ATTACHMENT 5

SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE
Low Income Home Energy Assistance Program (LIHEAP)

ABSTRACT:
HHS is requiring further detail from Grantees on their FY2014 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2014 plan which represent improvements or changes to the Grantees' FY2014 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):	**Illinois Department of Commerce and Economic Opportunity**		**Date/Fiscal Year: FY2014**
RECENT AUDIT FINDINGS			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2014 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 FY2014.**	**If there is no plan in place, please explain why not.**	**Necessary outcomes from these systems and strategies**
The most recent Illinois Statewide Single Audit was for fiscal year 2012 and can be found at the following link: http://www.auditor.illinois.gov/Audit-Reports/Performance-Special-Multi/Statewide-Single-Audit/FY12-Single-Audit-Full.pdf Please see findings 12-62 pertaining to LIHEAP.	This finding associated with LIHEAP in the FY12 Statewide Single Audit has been corrected. DCEO submitted a corrective action plan to the Illinois Office of the Auditor General indicating the corrective action steps implemented to resolve the finding."	N/A	*The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.*

ATTACHMENT 5

According to the Paperwork Reduction Act Of 1995 (Pub. L. 104-13), public reporting burden for this collection of information is estimated to average 1 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

COMPLIANCE MONITORING			
Describe the Grantee's FY 2014 strategies that will continue in FY 2014 for monitoring compliance with State 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 FY 2014.**	**If you don't have a firm compliance monitoring system in place for FY 2014, please describe how the State is verifying that LIHEAP policy and procedures are being followed.**	**Necessary outcomes from these systems and strategies**
Programmatic Monitoring visits generally occur twice per year (Initial and Annual). Training and/or Technical Assistance visits are conducted on an as-need-basis. The purpose of the monitoring visit is to: evaluate the overall administration and management of the program, verify the security of records and access to the state's database system called LIHEAP.net, verify the local agency's assurance 16, outreach, coordination, and customer service efforts in accordance with the Implementation Plan and the LIHEAP Procedure Manual, observe selected invoices for fiscal management such as the most recent bank reconciliation, and randomly selected Program Support costs, review randomly selected LIHEAP applicant files and, recommend, if applicable, any operational improvements to the agency's LIHEAP. Weatherization programmatic monitoring occurs at least twice per Program Year per local Weatherization agency. A minimum of 5% of the client files and 5% of the completed homes are reviewed for program compliance to the Operations Manual and Weatherization work	Programmatic Monitoring visits have been an on-going activity for many years.	The State currently has a compliance monitoring system.	*A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.*

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Standards. The monitoring results are recorded in OEA's SharePoint monitoring system. Vendor agreements and the verification of the utility Federal Employer Identification Number (FEIN) are also included as part of the monitoring activities.			

FRAUD REPORTING MECHANISMS			
For FY 2013 activities continuing in FY 2014, 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.	**Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.**	**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.**	**Necessary outcomes of these strategies and systems**
To report cases of suspected LIHEAP fraud or abuse, the public can contact our office via mail. In addition, LIHEAP applicants can submit complaints to the Attorney General office. The State includes the address information on the LIHEAP application.	N/A	The State currently has mechanisms available to the public to report cases of suspected fraud, waste and abuse.	*Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.*

DRAFT

ATTACHMENT 5

VERIFYING APPLICANT IDENTITIES			
Describe all FY 2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.	**Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.**	**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.**	**Necessary outcomes from these systems and strategies**
All LIHEAP applicants over the age of one year must provide a valid Social Security Number by way of hard copy proof from the social security card itself, a letter or print out from the Social Security Administration Local Agency, or any other form of government-issued identification that shows both name and social. In addition, all applicants must provide income information and a copy of the most recent energy bill. Applicants with questionable social security numbers are required to provide a print-out of the social security number issued by the Social Security Administration local agency.	The State's policy for the identification and verification of applicants will remain the same for FY 2014.	The State currently verifies the identity of LIHEAP applicants.	*Income and energy supplier data that allow program benefits to be provided to eligible individuals.*

