

ATTACHMENT 1
PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT
 Low Income Home Energy Assistance Program (LIHEAP)

ABSTRACT:

HHS is requiring further detail from Grantees on their FY2012 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2012 plan which represent improvements or changes to the Grantee’s FY2011 plan for preventing and detecting fraud, abuse and improper payment prevention.

Instructions: Please provide full descriptions of the Grantee’s plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.

State, Tribe or Territory (and grant official):		Date/Fiscal Year:	
Maryland – Ralph Markus, Director, Office of Home Energy Programs		9/1/2011 Fiscal Year: 2012	
RECENT AUDIT FINDINGS			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2011 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.	Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2012.	If there is no plan in place, please explain why not.	Necessary outcomes from these systems and strategies

The Maryland Department of Human Resources' (DHR) Office of Inspector General (OIG) conducts audits of the nine DHR Local Departments of Social Services (LDSS). Audits conducted over the last three years identified two items in one LDSS, which has been corrected. OIG found that 1) documentation did not exist verifying that program supervisor authorized payments for invoices and 2) The LDSS OHEP unit does not complete a cash receipt register for the incoming cash receipts received from bulk fuel vendors. See Attachment 1.

The LIHEAP program administered in ten non-profit local Community Action Agencies are audited by independent CPA Accounting Firms in accordance with OMB Circular A-133. No material weakness, reportable conditions and questionable cost has been identified within the last three years.

In Baltimore City, the local government administers LIHEAP and is subject to the single audit for Baltimore City. No findings have been reported within the last three years.

The single audit of Federal programs conducted by an independent CPA company has reported no findings for Maryland's LIHEAP program over the past three years.

The Maryland Office of Legislative Audits (OLS) conducted an audit of the Office of Home Energy Programs and issued a report in February 2011 with the following findings:

1. Matching procedures were not used to verify data required to ensure program eligibility and the proper calculation of energy assistance benefits.

The audit finding was corrected by the LDSS by incorporating a change in procedures.

1. In response to the OLS audit findings, OHEP is working to establish procedures to verify data as described elsewhere in this document.
2. This OHEP currently obtains arrearage and usage information through a variety of methods depending upon the utility. This includes by phone, from the bill, account access via a designated website and fax. OHEP will prepare instructions for local administering agencies and utilities to ensure that proper documentation is received and placed or referenced in each customer's file or within the database.
3. OHEP recognizes the need for a change in the internal controls of its data system and agrees with the recommendation.
 - a. An effort is in process to remove an individual's access to both modification and certification of applications. This change requires specific programming revisions and will be implemented in a timely manner.
 - b. System log-in ids will be assigned to specific, authorized individuals who

Not Applicable

The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.

2. Documentation to support certain required application data was not always obtained by LAAs.
3. FIA had not established adequate controls over the OHEP data management system used to process applications and energy assistance payments.
4. Controls over cash receipts, which consisted primarily of refunds from utility companies, were not sufficient.

perform critical functions. Generic logins already established have been removed from use or assigned for inquiry purposes only. No generic logins can be used to perform critical functions. Periodic review through system generated reports will be conducted to ensure the integrity of the login names. Currently, during monitoring visits the validity of logins is reviewed.

4. This finding concerns the State OHEP Office.

a. FIA/OHEP acknowledges that all verifications were not performed after the abolishment of the Community Services Administration (CSA) for the period from May 2008 through December 2009 due to the lack of a Daily Revenue/Receipts Transaction Register (DAFR 7200) while transfer to FIA and the establishment of new budget codes were taking place. At present, this report is received and is checked against OHEP receipts eliminating the gap in the deposit verification process. FIA/OHEP acknowledges the statement that adequate controls over cash receipts were not established, recognizing that some additional controls are necessary; FIA/OHEP has established additional procedures to ensure that deposit verifications are performed on a timely basis and that the verification is documented. The procedure will be as follows:

1. Energy vendors are requested to send checks and refund lists separately to DHR/OHEP in order to prevent loss or theft.

