



**A SPECIAL AUDIT  
OF THE  
DEPARTMENT OF PUBLIC WELFARE'S  
*LOW INCOME HOME ENERGY ASSISTANCE  
PROGRAM*  
JUNE 2007**

June 27, 2007

The Honorable Edward G. Rendell  
Governor  
Commonwealth of Pennsylvania  
225 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Rendell:

This report contains the results of the Department of the Auditor General's special audit of the Low Income Home Energy Assistance Program (LIHEAP) for the period of July 1, 2000 through June 30, 2006, administered by the Department of Public Welfare (DPW). This special audit was conducted pursuant to Sections 402 and 403 of the Fiscal Code and in accordance with *Government Auditing Standards* which are applicable to performance audits and issued by the Comptroller General of the United States.

Our audit found that DPW was seriously deficient in its administration and especially its monitoring of LIHEAP. As a result, DPW failed to effectively manage resources, which could erode service to Pennsylvania's most vulnerable citizens. Systemic weaknesses, including inadequate policies and procedures, insufficient supervision and inadequate oversight, resulted in our determination of potential applicant and employee fraud and abuse within LIHEAP as noted in the executive summary and presented in the body of this audit report. In addition, due to the nature of the systemic weaknesses disclosed in LIHEAP and the potential for fraud and abuse to occur, we have forwarded our concerns to the Office of Inspector General.

Finding 1 of the report discusses the systemic weaknesses that exist in LIHEAP that resulted in potential fraud and abuse; Findings 2 and 3 report on control weaknesses found in administering LIHEAP cash benefits and crisis benefits, respectively; and Finding 4 explains that DPW failed to adequately monitor the processing of LIHEAP applications. This lack of effective monitoring presents the opportunity for fraud and abuse to be perpetuated at the County Assistance Office level, as evidenced by the potential fraud and abuse discussed in Finding 1. Accordingly, it is clear that accountability in the management process is severely lacking within LIHEAP. We have offered 25 recommendations to improve LIHEAP and to eliminate weaknesses that can lead to potential fraud and abuse, and to help low-income households meet their home heating needs. It is our hope that you will instruct DPW to act on these recommendations.

In closing, I am pleased that DPW is already looking into some of these deficiencies and has indicated that several of our recommendations are being implemented. Additionally, I appreciate the cooperation exhibited by DPW and management at the County Assistance Offices.

Sincerely,

JACK WAGNER  
Auditor General

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**DEPARTMENT OF PUBLIC WELFARE  
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**EXECUTIVE SUMMARY**

The Pennsylvania Department of Public Welfare (DPW) is responsible for administering the Low Income Home Energy Assistance Program (LIHEAP) for the Commonwealth of Pennsylvania. DPW’s Office of Income Maintenance administers LIHEAP through its County Assistance Offices (CAO) and crisis contractors. LIHEAP is a federally-funded program that enables the Commonwealth to help low-income households meet their home heating needs. During the 2005-2006 program year, the Commonwealth also contributed more than \$19 million for LIHEAP. For the fiscal year ended June 30, 2006, more than \$190 million was provided to fund the program of which nearly \$157 million was paid for benefits.

LIHEAP consists of three components: 1) cash benefit payments made directly to utility companies or fuel dealers on behalf of the applicant and payments to the applicant when heat is included in rent or when the fuel dealer is not a participant in the program; 2) crisis payments made directly to utility companies or fuel dealers to resolve supply shortages or other household energy-related emergencies; and 3) energy conservation and weatherization measures to address long-range solutions to home heating problems.

Systemic weaknesses in LIHEAP that resulted in potential fraud and abuse, control weaknesses in administering the cash and crisis components, and inadequate monitoring are discussed in the main body of this report and are summarized below.

<b>FINDINGS</b>	<b>SUMMARY</b>
<p><b><i>Finding No. 1 – Systemic Weaknesses Exist in LIHEAP That Resulted in Potential Fraud and Abuse</i></b></p>	<p>Our search (data mining) of LIHEAP computer files and review of cash and crisis applications identified situations that indicate potential fraud and abuse of LIHEAP benefits in all six counties tested. A summary of systemic weaknesses by county follows:</p> <p><b><u>Philadelphia County</u></b> – We found 23 situations that either the CAO LIHEAP Coordinator or the LIHEAP Crisis Contractor validated to be potential fraud, including benefits received by applicants who appeared to fraudulently file multiple applications using variations of their Social Security Number (SSN); benefits received by applicants residing in the same household filing separate applications; excessive crisis benefits received by applicants for which no data to support these payments and no crisis applications were found; and cash benefits received by applicants residing in subsidized housing. We also found instances that warrant further investigation because initial indicators suggest possible fraud and abuse. These instances include 429 applicants using SSNs that are associated with deceased individuals receiving benefits of more than \$162,000, 549 applicants receiving benefits for water/sewer bills of more than \$182,000, and 8 applicants underreporting their income.</p>

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<b>FINDINGS</b>	<b>SUMMARY</b>
	<p><b><u>Allegheny County</u></b> – Data mining results showed similar systemic weaknesses that we found in Philadelphia County that could result in potential fraud and abuse. As a result, we requested LIHEAP applications and supporting documentation for 230 applicants. The LIHEAP CAO Income Maintenance Program Representative and LIHEAP Crisis Contractor first became aware of possible fraud when they began to pull the documentation we requested.</p> <p><b><u>Lancaster/Lehigh/Perry/York Counties</u></b> – Other than Perry County where management gave insufficient responses for five applicants using SSNs associated with deceased individuals, potential fraud was validated by management in Lancaster, Lehigh and York Counties for similar situations found in Philadelphia County.</p> <p>Based on the above situations, we believe that the potential for fraud and abuse exists in these six counties. As a result, we have forwarded the applicable applications and documentation received from these counties to the Office of Inspector General.</p>

