chesterfield County	VA	45,244.09	1
Lansing	MI	45,000.00	1
North Little Rock	AR	44,961.16	3
Michigan	MI	43,900.00	1
Harrisburg	PA	43,692.26	17
San Joaquin County	CA	43,665.64	4
Clackamas County	OR	43,411.62	8

<b>Grantee</b>	<b>State</b>	<b>Amount drawn</b>	<b>Number of cancelled activities</b>
Stockton	CA	43,149.72	2
Chula Vista	CA	43,136.80	2
Reno	NV	42,500.00	1
Atlantic City	NJ	40,927.00	3
West Des Moines	IA	39,600.00	1
Rockford	IL	39,447.18	75
Hattiesburg	MS	38,764.40	2
Shreveport	LA	37,902.37	5
Elyria	OH	37,207.43	1
Normal	IL	36,702.00	1
North Bergen County	NJ	36,024.86	2
Yuma	AZ	35,201.14	2
Hudson County	NJ	35,000.00	1
Saratoga Springs	NY	35,000.00	1
Miramar	FL	34,913.66	1
Ashland	KY	34,701.01	10
Virgin Islands	VI	32,870.26	1
Palm Beach County	FL	32,278.80	14
Colorado	CO	30,640.10	1
Provo	UT	30,600.00	3
Baltimore County	MD	30,000.00	1
Indianapolis	IN	30,000.00	1
Escondido	CA	29,775.10	1
Orlando	FL	27,357.39	1
Jackson	MS	26,889.63	1
Pharr	TX	26,746.58	2
Fresno County	CA	25,974.50	1
Santa Fe	NM	25,853.00	1
Philadelphia	PA	25,113.29	2
Fullerton	CA	25,000.00	1
Norwalk	CT	24,715.15	2
Clifton	NJ	23,169.37	1
Framingham	MA	22,852.57	3
Antioch	CA	22,660.55	3
Michigan City	IN	22,514.51	1
Cambridge	MA	22,187.74	10
Middlesex County	NJ	22,177.00	2
Rocky Mount	NC	22,000.00	1
St. Louis County	MO	22,000.00	1
Portsmouth	NH	21,639.85	3
Livonia	MI	20,809.08	1
Syracuse	NY	20,689.42	1

<b>Grantee</b>	<b>State</b>	<b>Amount drawn</b>	<b>Number of cancelled activities</b>
Tyler	TX	20,686.33	1
Marietta	OH	20,437.80	2
Spartanburg	SC	20,000.00	1
American Samoa	AS	19,999.90	1
Oakland County	MI	19,973.30	2
Dubuque	IA	19,128.00	1
Portland	OR	18,871.43	4
Bentonville	AR	18,273.06	1
Willaimsport	PA	18,103.87	4
Waltham	MA	17,993.11	3
South Gate	CA	17,940.00	1
Kent Counth	MI	17,860.10	2
Bensalem Township	PA	17,500.00	1
Prince William County	VA	17,224.04	2
Hillsborough County	FL	16,847.50	1
Berks County	PA	16,773.09	3
Bloomfield Township	NJ	16,729.50	1
Manatee County	FL	16,612.00	1
Evanston	IL	16,000.00	1
Cedar Falls	IA	15,963.42	2
Richmond	CA	15,644.38	2
Simi Valley	CA	15,484.57	2
Hazleton	PA	15,104.52	1
Rhode Island	RI	15,000.00	1
Savannah	GA	14,967.22	2
Contra Costa County	CA	14,715.00	2
Long Branch	NJ	14,405.50	2
Palatine	IL	13,832.91	3
Seattle	WA	13,793.44	1
Des Moines	IA	13,750.00	1
Cumberland County	ME	13,699.12	1
Long Beach	CA	13,328.64	1
Flint	MI	13,040.79	2
Burlington County	NJ	12,961.00	1
Greece	NY	12,952.45	1
Bowie	MD	11,630.05	1
Elizabeth	NJ	11,612.00	1
Miami Gardens	FL	11,333.68	13
York County	PA	11,192.36	40
Anacortes	WA	11,173.00	1
Moss Point	MS	10,565.61	4
Albuquerque	NM	10,321.79	1

