

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

**ABSTRACT:**

HHS is requiring further detail from States on their FY2011 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that States highlight and describe all elements of this FY2011 plan which represent improvements or changes to the State's FY2010 plan for preventing and detecting fraud, abuse and improper payment prevention.

State, Tribe or Territory (and grant official):			Date/Fiscal Year:
<b>RECENT AUDIT FINDINGS</b>			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2010 or the prior three years, in annual audits, State 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 FY2011.	If there is no plan in place, please explain why not.	Necessary outcomes from these systems and strategies
The Nebraska Auditor of Public Accounts completed a single audit that was for July 1, 2008 through June 30, 2009. There was no current finding in that report. It is identified on <u>page 21</u> of the summary prior audit findings/Program Integrity section. The Nebraska Economic Assistance Review System (NEARS) was implemented to cover findings of prior audits that required more supervisory review of energy cases. In the June 1, 2009 through November 30, 2009 there were 527 case reviewed with the lowest correct percentage of 90.7% and the highest correct percentage	<u>The DHHS creation of the Nebraska Economic Assistance Review System is covered in the Program Integrity portion of the state plan.</u>		<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

<p>of 98.7%. Findings are on <u>Page 21 and Page 24</u> of the Program Integrity section</p>			
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**COMPLIANCE MONITORING**

<p>Describe the State's FY2010 strategies that will continue in FY2011 for monitoring compliance with State and Federal LIHEAP policies and procedures by the State and local administering agencies.</p>	<p>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY2011.</p>	<p>If you don't have a firm compliance monitoring system in place for FY11, please describe how the State is verifying that LIHEAP policy and procedures are being followed.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>NEARS is identified in the section above. It is a DHHS process to audit cases. Corrective Action plans are created based on findings of the NEARS audit. The findings of the NEARS audit ranged from 90.7 to 98.7 correct. Identified on <u>page 24</u> of the Program Integrity section.</p>	<p><u>Information in regards to NEARS and a copy of the last NEARS report.</u></p>		<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

### FRAUD REPORTING MECHANISMS

<p>For FY2010 activities continuing in FY2011, 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 FY2011, 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>Abuse, fraud or waste reports go the local office staff and supervisor. A follow-up report is to be received in the Central Office. The Central Office will follow-up to determine how the matter was resolved. Identified on <u>page 59</u> of the Program Integrity section.</p>	<p><u>Central Office phone calls, local office phone calls, emails received, letters to state officials, etc. are gathered and sent to the local office worker and supervisor. A response is to be received back into the Central Office as to the resolution of the matter.</u></p>	<p><u>This is an internal matter that is handled between the Central Office and the local office/staff of DHHS.</u></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 State administrators.</i></p>

### VERIFYING APPLICANT IDENTITIES

<p>Describe all FY2010 State policies continuing in FY2011 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 FY2011.</p>	<p>If you don't have a system in place for verifying applicant's identities, please explain why and how the State is ensuring that only authentic and eligible applicants are receiving benefits.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>The Nebraska Family Online Client User System (NFOCUS) is the automated system that Nebraska uses to determine eligibility for most programs. At this time LIHEAP is not in NFOCUS but in January 2011 the work will start to add LIHEAP to NFOCUS. The Expert System Verification will verify social security numbers and the enumeration process. The Interface system of NFOCUS will verify receipt of SSA and SSI, New Hire Match, State Employment Wage file, IRS</p>	<p><u>All household members have SSN's requested, if household is on NFOCUS all members go through IEVS and Vital Stats matches. Between 90% and 95% of all households that receive energy assistance are already in NFOCUS because of other programs such as SNAP, TANF/ADC, adult medical programs, children's medical programs, child care, etc.</u></p>		<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

<p>information, Unemployment Compensation Information, Child Support Enforcement and Collection information, and matches with the state Vital Statistics system. The Expert System Verification process is identified on <u>pages 26-58</u>.</p>			
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**SOCIAL SECURITY NUMBER REQUESTS**

<p>Describe the State's FY2011 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</p>	<p>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2011, or remaining the same.</p>	<p>If the State 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>Same as section above. If the household is not on NFOCUS (household is not applying for any other programs) the worker will require the household to provide SSN's for all household members. If the household members do not have an SSN they will be required to apply for a SSN. Identified on <u>page 27</u> of the Program Integrity section.</p>	<p>If a household member(s) does not have an SSN they are required to apply for a SSN and provide verification to DHHS. If there is an energy crisis situation that requires immediate action, no other benefits will be issued after the crisis situation until SSN's are provided to DHHS.</p>		<p><i>All valid household members are reported for correct benefit determination.</i></p>

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**CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES**

<p>Describe if and how the State used existing government systems and databases to verify applicant or household member identities in FY2010 and continuing in FY2011. (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 FY2011.</p>	<p>If the State won't be cross checking Social Security Numbers and ID Information with existing government databases, please describe how the State will supplement this fraud prevention strategy.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>All NFOCUS cases go through the Expert System Verification process. The Expert System Verification process is described in the section above. Identified in</p>	<p><u>All NFOCUS cases go through IEVS which verifies SEW, NHM, IUC, BDE, SDX, IRS. We also have a match with the State vital stats and the</u></p>		<p><i>Use of all available database systems to make sound eligibility determination.</i></p>

<p><u>page 27</u> of the Program Integrity section.</p>	<p><u>Veterans Administration.</u></p>		
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**VERIFYING APPLICANT INCOME**