**HIGHLIGHTS OF RECOMMENDATIONS**

DPW should:

- immediately improve the LIHEAP Information System (LIS) controls to ensure every SSN entered into the system is valid and associated with a legitimate individual;
- ensure appropriate edit checks are developed immediately to detect irregularities or potential fraud and abuse on applications submitted with similar addresses, names and SSNs;
- require reconciliations be performed between the crisis contractor database and LIS to ensure all crisis transactions have been accounted for and forwarded to the CAO for data entry;
- require CAOs and crisis contractors to independently verify SSNs prior to application approval; and
- ensure adequate supervisory review exists at CAOs and at crisis contractors in the application approval and data entry process of applications into the LIS and crisis contractor databases.

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<b>FINDINGS</b>	<b>SUMMARY</b>
<b><i>Finding No. 2 – Control Weaknesses Found in Administering LIHEAP Cash Benefits</i></b>	We found control weaknesses involving eligibility determinations, application processing, safeguarding of records, segregation of duties, and non-compliance with state regulations. A total of 62 audit exceptions, including lack of approval signatures, income calculation and data entry errors, and applications not found, were noted in nearly 50 percent of the 102 LIHEAP cash benefit applications tested. These weaknesses resulted from CAOs not having written policies and procedures on how to process, approve, and store applicant files. In addition, some personnel are not adequately trained and supervised.
<b>HIGHLIGHTS OF RECOMMENDATIONS</b>	
DPW should: <ul style="list-style-type: none"> <li>• ensure the CAO Energy Assistance Workers (EAW) and Income Maintenance Case Workers (IMCW) receive adequate training to properly process cash applications and are properly supervised;</li> <li>• ensure each CAO has a policy and procedures manual detailing application processing procedures beyond referencing to the State Plan and LIHEAP Manual, including safeguarding records; and</li> <li>• revise the LIHEAP Manual to provide proper guidance to the CAOs concerning the control environment and eliminate ambiguous wording of the State Plan requirements.</li> </ul>	

FINDINGS	SUMMARY
<p><b><i>Finding No. 3 – Control Weaknesses Found in Administering LIHEAP Crisis Benefits</i></b></p>	<p>We found control weaknesses with the Philadelphia Crisis Coordinator, including sharing user IDs and passwords with non-data entry employees. Crisis contractors for York and Lancaster counties do not have access to LIS and must call the CAO to verify LIHEAP information. Of the 141 crisis applications and weatherization program referrals tested, we found 113 audit exceptions in 52 percent of the documents. Some of the audit exceptions included: crises not resolved within 48 hours, data entry errors, missing applications, and records missing that show repairs were completed for weatherization projects. The weaknesses resulted from CAOs and crisis contractors not having written policies and procedures and the LIHEAP manual is ambiguous and inadequate to address application procedures.</p>
HIGHLIGHTS OF RECOMMENDATIONS	
<p>DPW should ensure the crisis contractors:</p> <ul style="list-style-type: none"> <li>• have adequate controls, including written policies and procedures, to accurately process crisis transactions;</li> <li>• utilize LIS in their offices to promote efficiencies; and</li> <li>• follow up on referrals to the weatherization program to ensure they are completed, to obtain the completed referral form, and to ensure the information is forwarded for entry into LIS.</li> </ul> <p>DPW also should ensure that the CAOs:</p> <ul style="list-style-type: none"> <li>• accurately data enter information in LIS;</li> <li>• have written policies and procedures detailing application processing/approval and safeguarding records beyond referencing to the State Plan and LIHEAP Manual; and</li> <li>• resolve crisis situations timely.</li> </ul>	

<b>FINDINGS</b>	<b>SUMMARY</b>
<p><b><i>Finding No. 4 – DPW Failed to Adequately Monitor the Processing of LIHEAP Applications</i></b></p>	<p>Although DPW’s sole LIHEAP monitor concluded that the 17 CAOs visited complied with program policies and procedures and there were no compliance and administrative problems, we found, through interviews and documentation review, that problems exist regarding the monitor’s procedures. These problems include the CAO is allowed to choose what cash and crisis applications the monitor reviews; testing procedures do not include verifying that the application information is entered in the LIHEAP information system; no testing is done on the nine external crisis contractors; and documentation to support the monitor’s review is insufficient to determine the adequacy of the results. Also, the monitor does not ensure that each of the 67 CAOs is examined at least once every four years. No unscheduled reviews were conducted by the monitor even though one CAO had made referrals to the Office of Inspector General. DPW failed to adequately monitor the CAOs LIHEAP application process because it does not have standard written procedures to conduct, document, review, and report on its monitoring visits.</p>
<b>HIGHLIGHTS OF RECOMMENDATIONS</b>	
<p>DPW should:</p> <ul style="list-style-type: none"> <li>• ensure that necessary resources are available to allow for the immediate review of all CAOs and crisis contractors within the next 12 months;</li> <li>• develop written procedures and sampling methodology to ensure that all CAOs and crisis contractors processing LIHEAP applications are selected for systematic review by the monitor during a standard cycle. CAOs and crisis contractors considered high risk should be reviewed annually; and</li> <li>• require that the monitor’s documentation of its on-site monitoring be reviewed and approved by a supervisor to ensure that procedures performed were adequate and well documented and that conclusions reached were reasonable.</li> </ul>	