2. OHEP Position 1(secretary) obtains the mail, open and records the check information in the log.
3. OHEP Position 2 (fiscal supervisor) reviews the independently sent list against the check log and document that the check was received is consistent with the refund list amount.
4. OHEP Position 2 (fiscal supervisor) will prepare the money mail list listing each check and amount and sign the money mail list.
5. OHEP Position 3 (program director) will review the money mail list for accuracy and completeness to ensure that all checks received are included on the money mail list. The money mail list is signed by this position.
6. OHEP position 2 (fiscal supervisor) will take the checks to the DHR Fiscal Office. Receipt of the list and checks shall be verified by signature on the list by the Fiscal Office.
7. OHEP Position 4 (program specialist) reviews the DAFR 7200 – Daily Revenue/Receipts Transaction Register against the check log to verify that the checks listed on the check log were deposited.

b. OHEP will ensure that cash receipts are forwarded to the Office for deposit in a timely manner in accordance with the Comptroller of Maryland's *Accounting Procedures Manual*.

c. OHEP will issue refund procedure instructions to all energy suppliers requiring that refund checks

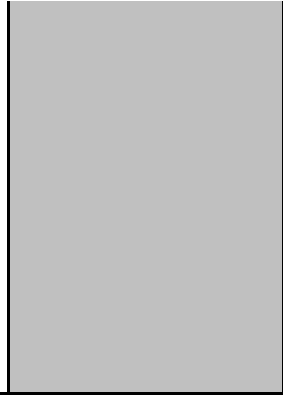
and the list of customers for whom the refund is being sent be sent independently of each other. This ensures that all checks issued by the company are received.



COMPLIANCE MONITORING			
Describe the Grantee's FY2011 strategies that will continue in FY2012 for monitoring compliance with Grantee and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.	Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY2012.	If you don't have a firm compliance monitoring system in place for FY11, please describe how the Grantee is verifying that LIHEAP policy and procedures are being followed.	Necessary outcomes from these systems and strategies
<p>The Office of Home Energy Programs (OHEP) will continue to monitor all of the local administering agencies (LAAs) every program year to assure implementation and adherence to regulations, policies and procedures as set forth in the Code of Maryland Regulations (COMAR), the Operations Manual and transmittals issued by the OHEP office. OHEP reviews a random selection of program files from each LAA utilizing the attached monitoring tool found in Appendix G of OHEP's Operations Manual. A sample of direct payments to applicants is specifically drawn and tested. The monitoring process tests for proper and complete documentation in client files and accuracy of calculations. Application data is compared against the computerized record. Monitoring also includes a review of data system logins to ensure that former employee logins are removed, training related activities, fraud-related items, performance data, and outreach activities.</p> <p>The sample requires selection of records from all key categories of income and payments. The sample must include records that are: wage earners, fixed income, zero income, crisis assistance, subsidized housing, renters with heat included in the rent, renters where heat is not</p>	<p>For FY 2012, the monitoring process will add a review for the regular generation of two reports, a Duplicate Payment Report and a Duplicate SSN Report.</p>	<p>Not Applicable</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

included in the rent, roomer/boarder, self-employed, benefit level 1 utility recipient and a direct payment to an applicant.

The monitoring document is reviewed annually for its effectiveness, for compliance with state regulations, laws and OHEP's policies. See Attachment 2 Chapter 13 of the OHEP Operations Manual describing the monitoring procedures and form.