<p>Describe how the State or designee used State Directories of new hires or similar systems to confirm income eligibility in FY2010 and continuing in FY2011.</p>	<p>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2011.</p>	<p>If the State won't be using new hire directories to verify applicant and household member incomes how will the State be verifying the that information?</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>The State Employment Wage file (SEW) , New Hire Match (NHM), Unemployment Compensation (IUC), Veteran's Administration (VA), Bendex and State Data Exchange are used for either leads to individuals working or verification of income. If the match is used as a lead only then the worker is required to do a follow-up verification with the employer as to determine both employment and the amount of wages that will be received. Identified in <u>pages 26 – 58</u> of the Program Integrity section. If the individual is self employed they must either provide a copy of their last tax return or their daily/weekly/monthly ledgers that show income, expenses, etc.</p>	<p><u>SEW, NHM, IUC, VA, BDE and SDX matches are used as either leads for employment or verification of income. Plus verification of self employment requires ledgers and/or tax records.</u></p>	<p><u>Identified in State Manuals for TANF/ADC, Medicaid and SNAP.</u></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 FY2010 that will continue in FY2011 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 FY2011.	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>DHHS follows all HIPAA guidelines, legal determination on what information can be released. A signed release form would be required to be signed by the household if the information requested does not meet either the HIPAA or legal guidelines. The release of information form is also needed when DHHS is verifying an individual's information such as bank verification or employment verifications. An agreement is reached with the State of Nebraska by all employees on what information can be released, identified on <u>pages 60– 68</u> of the Program Integrity section.</p>	<p><u>Contracts are signed on what information can be released. Any other information requested would require a signed release form by the head of the household.</u></p>		<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

<b>LIHEAP BENEFITS POLICY</b>			
Describe FY2010 State policies continuing in FY2011 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 FY2011.	If the State 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 State taking to ensure program integrity.	Necessary outcomes from these systems and strategies
<p>Payments are determined by the household size, type of dwelling the household lives in, the fuel type and the household's income. In addition, resources/assets are reviewed to determine household eligibility. Identified on <u>pages 70 – 73</u> of the Program Integrity section. A contract is signed with DHHS and utility providers. This contract determines what is expected of the utility provider and the actions that they can or cannot take with the LIHEAP eligible households. The contract also indicates how the providers will be paid and that either DHHS or the utility contract can cancel the contract. Identified on <u>pages 74 – 76</u> of the Program Integrity section. Payments can be made either to the energy vendor or to the household.</p>	<p><u>Payments are determined by a matrix of the size of the household, income of the household, dwelling type and fuel source. We have a signed contract with all fuel providers and in unregulated situations a verification of the need is required besides the contract.</u></p>		<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>
<b>PROCEDURES FOR UNREGULATED ENERGY VENDORS</b>			
Describe the State's FY2010 procedures continuing in FY2011 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other unregulated energy utilities.	Please highlight any strategies policy in this area which will be newly implemented in FY2011.	If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the State is ensuring program integrity.	Necessary outcomes from these systems and strategies

<p>Same as the section above. Contracts are signed with the unregulated energy vendors with all of the same stipulations and expectations of both the vendor and DHHS. Identified on <u>pages 74 - 76</u> of the Program Integrity section.</p>	<p><u>Same as above.</u></p>		<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>
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**VERIFYING THE AUTHENTICITY OF ENERGY VENDORS**

<p>Describe State FY2010 policies continuing in FY2011 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the State's procedure for averting fraud.</p>	<p>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY2011.</p>	<p>If you don't have a system in place for verifying vendor authenticity, please describe how the State can ensure that funds are being distributed through valid intermediaries?</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>Payments are not made without knowing the type of utility that is being used by the household. The account name and number and required if the payment will be made to the vendor. If the utilities are not in the households name there must be documentation as to whose name the utilities are in and the reason for them not being in the household's name. Also, some people rent and the utilities are included in the rent. The household could still be subject to higher utility cost by the rent being increased due to high costs of heating. Those payments can be made directly to the household.</p>	<p><u>Same as above. In some situations the household makes the payment to the landlord and documentation is required for this type of payment. We would need to know the utility provider, account name and number and the reason the landlord has the utilities in their name.</u></p>	<p><u>Nebraska State Manual for LIHEAP and a year Question and Answer document that is completed yearly to go from the Central Office of DHHS to the local office and staff of DHHS.</u></p>	<p><i>An effective process that effectively confirms the existence of entitles receiving federal funds.</i></p>

<b>TRAINING AND TECHNICAL ASSISTANCE</b>			
<p>In regards to fraud prevention, please describe elements of your FY2010 plan continuing in FY2011 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 regimen and technical assistance resources from your plan which will represent newly implemented in FY2011.</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>DHHS determines eligibility for not only LIHEAP but for TANF/ADC, Medicaid for both adults and children, Adult Programs, Child Care and SNAP. Eligibility for all of these programs will be determined by one worker. These cases will continue to be monitored by the NEARS audit system. We also work with utility providers in areas of concern.</p>	<p><u>LIHEAP is a state run program so there are no training issues for individuals outside of the State of Nebraska offices at this time. We continue to monitor the clients cases through NEARS and will work with providers in areas that are determined to be areas of concern.</u></p>		<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>
<b>AUDITS OF LOCAL ADMINISTERING AGENCIES</b>			
<p>Please describe the annual audit requirements in place for local administering agencies in FY2010 that will continue into FY 2011.</p>	<p>Please describe new policies or strategies to be implemented in FY2011.</p>	<p>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.</p>	<p>Necessary outcomes from these systems and strategies</p>

The Office of the Auditor of Public Accounts and the NEARS process used by DHHS will continued to be conducted.

**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.