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**BACKGROUND**

The Department of Public Welfare (DPW), through its Office of Income Maintenance, administers the Low Income Home Energy Assistance Program (LIHEAP) for the Commonwealth of Pennsylvania. Appendix A shows an excerpt of DPW's Organization Chart and describes the bureaus' LIHEAP responsibility. Although LIHEAP is a federally-funded program which enables the Commonwealth to help low-income households meet their home heating needs, during the 2005-06 program year, the Commonwealth also contributed more than \$19 million for LIHEAP. LIHEAP consists of three components:

1. Cash benefits (payments made directly to utility companies or fuel dealers on behalf of the applicant and payments made to the applicant when heat is included in rent or when the fuel dealer is not a LIHEAP participant) to assist eligible low-income households pay for home heating fuel;
2. Crisis payments (made directly to utility companies or fuel dealers) to resolve supply shortages, or other household energy-related emergencies; and
3. Energy conservation and weatherization measures to address long-range solutions to home heating problems.

Energy conservation and weatherization measures as well as certain crisis situations related to inoperative heating systems are provided by the Department of Community and Economic Development (DCED) through its Weatherization Assistance Program (weatherization program). Fifteen percent of the federal LIHEAP funding received by DPW is transferred to DCED for the weatherization program. DCED's responsibilities for the weatherization program are currently being audited by the Department of the Auditor General and will be discussed in a separate report.

LIHEAP provides grants to eligible low-income households. It is not a public assistance program and does not affect public assistance benefits. To be eligible for LIHEAP benefits, households must meet established income limits based on the number of members in the household.

For the start of the 2005-06 LIHEAP year, which began on November 7, 2005, the income eligibility limits were established at 135 percent of Federal Poverty Income Guidelines (FPIG). For example, a family of four was eligible to receive LIHEAP benefits if annual household income was less than or equal to \$26,123. Additionally, the maximum crisis benefit initially established was \$300.

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On January 23, 2006, Governor Edward G. Rendell announced that the LIHEAP income eligibility limits were increased to 150 percent of FPIG. As a result, a family of four earning up to \$29,025 (\$2,902 increase) would now be eligible to receive LIHEAP benefits. Furthermore, on March 14, 2006, Governor Rendell announced that the crisis benefit maximum would be increased to \$600 and the program end date extended. The original 2005-06 LIHEAP year end date of March 23, 2006, was ultimately extended to April 28, 2006. These changes to the program were a result of the Pennsylvania General Assembly and Governor providing \$19.3 million in state funds, as well as increases in federal funding of approximately \$50 million for a total of more than \$190 million for fiscal year ended June 30, 2006. However, according to DPW, this additional federal funding was to be used for both the 2005-06 and 2006-07 program years. As a result, approximately \$30 million was not spent during the 2005-06 LIHEAP year.

DPW's Office of Income Maintenance administers LIHEAP through its County Assistance Offices (CAO). The CAOs use the LIHEAP Information System (LIS) to track and process cash and crisis applications. According to LIS data provided by DPW for the fiscal year ended June 30, 2006, 489,717 cash applications were processed, paying benefits totaling \$91,743,878, and 200,253 crisis applications were processed, paying benefits totaling \$65,014,904. We did not receive data regarding weatherization referrals. Total applications processed and benefits paid during the fiscal year ended June 30, 2006 were 689,970 and \$156,758,782, respectively. Appendix B lists the number of cash and crisis applications processed by county and the related benefit amounts paid.

For each program year, DPW utilizes several advertising methods to promote awareness of LIHEAP. These methods include developing LIHEAP posters and brochures and sending them, along with applications, to legislative offices, community action groups and the Department of Aging's local area agencies on aging; issuing press releases and advertising through various websites; mailing LIHEAP applications to customers that received benefits in the prior year; and placing materials in each CAO. In addition to the advertising efforts by DPW, many of the state-regulated utilities also promote LIHEAP.

To apply for LIHEAP **cash** benefits, which range from \$100 to \$1,168, applicants must fill out a two-page application. Information to be completed includes name, U.S. citizen status and Social Security number (SSN) for all household members, household address, name of fuel dealer or utility company, type of heat used (electric, oil, gas, etc.), whether the applicant rents or owns his/her home, and sources and amounts of household income for a 30-day, 90-day, or 12-month period. The applicant must also provide documentation to support household income, heating bills or documentation from a landlord stating that the landlord pays for heat and the type of fuel used, and Social Security cards or medical assistance cards for first-time applicants or household members to a CAO for processing.

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Once the CAO receives the application along with supporting documentation, a clerk will date-stamp the application and log the application into LIS as received. The application is then assigned to an Energy Assistance Worker (EAW) or an Income Maintenance Case Worker (IMCW) for processing. The application and supporting documentation will be reviewed to ensure all information is present. If something is missing, letters will be sent to the applicant requesting the additional information before processing continues. When all information is present, the EAW or IMCW will manually annualize household income, if 30 days or 90 days of income was provided, and, based on number of household members, will manually determine whether the household is eligible to receive LIHEAP benefits. The EAW will sign and date the accepted or rejected application and forward it to a supervisor for review and approval. Because IMCWs are considered certifiers, supervisory review and approval is not required, and therefore, IMCWs will sign and date the application and directly forward it to a data-entry clerk.

Data-entry clerks keypunch application information into LIS. Applications, both accepted and rejected, are entered into LIS. Based on heating region, type of primary fuel used, household income, and number of household members, LIS determines the amount of LIHEAP cash benefit the applicant is to receive. After information is data-entered, LIS will print out a confirmation sheet that lists application information entered that day. CAO staff is to compare the information on the confirmation sheet to the application information to verify it was accurate. If an error is detected, it can be corrected prior to DPW submitting the LIHEAP information for payment. Once the confirmation process is complete, the applications and supporting documentation are filed at the CAO. Using the data entered into LIS, DPW creates a payment file and forwards the information to the Commonwealth's Treasury Department to process payments.