SOCIAL SECURITY NUMBER REQUESTS			
Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.	**Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.**	**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.**	**Necessary outcomes from these systems and strategies**
All LIHEAP applicants over the age of one year must provide a valid Social Security Number by way of hard copy proof from the social security card itself, a letter or print out from the Social Security Administration Local Agency, or any other form of government-issued identification that shows both name and social security number.	The State's policy for requiring social security numbers of LIHEAP applicants is remaining the same from previous years.	The State currently requires social security numbers of LIHEAP applicants.	*All valid household members are reported for correct benefit determination.*

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CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES			
Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2013 and continuing in FY 2014. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)	**Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.**	**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.**	**Necessary outcomes from these systems and strategies**
The State LIHEAP office has an interagency agreement with the Illinois Department of Human Services for investigative and eligibility verification purposes, such as 1) identify fraudulent use of SSNs through comparison, 2) investigate intake staff errors and make the appropriate corrections and determine if errors exist by comparing household information between the DHS database and the Illinois LIHEAP database.	The State has an inter-agency agreement with the Social Security Administration for access to their Enumeration Verification System. The State plans to give direct access to the local agencies so applicant information can be verified at the point of intake. The State encourages Local Administering Agencies to check the Illinois Department of Correction website for current inmate data for identity verification.	LIHEAP.Net tracks and retains all household membership information. The system does not allow duplication in any program year for a specific household member to be entered as a new application. In addition, duplicate benefits are prevented at both an individual member and vendor/account combination level.	*Use of all available database systems to make sound eligibility determination.*

VERIFYING APPLICANT INCOME			
Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2013and continuing in FY 2014.	**Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.**	**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**

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The State currently has no access to State Directories of new hires to confirm income eligibility.	The State is researching available choices to confirm income eligibility during the time of intake.	Since no database system is currently used to verify applicant's income, sub-grantees contact employers to verify income, as necessary.	*Effective income determination achieved through coordination across program lines.*

PRIVACY-PROTECTION AND CONFIDENTIALITY			
Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 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 FY 2014.**	**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**
Employee and Customer Identity Policy In the performance of its legislatively mandated duties, the Department collects and utilizes a large quantity of sensitive information concerning the identities of employees, vendors, and agency customers. "Identity information" for employees includes, but is not limited to: name, address, phone number, social security number, and date of birth. Additionally, "identity information" for vendors includes, but is not limited to: name, address, phone number, Federal Employer Identification Number, and social security number. It is the policy of the Department that all employees, vendors, and customers' "identity information" shall only be used for the purpose of conducting official state business. In no case shall Department employees, vendors, or customers use "identity information" for personal profit or entertainment. *Identity Theft* – Employees, vendors, and customers with access to "identity	The State continues to require local administering agencies to respond on the annual implementation plan how they ensure privacy-protection and confidentiality of all LIHEAP clients. In addition, LIHEAP client's whose data has been compromised will be contacted by DCEO.	The State has fiscal and operational controls in place to ensure the security and confidentiality of private information disclosed by LIHEAP applicants.	*Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.*

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information" are explicitly prohibited from disseminating such data if the intentional or unintentional result of their activity is "identity theft". *Appropriate Stewardship or Identity Information* – Documents and electronic media which contain "identity information" must be stored, transported, and disposed of in a secure manner. *Disciplinary Action* – Employees who violate this policy are subject to disciplinary action, up to and including discharge. Local agencies may not release the client's name, phone number, income information, etc. Nor may it release lists of client names and addresses to other entities including service agencies even with the best intentions. In order to protect the applicant's private information, the agencies should institute proper measures to handle sensitive information. Electronic client data is protected in a limited access database. Local agencies can only view their own local information. Client data is further protected by limited level access and user ID and password protection.			

