

ALLIANCE FOR HEALTHY HOMES

Protecting Children from Lead and Other Environmental Health Hazards



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HUD Inspector General Confirms Breakdown in Lead Safety and Healthy Homes Grants Process

The U.S. Department of Housing and Urban Development's (HUD) Office of the Inspector General (OIG) issued an interim audit report on May 16, 2005, detailing problems with the Office of Healthy Homes and Lead Hazard Control's (OHHLHC) FY 2004 grant administration process. The OIG issued the report before completing its full audit because it found significant conditions that warrant immediate management attention.

In the report, the OIG found that OHHLHC inappropriately awarded its FY04 grants. While the OIG's full audit continues to delve more deeply into the problems, the OIG recommends that the Department "take immediate action to ensure the FY 2005 grant award process is completed according to the notice of funding availability requirements and HUD's established grant processing procedures."

As part of its preliminary audit, the OIG reviewed seven of the more than 200 grant applications received in the FY04 cycle. It found errors in the award process for all seven, including errors that caused four applicants to either receive an award they were not entitled to or to lose an award they should have received. Specifically, two ineligible applicants received grant awards totaling \$5 million, one applicant was awarded \$957,900 for a grant that was not properly supported, and one applicant was denied a grant of \$365,736 that it should have received.

The OIG said that in large part, these problems occurred because HUD and OHHLHC established a deadline of September 30, 2004, to process and award the grants without having an effective process in place to do so. The OIG report states, "To meet this deadline, the Office of Healthy Homes and its contractor did not always follow established procedures in evaluating and scoring the grant applications. Specifically, the Office of Healthy Homes (1) did not ensure all of the contractor's staff was properly trained, (2) did not maintain a proper log to track when applications were received, (3) did not ensure the contractor performed appropriate initial reviews and evaluation of the grant applications, (4) did not perform adequate quality assurance reviews of the contractor's work, and (5) negotiated contracts after the grants were executed."

The OIG reports that the contractor "admitted up-front that they had a limited capacity to carry out the required activities" – and that only 18 of the 30 contract reviewers received training.

The OIG's interim report confirms concerns raised by the Alliance for Healthy Homes, other organizations, and Congressional sources about systemic flaws in the 2004 award process. (www.afhh.org/aa/aa_policy_federal_agencies_request_for_IG_Invest.pdf). The full text of the OIG interim report will be posted soon at www.hud.gov/offices/oig/reports/oiginter.cfm#2005.

The Alliance for Healthy Homes is a national nonprofit policy and advocacy organization working to protect children from lead and other health hazards in and around their homes by building capacity for primary prevention in communities at risk.