Unlike LIHEAP cash benefits, whereby any household that is eligible can receive one cash benefit during the program year, LIHEAP **crisis** benefits are paid only when a LIHEAP-eligible household has an immediate crisis situation and the LIHEAP crisis benefit will resolve the crisis. However, unlike cash benefits, applicants can apply for more than one crisis benefit as long as the benefit does not exceed the maximum amount, which as of March 14, 2006 was \$600. Crisis situations involving inoperative heating systems or leaking lines are referred to DCED's weatherization program and, although that program is responsible to pay for and resolve the crisis, the weatherization referral is tracked by DPW using a Crisis Referral Form, documented at the CAO or crisis contractor and entered into LIS for informational purposes only. A crisis contractor, who may be a local government or non-profit entity, provides services in nine counties: Allegheny, Carbon, Centre, Lackawanna, Lancaster, Luzerne, Philadelphia, Wyoming, and York.

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The process of applying for LIHEAP crisis benefits is similar to LIHEAP cash benefits. If the applicant applying for crisis benefits has not been previously approved for cash benefits, the applicant would need to complete the LIHEAP application and provide supporting documentation as previously explained. If an applicant, previously approved for LIHEAP benefits during the program year, has a crisis, the applicant would contact the CAO or crisis contractor and may, depending on the entity, have to complete a second LIHEAP application for informational purposes.

The CAO or crisis contractor would confirm whether the applicant received previous LIHEAP benefits. They would confirm the crisis by either receiving a shut-off notice from the applicant if the crisis was a utility or confirming low or no fuel by the fuel dealer prior to or after the fuel was delivered. The CAO or crisis contractor works with the utility companies or fuel dealers to ensure the crisis will be resolved in a timely manner. The LIHEAP crisis benefits are always paid directly to the utility company or fuel dealer. All crisis transactions are entered into LIS and the payment process to the vendor is the same as cash benefits. The crisis contractors cannot data-enter information into LIS, rather they must forward the information to that county's CAO for input into LIS.

To disseminate procedures on how LIHEAP is to be administered, DPW's Bureau of Policy has developed a LIHEAP Manual to provide guidance to CAOs and crisis contractors. In addition, DPW is required to develop a LIHEAP State Plan each program year and submit it to the federal government to obtain available LIHEAP funding. These documents are utilized by CAOs and crisis contractors to operate LIHEAP. As part of federal regulations, Pennsylvania must provide fiscal control and accounting procedures to ensure proper disbursement of funds, which includes monitoring of payments. DPW has one monitor to review county operations throughout the Commonwealth.

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**AUDIT OBJECTIVES, SCOPE AND METHODOLOGY**

**Objectives**

The objectives of this special audit were to determine if:

- DPW was effective in promoting awareness of LIHEAP to the public, and the highest level of assistance was provided to households with the greatest need (No reportable concerns noted);
- DPW's method of income eligibility is fiscally responsible and applications are accurately and timely processed (See Findings 1, 2, 3 and 4);
- DPW's energy assistance crisis responses to households are timely (See Finding No. 3); and
- energy assistance was provided in accordance with LIHEAP guidelines, laws, and regulations (See Findings 1, 2, 3 and 4).

**Scope**

Our audit covered DPW's duties and responsibilities with regard to LIHEAP for the period July 1, 2000 through June 30, 2006.

**Methodology**

The methodology in support of the audit objectives included:

- reviewing appropriate laws, LIHEAP Final State Plans, 2005-2006 LIHEAP Manual, LIHEAP Advisory Committee meeting minutes, related information from DPW's website, and newspaper articles;
- interviewing and corresponding with DPW management within the Office of Income Maintenance's Bureau of Policy and Bureau of Operations, County Assistance Offices, and county crisis contractors to assess controls and gain an understanding of policies and procedures used in administering cash and crisis LIHEAP benefits as well as DPW's advertising efforts;
- selecting counties based on several factors including, the number of LIHEAP applications processed, whether full-time or temporary employees process applications, whether counties utilized crisis contractors, and regional area;
- randomly and haphazardly selecting cash and crisis transactions for detail testing;

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**AUDIT OBJECTIVES, SCOPE AND METHODOLOGY**

- reviewing cash and crisis application materials to verify: the applications were signed, reviewed and approved; applicant information was accurately keypunched into the LIHEAP Information System; and the accuracy of the LIHEAP eligibility determination and benefit received;
- performing data mining procedures on the LIHEAP files provided by DPW for the six counties selected for review including: validating the Social Security Number, ensuring applicants did not receive excessive cash or crisis benefits; and ensuring same household members were not included in multiple LIHEAP households;
- reviewing the monitoring reports conducted by DPW's LIHEAP monitor, as well as interviewing the monitor to assess the adequacy of DPW's monitoring efforts; and
- conducting on-site visits at six CAOs and four crisis contractor locations.

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***FINDINGS AND RECOMMENDATIONS***

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**FINDINGS AND RECOMMENDATIONS**

***Finding No. 1 - Systemic Weaknesses Exist in LIHEAP That Resulted in Potential Fraud and Abuse***

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**Condition:** The Department of Public Welfare (DPW) administers the Low Income Home Energy Assistance Program (LIHEAP) through respective County Assistance Offices (CAO) and Crisis Contractors. DPW utilizes the LIHEAP Information System (LIS) to process cash and crisis applications and to determine the benefit amount to be paid. The LIS relies on Social Security Numbers (SSN) to track each applicant. Additionally, the LIS identifies household members claimed by each applicant when applying for LIHEAP benefits.