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LIHEAP BENEFITS POLICY			
Describe FY 2013 Grantee policies continuing in FY 2014 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 FY 2014.**	**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**

ATTACHMENT 5

All LIHEAP vendors must first sign a vendor agreement. A vendor agreement is signed with regulated utilities before the heating season starts. A list of these vendors is provided to each agency. LIHEAP.net verifies the utility Federal Employer Identification Number (FEIN) through regular verification transactions. At intake, documentation required for the program is the most current utility bill where the applicant's address is listed. Agencies are required to enter the application data in real time. The vendors confirm the applicant's service address through LIHEAP.net system. Verifiers at the local agency verify the data that has been entered in the system and compares it against the documentation provided by the client. Every approved LIHEAP client receives an approval letter indicating the benefit amount that will be applied to the energy provider(s).	The same policies will be implemented during FY 2014 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients. In addition, a new coordination of payments among similar programs will be implemented in FY2014 through a joint intake system that serves LIHEAP, Weatherization and CSBG programs.	The State currently has policies in place to protect against improper payments when making payments or providing benefits on behalf of clients.	*Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.*

DRAFT

ATTACHMENT 5

PROCEDURES FOR UNREGULATED ENERGY VENDORS			
Describe the Grantee's FY 2013 procedures continuing in FY 2014 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 FY 2014.**	**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**
A non- regulated vendor agreement is signed by the local agency with each unregulated utility before the heating season begins. LIHEAP.net does not allow users to provide benefits on behalf of an eligible client before a vendor is added to the database system. The actual creation of the account is restricted to the Office of Energy Assistance (OEA) staff. If a new vendor signs the agreement or a change in vendor information occurs, the local agency completes the Vendor Identification Form and sends it to OEA.	The same policies will be implemented during FY 2014 for averting fraud and improper payments when dealing with unregulated vendors.	The State currently has policies in place to avert fraud when dealing with unregulated vendors.	*Participating vendors are thoroughly researched and inspected before benefits are issued.*

VERIFYING THE AUTHENTICITY OF ENERGY VENDORS			
Describe Grantee FY 2013 policies continuing in FY 2014 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 FY 2014.**	**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**
All new regulated and unregulated utilities must provide a Federal Employer Identification Number (FEIN). If a new vendor signs the agreement or a change in vendor information occurs, the local agency completes the Vendor Identification Form and sends it to OEA. LIHEAP.net verifies the utility Federal Employer Identification Number (FEIN) number through regular verification transactions with regulated vendors.	The same policies will be implemented during FY 2014 for verifying the authenticity of energy vendors.	The State has policies in place for verifying the authenticity of energy vendors.	*An effective process that effectively confirms the existence of entities receiving federal funds.*

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Local agencies also verify energy vendor's information on the internet as another source of information.			

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TRAINING AND TECHNICAL ASSISTANCE			
In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.	**Please highlight specific elements of your training regiment and technical assistance resources from your plan which will represent newly implemented in FY 2014.**	**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.**	**Necessary outcomes from these systems and strategies**
The Department will continue to provide training to state LIHEAP employees on using the DHS database to identify fraudulent use of social security numbers and inadvertent data input errors for correction. Separation of duties at local agencies is an effective mechanism that prevents fraud. In addition, follow-up through technical assistance and peer-to-peer assistance is conducted by DCEO and the Illinois Association of Community Action Agencies in cases where an irregularity has been identified. A web-based ethics training for both state employees and Policy Advisory Council members is required to be completed each year.	DCEO plans to provide additional program integrity related training to local agencies on use of the SSA database once access is provided.	The State plans to include workshops on fraud prevention in our Annual Energy Assistance Conference.	*The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.*

ATTACHMENT 5

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AUDITS OF LOCAL ADMINISTERING AGENCIES			
Please describe the annual audit requirements in place for local administering agencies in FY 2013that will continue into FY 2014.	**Please describe new policies or strategies to be implemented in FY 2014.**	**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**
Local administering agencies are required to submit an annual audit of their agency under OMB Circular A-133.	This has been an ongoing requirement of local agencies for many years. Illinois also has fiscal monitoring staff that review the financial data and processes of local agencies, and has had for many years	The State has annual audit requirements for local administering agencies.	*Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.*

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.

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