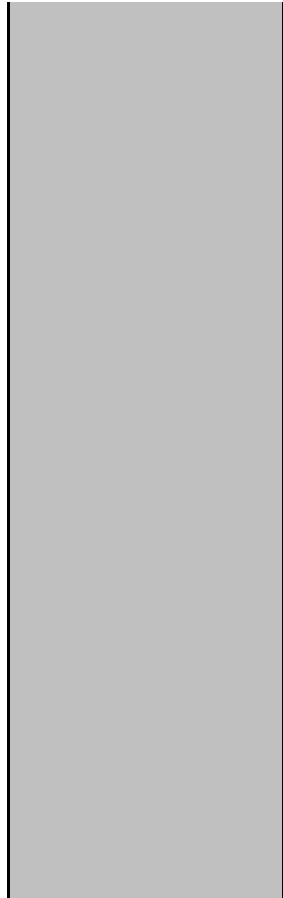
FRAUD REPORTING MECHANISMS			
<p>For FY2011 activities continuing in FY2012, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse? [These may include telephone hotlines, websites, email addresses, etc.] (b) strategies for advertising these resources.</p>	<p>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY2012, and the timeline for that implementation.</p>	<p>If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.</p>	<p>Necessary outcomes of these strategies and systems</p>
<p>Several mechanisms exist for the public to report cases of suspected fraud.</p> <ul style="list-style-type: none"> • Calls may be made to the Fraud Referral Hotline (1-800-332-6347) • Online at: www.dhr.state.md.us • Email to: oigmail@dhr.state.md.us • Fax to: 443-378-4070 • Mail to: Office of the Inspector General 100 S. Charles Street 16th Floor Baltimore, MD 21201 <p>OHEP refers all suspected fraud cases to the Department of Human Resources Office of Inspector General (OIG) for investigation. In 2006, OHEP and OIG conducted a joint training on fraud and reevaluated the fraud investigation procedures. After that training, OHEP developed a fraud referral procedure that was made available to all local OHEP offices and was implemented at that time.</p>	<p>For the 2012 OHEP program year, the fraud referral procedures (see attached) was revised to improve the understanding of the process and to make sure all local agencies are familiar with the process.</p> <p>OHEP is in the process of developing an OHEP Administrative Penalty to all verified fraud cases as determined by the OIG where criminal prosecution is not pursued in the courts. Such penalties must be placed in regulation.</p> <p>As part of the monitoring process, verification of the display of anti-fraud information/posters in local offices will be performed and documented.</p> <p>OHEP conducts a periodic conference call (about every other month) with local administering agencies and will incorporate fraud topics to the extent possible.</p>	<p>Not Applicable</p>	<p><i>Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to Grantee administrators.</i></p>

At the 2007 OHEP conference, officials from OIG were invited to conduct a statewide training on fraud and OHEP reiterated to the locals the importance of reporting MEAP and EUSP suspected fraud cases to OIG. Local offices of OHEP were provided posters (Attachment 3) on fraud to display in the public viewing areas of their offices as a preventative measures to combat potential fraud. The actual poster size on display is 24 inches x 36 inches.

In FY 2011, all suspected fraud cases on the MEAP and EUSP programs were reported to the OIG for follow-up and investigation. All referrals were made using the OIG fraud referral form (Attachment 4) and OIG notified OHEP local office on the findings of the investigation. If the findings suggested that fraud was committed, OIG determined the next cause of action which included prosecution, calculation of overpayment, and/or restitution.

Suspected fraud, particularly employee fraud, may also be reported to the Maryland Office of Legislative Audits at 1-877-372-8311.

OHEP is placed the fraud referral hotline telephone number on the 2012 OHEP program brochure.