As part of our audit, we obtained LIS computer files from DPW containing benefit payment data processed between July 1, 2005 and June 30, 2006. We used auditing software to extract LIHEAP data processed by six counties (Philadelphia, Allegheny, Lancaster, Lehigh, Perry and York) and to search or “mine” the data for suspicious or questionable LIHEAP transactions based on applicant names, addresses, SSNs, or amount of benefits received. We also compared applicants’ name and date of birth to a Social Security Administration file for SSN validation. Additionally, we compared applicants’ household income to their 2005 Personal Income Tax (PIT) information provided by the Pennsylvania Department of Revenue. As a result, we identified situations that indicate potential fraud and abuse of LIHEAP benefits that relate to:

- applicants using SSNs that are invalid or associated with deceased individuals;
- applicants filing multiple applications using different SSNs;
- applicants living at different residences claiming the same household members;
- applicants underreporting income on their LIHEAP applications;
- applicants receiving excessive benefits; and
- applicants receiving benefits for water/sewer bills.

For Philadelphia County, we initially identified 982 applicants that had potential patterns of abuse, similar to the situations identified above. We asked the Philadelphia CAO to provide written explanations and documentation regarding these situations. The Philadelphia LIHEAP Coordinator, who oversees the operation, responded in writing that the situations in question were essentially due to data processing input (keypunch) errors. No supporting documentation was provided to substantiate this response. As a result of the Philadelphia CAO’s response and its failure to provide any documentation to support its position, we selected 348 applicants from those initially identified and some from additional data mining and requested both cash and crisis applications, and other related support from the Philadelphia CAO and/or the Crisis Contractor.

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**FINDINGS AND RECOMMENDATIONS**

***Finding No. 1***

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Of the 348 applicants, we were only provided cash and/or crisis applications for 105 applicants (30 percent). The remaining 243 applicants' (70 percent) applications for either cash or crisis, or both could not be located by the Philadelphia CAO and/or Crisis Contractor. Both the Philadelphia CAO LIHEAP Coordinator and LIHEAP Crisis Contractor Coordinator agreed that they are responsible for maintaining this documentation and stated that the missing documentation could indicate potential fraud by employees. The Philadelphia CAO LIHEAP Coordinator stated that she was aware of past fraud situations whereby employees deliberately removed or never filed applications in case files, and then rearranged some of the alphabetical files to make someone think the application was misfiled rather than missing.

Based on our review of the applications provided for 26 of the 105 applicants, as well as other documentation received, we found 23 situations that either the Philadelphia CAO LIHEAP Coordinator or the LIHEAP Crisis Contractor Coordinator validated to be potentially fraud. In each case, the auditors presented the situations along with any supporting documentation to the respective coordinator for review. Based on their review, they confirmed that these appeared to be fraudulent situations. This assessment was based on their expertise, knowledge, and first-hand experience with prior fraudulent cases detected in the program. The following describes several of these situations:

**1) Benefits Received By Applicants Who Appeared to Fraudulently File Multiple Applications Using Variations of Their SSN**

We found six situations where applicants appeared to fraudulently file two or three applications and received benefits. Two applicants received cash benefits and four received crisis benefits. In one instance, we found that an applicant filed three crisis applications using three variations of her SSN, and received \$1,500 in crisis benefits. The LIHEAP Crisis Contractor Coordinator stated that this situation appeared to represent a scheme to fraudulently receive benefits. The range of potential fraudulent payments for these six situations totals \$2,700 to \$5,300.

**2) Benefits Received By Applicants Residing in the Same Household Who Appeared to Fraudulently File Separate Applications**

We found three situations involving applicants, residing in the same household, separately applying for crisis benefits using a slight variation in their address. In each situation, the household received \$900 in crisis benefits. The LIHEAP Crisis Contractor Coordinator stated that these are examples of households who have appeared to fraudulently receive excessive benefits. The range of potential fraudulent payments for these three situations totals \$900 to \$2,700.

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**FINDINGS AND RECOMMENDATIONS**

*Finding No. 1*

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**3) Benefit Payments Appeared to be Fraudulently Processed and Related Applicant Information Does Not Exist on the Database**

We found eight situations where applicants applied for and received the maximum crisis benefits totaling \$4,800 (\$600 x 8 applicants). Subsequent to these payments, these applicants received additional crisis benefits of \$2,700 by using slightly different SSNs. However, the crisis contractor database retained no data to support these later payments and no crisis applications were found at the crisis contractor's office. The range of potential fraudulent payments for these eight situations totals \$2,700 to \$7,500.

LIHEAP crisis benefit transactions are entered in the crisis contractor database and then manually sent to the CAO for entry into the LIS. The Philadelphia LIHEAP Crisis Contractor Coordinator stated that either the records for these later eight transactions were deleted from the crisis contractor database or never entered and someone at the CAO who processed the initial crisis transactions appeared to have fraudulently processed a second set of crisis transactions by varying the SSNs.

