



## DPW Has Already Addressed LIHEAP Concerns

Since the Auditor General's June 2007 special audit report of the LIHEAP program, DPW has drastically improved supervision within the LIHEAP program, updated the LIHEAP database system, and implemented automated systems to verify pertinent LIHEAP applicant data. DPW has adequately addressed the Auditor General's concerns about oversight and verification of applicant information within the LIHEAP program.

- The LIHEAP special audit report released in June 2007 gave the results of the Auditor General's test of 253,358 LIHEAP cases. **The software program used in the audit flagged about 1% of all the cases tested, just 2,607 out of 253,258, for potential errors.**
- **After review of the cases flagged in the special audit report, it was found that DPW processed 99.97% of the cases properly.** Many of the errors in the flagged cases were data entry errors where digits were mistakenly transposed when entering social security numbers into the LIHEAP database. Just 16 of the 2,607 flagged cases were determined to be cases of potential fraud. All 16 cases were referred to the Office of Inspector General by DPW for further investigation.
- **Many of the changes recommended by the Auditor General, some of which were initiated several months prior to the audit, have been implemented by DPW.** The LIHEAP database system is being integrated with DPW's main computer system (CIS), so that social security numbers and other essential LIHEAP applicant information can be automatically verified. Social security numbers of LIHEAP applicants who are not known to CIS are checked against Social Security Administration data. DPW has hired new quality assurance personnel, monitors LIHEAP application processing through checks on random samplings of LIHEAP cases, and conducts frequent audits of the LIHEAP cash and crisis programs.
- The state employees and their confederates who conspired to steal LIHEAP funds during the 2003-2004 and 2004-2005 LIHEAP seasons have been indicted. These individuals fraudulently received LIHEAP grants as direct cash payments. **The vast majority of LIHEAP recipients receive LIHEAP grants as direct vendor payments—i.e., the money goes to fuel vendors or utility companies, not to individuals.**
- In addition to implementing the supervisory controls and additional verification checks described above, **DPW has overhauled the administration of LIHEAP in Philadelphia.** The LIHEAP district office has a new location, new managers, supervisors, and workers. DPW terminated its contract with the agency that was processing LIHEAP crisis applications in Philadelphia during the 2003-2004 and 2004-05 seasons.
- Terminations of utility service are on the rise in Pennsylvania. Low-income Pennsylvanians are straddled with some of the largest energy burdens in the country. **LIHEAP is a vital program that allows our most vulnerable citizens, including low-income families, the disabled, and the elderly, survive our often frigid winters. It must remain accessible to those who need it to stay warm and alive.** The hundreds of thousands of innocent Pennsylvanians who urgently need LIHEAP should not be punished for the misdeeds of few.