VERIFYING APPLICANT IDENTITIES

<p>Describe all FY2011 Grantee policies continuing in FY2012 for how identities of applicants and household members are verified.</p>	<p>Please highlight any policy or strategy from your plan which will be newly implemented in FY2012.</p>	<p>If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>Applicants are required to provide picture identification as part of the application process. Household members do not have to provide picture identification. See Attachment 5 pages 3-6 and 3-7 for a detailed description of allowable documentation.</p>	<p>DHR is working to implement a document imaging system that will create a database of imaged documents which will serve to improve client identification as well as improve the application process. This system will allow cross checking between the various programs such as TANF, SNAP and LIHEAP.</p>	<p>Not Applicable</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

SOCIAL SECURITY NUMBER REQUESTS

<p>Describe the Grantee's FY2012 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</p>	<p>Please describe whether the Grantee's policy for requiring or not requiring Social Security numbers is new as of FY2012, or remaining the same.</p>	<p>If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>Applicants are required to present social security numbers as the applicant and for household members. A social security card or government document displaying the social security number is required as proof of the social security number. See Attachment 5 pages 3-4 to 3-6 for detailed description.</p> <p>Current policy provides procedures for those applicants without a social security number as long as there is a member of the household with a social security number. A taxpayer identification number (TIN), work only number or OHEP created pseudo-number is used to enter the applicant in the OHEP database or household data table. Non-qualified aliens are entered this way and have their income counted towards the benefit calculation, but the individual is not counted as a household member in the benefit calculation. This allows households with children of aliens with social security numbers to receive benefit although a reduced one. See page 4-19 of Attachment 6. During FY 2011, a process was implemented within the OHEP Data System to automatically by categorize household members based upon social security number format. If the ssn does not match the current criteria for</p>	<p>The current policy will continue although a policy change of requiring a valid ssn for all applicants will be explored.</p>	<p>Not Applicable</p>	<p><i>All valid household members are reported for correct benefit determination.</i></p>

ssn then the person is categorized as an alien and the income is counted towards the benefit calculation but the person is not.



CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

<p>Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY2011 and continuing in FY2012. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)</p>	<p>Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY2012.</p>	<p>If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>During FY 2011 and continuing into FY 2012, social security numbers are verified by the presentation of a Social Security Administration issued card or document issued by another governmental agency displaying the social security number. On a limited basis, verification may be achieved through DHR's CARES system where social security numbers have been verified through SVES.</p> <p>Upon data entry, OHEP's data system includes a check for duplicate social security numbers within the database from among all applicants and household members, thus preventing improper issuance of benefits to applicants.</p> <p>Implemented during FY 2011 were system guidelines to improve data entry of social security numbers leading to fewer errors.</p> <p>Currently in use is a system report that generates a list of applications with the same address. It is primarily used to identify applications entered where there are different social security numbers for the same person. This report is generated weekly.</p>	<p>For FY 2012, OHEP plans to implement the use of other systems for verification and validation of social security numbers. OHEP is currently part of the DHR's Information Exchange Agreement (Attachment 7) with the Social Security Administration.</p> <p>Where possible, access to the Social Security Administration Verification Enumeration System (SVES) is planned by obtaining access for agency workers.</p> <p>OHEP is planning to verify the data on an ongoing weekly or monthly basis through the Enumeration Verification System (EVS) with the Social Security Administration. Development of this process is initiated; however, an implementation date is unknown at this time. Verification will include social security number, name, and date of birth.</p> <p>Also in the planning stages is the verification of</p>	<p>Not Applicable</p>	<p><i>Use of all available database systems to make sound eligibility determination.</i></p>

Also, in use is a report identifying invalid social security numbers. This report lists all applicants and household members whose social security numbers do not match the Social Security Administration's criteria for social security numbers that have been issued. This report is generated on monthly.

social security numbers against the database of incarcerated persons and death records.

OHEP will use Maryland's VINELink system at VINELink.com to obtain immediate verification of incarcerated. See Attachment 8.

OHEP is planning to compare the full FY 2011 database against the prisoner database and death record database as a prelude to starting the FY 2012 program. This process is performed by DHR's Office of Inspector General. During FY 2012, the matching process will be performed on a monthly basis.

In FY 2012, the OHEP will continue to require Social Security cards or valid documentation of the social security number from Social Security Administration for all members of the household.