**4) Benefits Received by Applicants Residing in Large Subsidized Housing Complexes Who May Not Be Eligible For LIHEAP Cash Benefits**

We found six situations where applicants received LIHEAP cash benefits who reside at several complexes classified as subsidized housing. Our review of two of these applications raised concerns which were later supported by the CAO LIHEAP Coordinator that these applications should not have been processed due to insufficient information. Because these complexes are listed as subsidized housing, individuals residing in them may be already receiving rent discounts and, therefore, not eligible to receive LIHEAP cash benefits. The CAO LIHEAP Coordinator stated that, because of insufficient documentation, one could not determine whether the individuals were receiving reduced rent. Furthermore, the Coordinator stated that these applications appeared suspicious due to a worker's signature not being legible on the application, and because the employee, who approved the second application, had been previously referred to the Office of the Inspector General for an employee fraud investigation regarding circumstances unrelated to this particular situation. With respect to the four other applications reviewed, the CAO LIHEAP Coordinator had similar responses.

Overall, 440 applicants residing at these complexes received LIHEAP benefits of more than \$101,000.

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***Finding No. 1***

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In addition to the potential fraud situations described above, we also found the following instances that warrant further investigation because initial indicators found through data mining, suggest possible fraud and abuse. Some of these are from our initial data mining and some are from subsequent data mining.

- 429 of the initial 982 applicants using SSNs associated with deceased individuals receiving LIHEAP benefits of more than \$162,000.

For example, an applicant who applied for and received LIHEAP cash benefits of \$238 and crisis benefits of \$300 in December 2005, used a SSN of an individual who died in May 2000.

- 549 applicants receiving benefits for water/sewer bills receiving LIHEAP benefits of more than \$182,000 (based on subsequent data mining).

According to DPW, if water is necessary to operate an applicant's heating system (e.g. steam heat/radiators) then LIHEAP benefits can be used to pay water bills. However, because the CAO or crisis contractor cannot verify water use in heating systems, these payments are suspect for potential fraud and abuse.

For example, an applicant was approved for a cash benefit of \$154 in December 2005, as well as two crisis payments totaling \$600 in November 2005 and April 2006, to be paid to the City of Philadelphia Water Revenue Bureau and applied toward the applicant's water/sewer bill balance. There was no documentation in the case file that indicated water was an integral part of the applicant's primary heating system.

A second applicant received benefits for three different utilities including \$86 for water/sewer bills. Again, nothing was in the case file supporting water usage.

- 8 applicants underreporting income on their LIHEAP applications.

For example, on November 30, 2005, an applicant with three additional household members reported 30 days of household income totaling \$1,564, which annualizes to \$18,768 ( $\$1,564 \times 12$ ). However, based on income reported by these household members on their 2005 PIT return, one member had approximately \$23,500 of income and another member had almost \$11,000 of income. Collectively, household income totaling \$34,500 exceeded the LIHEAP household limit for four members by \$8,377. Therefore, the household would not have been eligible for LIHEAP benefits.

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*Although we have hundreds of applicant transactions that appear to indicate potential fraud and abuse, due to the volume of concerns or the lack of documentation available, we did not analyze all of them. As a result, and in conjunction with potential fraud and abuse validated by the Philadelphia CAO LIHEAP Coordinator and LIHEAP Crisis Contractor Coordinator, we forwarded the information above and the applications received from the Philadelphia CAO and crisis contractor to the Office of Inspector General (OIG).*

Based on the data mining results for Philadelphia County, we also performed data mining techniques for Allegheny County, which processes the next highest number of LIHEAP applications. Because our preliminary data mining results showed similar situations of fraud and abuse in Allegheny County, we requested applications and supporting documentation for 230 applicants. While obtaining this documentation at Allegheny County, we interviewed the LIHEAP Crisis Contractor and the CAO Income Maintenance Program Representative who is responsible for program oversight. They each stated in December 2006 that they first became aware of possible fraud in LIHEAP when they began pulling the applications and documentation we requested. In fact, during our interview the LIHEAP Crisis Contractor confirmed the existence of potential applicant fraud in three situations based on arbitrarily reviewing some of the applications we requested. She acknowledged that they would be analyzing the applications and support for all the applicants we requested. However, as of March 14, 2007, the LIHEAP Crisis Contractor stated that this analysis has not been started due to being busy with current LIHEAP activities.

We also requested explanations and/or supporting documentation for 101 applicants in Lancaster County, 50 applicants in Lehigh County, 13 applicants in Perry County, and 83 applicants in York County who appeared to have used invalid SSNs or SSNs associated with deceased individuals, applicants living at separate residences both claiming the same household member, or applicants living in the same residence both applying and receiving excessive crisis benefits. We reviewed the explanations/information provided from these four counties for the 247 applicants and found the following:

Lancaster: Insufficient responses for 13 applicants using invalid SSNs, 10 applicants living at separate residences both claiming the same household member, and two applicants claiming different income on different applications. County management indicated possible impropriety for two other applicants using SSNs of deceased individuals. The explanations and/or support provided for the remaining 74 applicants were reasonable, and therefore not considered potential fraud situations.

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- Lehigh: Potential fraud was validated by county management for one situation related to using an SSN related to a deceased individual. Additionally, county management indicated possible impropriety for two situations related to using invalid SSNs. The explanations and/or support provided for the remaining 47 applicants were reasonable.
- Perry: Insufficient responses for five applicants using SSNs associated with deceased individuals. As a result, these are potential cases of fraud and abuse. The explanations and/or support provided for the remaining eight applicants were reasonable.
- York: Potential fraud was validated by county management for four applicants living at separate residences both claiming the same household member(s); and four applicants residing at two residences both applying and receiving excessive crisis benefits. Additionally, we found two insufficient responses: one related to an applicant using an invalid SSN, and one related to two applicants living at separate residences both claiming the same household member. These are additional cases of potential fraud. The explanations and/or support provided for the remaining 73 applicants were reasonable.