<b>Grantee</b>	<b>State</b>	<b>Amount drawn</b>	<b>Number of cancelled activities</b>
Newburgh	NY	10,095.00	2
Gulfport	MS	10,000.00	1
Hopewell	VA	10,000.00	1
Jacksonville	NC	10,000.00	1
Lake County	FL	9,774.00	2
Lake County	OH	9,300.00	1
West Valley City	UT	8,759.78	2
Bismark	ND	8,715.36	3
Cheektowaga Township	NY	8,369.23	1
Lancaster County	PA	8,110.50	1
Plymouth	MN	7,924.70	1
Cobb County	GA	7,649.00	2
Illinois	IL	7,448.00	2
Bellingham	WA	7,221.48	2
Taylor	MI	7,130.03	1
East Providence	RI	7,000.00	1
Milwaukee County	WI	6,895.00	1
Iowa City	IA	6,864.00	2
White Plains	NY	6,860.00	1
El Paso	TX	6,814.85	1
St. Joseph	MO	6,524.60	1
Peabody	MA	6,500.00	1
Corpus Christi	TX	6,154.00	1
Newton	MA	6,057.50	3
Arkansas	AR	5,813.22	1
Evansville	IN	5,625.00	1
Knoxville	TN	5,346.39	3
Madera	CA	5,327.39	2
Madison County	IL	5,170.55	1
Albany	NY	5,000.00	1
Green Bay	WI	5,000.00	1
Hinesville	GA	5,000.00	1
Montebello	CA	4,947.00	2
Youngstown	OH	4,829.13	14
Mobile	AL	4,763.96	1
Tucson	AZ	4,758.07	3
Mobile County	AL	4,709.55	2
San Mateo County	CA	4,558.28	3
Anderson	IN	4,107.34	1
Montgomery County	MD	4,098.00	3
Compton	CA	4,000.00	1
Longmont	CO	3,867.06	1



<b>Grantee</b>	<b>State</b>	<b>Amount drawn</b>	<b>Number of cancelled activities</b>
Lee County	FL	3,690.70	5
Dearborn Heights	MI	3,660.15	3
Oregon	OR	3,500.00	1
Las Vegas	NV	3,470.97	1
Lee's Summit	MO	3,463.91	1
Danbury	CT	3,424.44	1
Sacramento	CA	3,407.38	1
Franklin County	OH	3,404.24	1
Little Rock	AR	3,403.03	1
Muskegon	MI	3,330.00	1
Orange County	CA	3,324.69	2
Penn Hills	PA	3,290.00	1
East Cleveland	OH	3,250.00	1
Union Township (Union County)	NJ	3,171.00	7
East Lansing	MI	3,135.00	1
Kokomo	IN	3,060.00	1
Gaithersburg	MD	3,007.00	1
Arizona	AZ	3,000.00	1
Southfield	MI	3,000.00	1
Rochester	NY	2,977.88	4
Fairfield	CT	2,940.50	1
Easton	PA	2,900.00	2
East St. Louis	IL	2,750.00	2
Stanislaus County	CA	2,635.79	1
La Mesa	CA	2,543.12	1
Lebanon	PA	2,503.50	1
Anchorage	AK	2,459.20	1
Ontario	CA	2,336.58	1
Suffolk County	NY	2,325.00	1
Johnstown	PA	2,088.33	1
Pomona	CA	2,081.44	3
Billings	MT	2,000.00	1
San Bernadino	CA	1,735.90	1
Montgomery	AL	1,678.75	1
San Benito	TX	1,672.70	1
Clearfield	UT	1,612.77	1
Milford	CT	1,605.66	2
Onondaga County	NY	1,535.00	1
Bristol Township	PA	1,500.00	1
Minnesota	MN	1,350.00	1
Fort Myers	FL	1,250.00	2
Alameda County	CA	1,151.06	1

Grantee	State	Amount drawn	Number of cancelled activities
Rantoul	IL	1,100.06	5
Salem	MA	1,021.11	3
Anderson	SC	994.09	3
Knox County	TN	900.00	1
Polk County	FL	886.09	1
Frederick	MD	847.30	1
San Jose	CA	834.22	2
Blacksburg	VA	830.00	1
Collier County	FL	780.00	1
Delaware County	PA	750.00	1
Fargo	ND	745.97	1
Wenatchee	WA	727.90	1
Lake County	IN	720.00	2
Lompoc	CA	649.16	1
Pascagoula	MS	630.00	1
Hidalgo County	TX	586.35	1
Santa Monica	CA	543.22	1
Chino	CA	535.00	1
Clearwater	FL	504.50	1
Middletown	NY	500.00	1
Downey	CA	424.61	1
Ketterine	OH	408.91	1
Hawthorne	CA	355.00	1
Petersburg	VA	331.60	1
Montgomery County	PA	313.03	1
Lafayette	IN	301.00	1
Chester County	PA	281.20	3
Ventura/San Buena Ventura	CA	264.12	1
Cary	NC	250.00	1
Cicero	IL	250.00	2
Gadsden	AL	240.00	1
Owensboro	KY	185.00	1
Tonawanda	NY	125.00	1
La Habra	CA	81.46	1
Dover Township	NJ	75.87	1
Maricopa County	AZ	67.30	1
Pekin	IL	54.30	4
Rock Hill	SC	37.56	1
Suffolk	VA	0.68	1
<b>Totals</b>		<b>\$66,849,658.12</b>	<b>1,305</b>