VERIFYING APPLICANT INCOME			
Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY2011 and continuing in FY2012.	Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2012.	If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?	Necessary outcomes from these systems and strategies
<p>OHEP has not utilized the State directory for new hires but have policies addressing acceptable income documentation of income/resources received by the applicant and members of the household during the thirty day period immediately preceding the application date. Attachment 6 pages 4-1 through 4-18 contains a full description of OHEP's policies regarding income documentation.</p> <p>Some LAAs have access to The Work Number. DHR has a contract allowing Local Departments of Social Services access.</p>	<p>OHEP plans to research and incorporate use of the new hires directory and similar systems for use in the verification of employment and income in FY 2012.</p> <p>OHEP is seeking to obtain access for all intake workers to DHR's CARES system to verify assistance income and to MABS to verify employment income.</p>	<p>OHEP will continue to use the same procedures for income documentation for FY 2011.</p>	<p><i>Effective income determination achieved through coordination across program lines.</i></p>

PRIVACY-PROTECTION AND CONFIDENTIALITY			
Describe the financial and operating controls in place in FY2011 that will continue in FY2012 to protect client information against improper use or disclosure.	Please highlight any controls or strategies from your plan which will be newly implemented as of FY2012.	If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.	Necessary outcomes from these systems and strategies
<p>From a physical layout perspective local administering agencies are to store client files in locked file cabinets. Most agencies have a physical layout which has staff and file areas behind locked doors with separate interview areas.</p> <p>As stated in the DHR Employee Handbook “employees must maintain the privacy and confidentiality of a customer’s records. They may not disclose any information learned about a customer, licensee, or contractor in the course of their employment to anyone other than their supervisory chain of command or other employees who are authorized and have a need to know the information communicated in order to perform their job duties, or as permitted by applicable State or Federal law.”</p> <p>All local agencies under contract are required to adhere to confidentiality as included in the standard services contract with DHR (Attachment 9). Grantee employees are required to sign an Employee Security Advisory form (Attachment 10) outlining the requirements related to computers and computerized data.</p> <p>Regulations are in place regarding confidentiality and disclosure of information. See Attachments 15, 16 and 17</p>	<p>OHEP, as part of DHR’s Family Investment Administration (FIA) will follow the policy of FIA regarding the protection of personally identifiable information. See Attachment 11.</p> <p>Requests for information from third party entities not directly involved with the program will require a written consent to release information to the third party.</p>	<p>Not Applicable</p>	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

The OHEP Data System requires user names and passwords assigned through the State OHEP to access the data. System users are assigned roles specific to their job function which limits access within the data system.

The OHEP Data System has a timeout function which disconnects logged in users after a period of time with no user activity. This prevents unauthorized use when a worker steps away from their computer and forgets to log out.

Currently, during monitoring visits, the OHEP monitor reviews the current list of login names with the program manager and performs updates when employees are identified as no longer requiring access due to no longer being on the job or has a change in responsibilities.

Contracting agencies that are not connected to the DHR network are required to access the OHEP Data System via DHR's Virtual Private Network (VPN). The VPN requires a user name and password assigned by the DHR Office of Technology for the Human Services (OTHS). Connecting through the VPN allows a secure internet connection to the DHR network.

In situations where the transfer of client payment data to utility companies is performed, the data is transferred via DHR's secure File Transfer Protocol (FTP) Server. Access to download files requires a user name and password assigned through the FTP hosting organization.

LIHEAP BENEFITS POLICY			
Describe FY2011 Grantee policies continuing in FY2012 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.	Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY2012.	If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.	Necessary outcomes from these systems and strategies
<p>The OHEP Database System has several built in features to assure proper payment to vendors.</p> <ul style="list-style-type: none"> • In order for a vendor to receive a payment they must be a participating vendor which is based upon signing an agreement with the State office. The Supplier Agreement includes an information sheet consisting of company contact information, license numbers, employer identification number, etc. • Participating vendors are entered into the database only at the state level. Energy Suppliers or vendors are pre-entered by State staff. • System users must pick from a list of vendors who have signed the agreement with the State. No unauthorized vendor can be entered by a worker. • The Database System requires that the person who enters an applicant record and the person who approves it for a benefit are different. • A report to identify multiple payments on behalf of an applicant is generated each week prior to the 	<p>The current policies will continue.</p>	<p>Not Applicable</p>	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>

issuance of payments. Local agencies are notified of payments suspected of being duplicate for appropriate review and action.