*Based on these situations, we believe that the potential for fraud and abuse exists in each of these counties and have forwarded the applicable applications and documentation received from these counties to the OIG.*

**Criteria:** The LIS must be designed to ensure accountability and accuracy for the processing of LIHEAP applications. Computer controls, such as automatic SSN verification and checks with similar names, dates of birth, and addresses, must be in place to reduce the risk of fraud and abuse by applicants applying for LIHEAP benefits. In addition, manual controls at each CAO and crisis contractor must be in place and functioning to ensure the propriety and accuracy of LIHEAP benefits processed and paid. These controls would include written standard operating procedures, supervisory review and approval of application processing, independent review of application data entry, and reconciliation.

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**Cause:** The LIS does not perform SSN verification or other matching procedures with other computer systems to ensure the SSN is valid and associated with a legitimate individual. Furthermore, the system does not perform edit checks with respect to detecting irregularities or potential fraud and abuse regarding applications submitted with similar addresses, names, and SSNs. In addition, DPW lacks adequate monitoring of the LIHEAP program to ensure that fraud and abuse are minimized. As further explained in Finding No. 4, DPW's one monitor does not assess the adequacy of CAOs controls for processing applications, does not test any applications processed through the nine external crisis contractors, and does not verify application information is properly entered into LIS.

Additionally, no reconciliations are performed in Philadelphia between the crisis contractor database and LIS to ensure all crisis transactions have been accounted for and forwarded to the CAO for data entry to LIS. Also, an adequate supervisory review does not exist in the application approval and data entry process of applications into the LIS and crisis contractor databases.

**Effect:** Based on the LIHEAP documentation reviewed, as well as the affirmation by CAO and crisis contractor management validating potentially fraud situations, we believe applicants are fraudulently receiving LIHEAP cash and crisis benefits. This abuse may adversely impact future low-income residents that truly need assistance to stay warm and defray heating costs. In addition, any program involving fraudulent activity negatively affects the integrity of the program as well as the program's management.

**Recommendations:** We recommend that DPW:

- immediately improve LIS controls to ensure that every SSN entered into the system is valid and associated with a legitimate individual;
- ensure appropriate edit checks are developed immediately to detect irregularities or potential fraud and abuse on applications submitted with similar addresses, names, and SSNs;
- require reconciliations be performed between the crisis contractor database and LIS to ensure all crisis transactions have been accounted for and forwarded to the CAO for data entry;

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- require CAOs and crisis contractors to independently verify SSNs prior to application approval; and
- ensure adequate supervisory review exists at CAOs and crisis contractors in the application approval and data entry process of applications into the LIS and crisis contractor databases.

**DPW Response:** Identifying and preventing potential fraud and abuse is a critical component of the Department of Public Welfare's efforts to administer LIHEAP benefits and the Department will investigate and prosecute to the fullest extent of the law any intentional effort to obtain these benefits through deception or illegal activity by individuals who are not entitled to them under law. As a result, we appreciate the Auditor General's efforts to identify applications which, if confirmed through further analysis, could potentially be the result of fraud.

The audit's methodology involved using data mining software to review all applications in six selected counties and to have the software identify or "flag" situations where the software's criteria raised an issue that might warrant further investigation. Of the 253,358 applications processed in these selected counties, the Auditor General's Office has provided the Department with 2,431 situations they believe warrant further review – approximately one percent of the applications processed in these counties. The Department is in the process of reviewing each individual case identified by the Auditor General. Of these 2,431 situations flagged by the data mining software, the Department has to date been able to resolve 1,304 – approximately 54 percent -- as not being potential cases of fraud. We continue to review the remaining 1,127 situations that have not yet been resolved.

Please note that the Department's review is not yet complete and we believe that many additional situations will ultimately be excluded when the review is complete. In order to meet the deadline imposed by the Auditor General's Office to have our response included in the report, however, the Department is reporting the results of its review to date. Once the review is complete, the Department will forward the results of the review to the Office of the Inspector General (OIG), including any unresolved cases that require further investigation.

As noted above, the Department's review has already yielded enough information to exclude 1,304 of the 2,431 situations identified in the audit report as not being cases of potential fraud and abuse. For example, the review has already found that:

- Social security numbers are used for tracking purposes only in the LIHEAP Program and eligibility is verified through a variety of separate processes other than through social security number. All payments are made directly to the individual's energy company on the applicant's behalf. With that in mind, the Department's review of these cases has found that:

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- In 176 cases where the social security number of the recipient is an individual who is currently deceased, the applicant was actually the surviving spouse or child of the individual whose social security number is used on the application. The deceased individual's social security number is used in this case as it was presented to verify the surviving beneficiary's income as required by regulation;
- In 92 other cases where the applicant's social security number matched with the social security number of a deceased individual, our review showed that the social security number was incorrect due to data entry error (such as transposing two digits of the social security of the applicant);
- Seven applicants out of eight whose income as reported on state income tax forms is higher than the amount provided on their application were properly calculated under the Department's federally approved income eligibility rules;
- The Department has to date verified that 410 of the 440 cases cited in the audit report that went to residents of public housing who are required to pay for their heating from their own income under the terms of their public housing and therefore eligible for a LIHEAP payment; and
- 219 of the 247 cases – approximately 89 percent of the cases identified by the software in Lancaster, Lehigh, Perry and York Counties - are not cases of fraud but instead issues similar to those listed above or simple data entry issues (such as transposing two digits of social security number when entering information into the Department's automated system). The draft audit report itself notes that the Department provided reasonable explanations for approximately 82 percent of the cases flagged by the software in these counties.<sup>1</sup>

Given these results, we would respectfully request that the Auditor General's Office consider revising its report to recognize that many of the issues identified in this audit finding could be better characterized or potential errors "flagged" by a software application for further review. The Department's review has provided strong evidence that many of the situations are in fact not fraud, but are instead "false positives" generated by the data mining software.