- Vendors identified as not living up to the signed agreement are removed from the vendor database, thereby, preventing selection of that vendor.
- Account numbers for the major utility companies in the Maryland are subject to a “check digit” review within the OHEP Data System. The check digit routines were programmed in the OHEP Data System in 2005. While the routine does not verify specific account numbers as belonging to the customer, it does verify that it is an account number format used by the respective utility.
- Notice of the benefit is sent to the applicant, which includes the name of the vendor who received the payment.

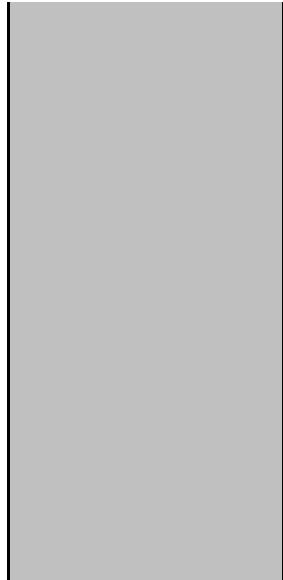
Payments to utilities are processed at the State level. Requests for payment are generated in the OHEP office with one staff member creating the payment transmittal and another person approving it. It is then taken to the DHR Accounts Payable office where it is entered into Maryland’s Financial Management Information (FMIS) system. The payment is processed by the Office of the Comptroller and sent by the State Treasurer. Customer data is electronically sent to the utilities via FTP file transfer. A reconciliation summary transmittal is faxed to the utility.

PROCEDURES FOR UNREGULATED ENERGY VENDORS			
Describe the Grantee's FY2011 procedures continuing in FY2012 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.	Please highlight any strategies policy in this area which will be newly implemented in FY2012.	If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.	Necessary outcomes from these systems and strategies
<p>Payments to deliverable fuel vendors are processed through the local administering agencies. For those agencies that are local departments of social services the payment is processed through FMIS. For contracting agencies, the payment is through their finance office upon submission of a payment request.</p> <p>Each company designated to receive a benefit payment is required to sign an agreement with DHR/OHEP outlining the terms of participating in LIHEAP. As part of the agreement, information is collected about the company including Tax Identification Numbers, location and contact persons. See Attachment 13.</p> <p>At the conclusion of the program year, a report called the Energy Delivery Record (EDR) is sent to each non-utility energy supplier to verify the receipt and delivery of fuel. The EDR is returned to the local agency with any unexpended benefits resulting from closed accounts.</p> <p>OHEP verifies energy suppliers as a true business by researching companies through the Maryland Department of Assessments and Taxation web portal</p>	<p>Efforts are to be made to identify non-participating vendors where an applicant has received a direct payment to verify the business and to attempt to have the company participate in the program.</p>	<p>Not Applicable</p>	<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>

(www.dat.state.md.us) business search function, by the company's web site or through the Dun & Bradstreet website (www.dnb.com).

When necessary, OHEP staff or local administering agency staff will visit the physical location of the business to verify its existence.

Direct payments to applicants are currently issued in situations where the heat is sub-metered. A bill from a sub-metering company is required as part of the application documentation. Verification of the sub-metering company performed by contacting the company or by internet search.



VERIFYING THE AUTHENTICITY OF ENERGY VENDORS			
Describe Grantee FY2011 policies continuing in FY2012 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.	Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY2012.	If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?	Necessary outcomes from these systems and strategies
<p>Each energy vendor enters into an agreement (Attachment 13) with DHR/OHEP and completes a data sheet as part of the process for participating in LIHEAP.</p> <p>Requests for participation must come directly to the State office.</p> <p>Landlords who receive benefit payments must sign a Landlord Agreement (Attachment 14) in order to receive the benefit.</p>	<p>A search of the Maryland Department of Assessments and Taxation business database will be performed on each new energy vendor to verify them as a registered business entity.</p> <p>Landlord names will be checked against the Maryland Department of Assessments and Taxation Real Property Data to verify ownership.</p> <p>When feasible, an OHEP State or local staff member will make a visit to a new vendor requesting participation in LIHEAP to verify the existence of the business.</p>	<p>Not Applicable</p>	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

TRAINING AND TECHNICAL ASSISTANCE			
<p>In regards to fraud prevention, please describe elements of your FY2011 plan continuing in FY2012 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors</p>	<p>Please highlight specific elements of your training regiment and technical assistance resources from your plan which will represent newly implemented in FY2012.</p>	<p>If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>Fraud prevention training and technical assistance is incorporated through:</p> <ol style="list-style-type: none"> 1. Presentation and discussion at OHEP's annual conference for local administering agency staff. 2. Designation of an OHEP staff member to respond to questions regarding fraud. 3. Utilizing staff from the Office of Inspector General as the occasion arises to address specific questions or training needs. 4. Information and discussion during monthly conference calls with local administering agencies. 	<p>Planned for FY 2012 is:</p> <ol style="list-style-type: none"> 1. Development of a brochure for employees providing information on what to look for in an application in order to prevent fraud. 2. Development of a brochure to be distributed to applicants to encourage fraud prevention. 3. Notification to energy vendors regarding fraud prevention. 	<p>Not Applicable</p>	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>

AUDITS OF LOCAL ADMINISTERING AGENCIES			
Please describe the annual audit requirements in place for local administering agencies in FY2011 that will continue into FY 2012.	Please describe new policies or strategies to be implemented in FY2012.	If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.	Necessary outcomes from these systems and strategies
<p>Each non-governmental local administering agency is required to have an audit conducted annually by an independent Certified Public Accountant. The audit report is submitted to the State OHEP Office for review.</p> <p>Local administering agencies which are part of DHR are subject to an audit by DHR's Office of the Inspector General.</p> <p>Local government administering agencies are subject to the Single Audit required for programs administered with Federal funds.</p> <p>The State OHEP Office is subject to the Single Audit conducted for DHR for the programs utilizing Federal Funds. Under the Single Audit process, auditors may sample local agency records.</p> <p>OHEP also administers the State-funded Electric Universal Service Program (EUSP) which, by statute, requires a legislative audit every three years. EUSP is operated in coordination with Maryland's LIHEPA program with the</p>	<p>The existing audit policies will continue through FY 2012.</p>	<p>Not Applicable</p>	<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>

same local administering agencies.

Additional Information

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.

Attachment 1-1 – Audit Findings

Attachment 1-2 – Chapter 13 – Monitoring Program Compliance

Attachment 1-3 – Fraud Poster

Attachment 1-4 – Fraud Referral Forms

Attachment 1-5 – Chapter 3 – Application Process

Attachment 1-6 – Chapter 4 – Certification and Eligibility

Attachment 1-7 – Information Exchange Agreement

Attachment 1-8 – VINELink

Attachment 1-9 – Standard Services Contract

Attachment 1-10 – Employee Security Advisory

Attachment 1-11 – FIA Action Transmittal 11-01

Attachment 1-12 – Supplier Memorandum of Agreement

Attachment 1-13 – Landlord Agreement

Attachment 1-14 – Chapter 10 – Fraud

Attachment 1-15 – Regulations - Access to Records

Attachment 1-16 – Consent Form to Access Records

Attachment 1-17 – Regulations - Confidentiality