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<sup>1</sup> This total does not include 230 cases in Allegheny County noted in the audit report because the Auditor General's Office did not provide the Department with explanations of what in each case it believed required further review as it did with all other cases cited in the audit. Nonetheless, the Department has begun but not yet completed a review of the Allegheny cases and already ruled out 36 of the cases as being potential cases of fraud.

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That notwithstanding, the Department is always looking for opportunities to improve its fraud and abuse systems and believes that several of the recommendations offered by the Auditor General's Office merit strong consideration and several are already being implemented. The Department had already begun or scheduled several future enhancements to the computer systems that are used to process LIHEAP applications, even prior to the initiation of the audit by the Auditor General's Office. For example, the Department will begin long-planned work on changes to its LIHEAP data system that will be complete in time for the next LIHEAP season in November 2007 including the automatic generation of a unique identification number for each case and automatic electronic verification of social security numbers with the Social Security Administration. Changes such as these should eliminate a significant number of the "false positives" that were identified by the data mining software utilized by the Auditor General's Office from future identification.

**Auditors' Conclusion:** We agree that identifying and preventing potential fraud and abuse should be a critical component in DPW's efforts to administer LIHEAP. However, as indicated in this audit report, DPW does not have adequate controls to effectively prevent or detect potential fraud and abuse in LIHEAP. Systemic weaknesses, including inadequate policies and procedures, insufficient training and supervision, as well as poor oversight, have resulted in DPW failing to detect or question potential fraud and abuse in LIHEAP.

We also take issue in DPW's conclusion that our software "flagged" only approximately one percent of the transactions processed in the six counties examined. We did not place a percentage of the potential problems found, based on the population, because our data mining efforts only concentrated on certain obvious concerns, such as applicants receiving crisis benefits in excess of maximum amounts. There could be many other concerns found if additional efforts, beyond the time limits of performing this audit, were made. As a result, although we are encouraged by DPW's willingness to review the 2,400 situations, DPW's efforts in identifying potential fraud in LIHEAP should certainly go beyond investigating the situations found during our audit.

We are also troubled by DPW's failure to address the major situations we found in Philadelphia that were validated by the CAO and crisis contractor to potentially be fraud. Based on the suspicious nature of these situations, it appears reasonable that DPW should have prioritized its efforts related to these situations rather than concentrating on the instances that warrant further investigation. Furthermore, we want to point out that DPW's responses throughout this audit report fail to mention anything about the crisis contractors and the weaknesses noted in this report. We hope that DPW seriously considers our recommendations concerning crisis contractor controls and the need for additional DPW monitoring of crisis contractors.

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With respect to DPW's comments on its conclusion that 1,300 of the 2,400 cases are not cases of potential fraud and abuse, we question DPW's determination that the 410 applicants living in public housing were eligible to receive LIHEAP. Based on our subsequent inquiry, we learned that DPW did not review the 410 files to make this determination. Instead, DPW provided us letters from four complexes that stated the heat was separately billed from the rent. DPW further explained that the heat was not a subsidized expense and, therefore, these applicants were eligible for LIHEAP. However, based on the six files we reviewed and discussed with the Philadelphia CAO LIHEAP Coordinator, these applications were also suspicious because employees approving some of these applications had been previously referred to the OIG for an employee fraud investigation regarding circumstances unrelated to this particular situation. Furthermore, of the 31 applications requested for applicants living in these complexes, DPW could only provide six (19 percent), which according to the Philadelphia CAO LIHEAP Coordinator could indicate potential employee fraud. As a result, the applications for the 410 applicants should still be reviewed due to the suspicious information found.

According to the GAGAS Reporting Standards for Performance Audits, auditors are required to report known or likely fraud to parties outside the audited entity if the entity's management fails to report such information to appropriate external parties or if the entity's management fails to take timely and appropriate steps to respond to known or likely fraud. Included in the second circumstance is the auditor's responsibility to report the entity's failure to take timely and appropriate steps directly to the funding agency. As a result, the Department of the Auditor General will report our concerns to the Federal Government as part of the Single Audit for the Commonwealth of Pennsylvania for the fiscal year ended June 30, 2006. Furthermore, as indicated in the audit report, we have already reported our concerns to the OIG, in accordance with the Department of the Auditor General's policy. *We hope that DPW and OIG work together in their efforts to investigate and prosecute potential fraudulent activity within LIHEAP.*

Based on DPW's response, the finding and recommendations remain as previously stated.



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***Finding No. 2 - Control Weaknesses Found in Administering LIHEAP Cash Benefits***

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**Condition:** Our review of the Department of Public Welfare’s (DPW) controls over the County Assistance Offices (CAO) found control weaknesses regarding eligibility determinations, application processing, safeguarding of records, segregation of duties, and non-compliance with state regulations. We interviewed personnel at four CAOs: Lancaster, Lehigh, Perry, and Philadelphia counties. We also tested 102 approved and rejected Low Income Home Energy Assistance Program (LIHEAP) cash applications processed at these offices. Cash applications represent LIHEAP benefits that are generally paid directly to fuel dealers or utility companies, but in certain circumstances may be paid directly to the applicant. These circumstances include when heat is included in rent or when the fuel dealer does not participate in LIHEAP.

During our interviews, we were told that cash applications are not always reviewed by a LIHEAP supervisor. Consequently, Energy Assistance Workers (EAWs-temporary employees), are improperly deciding an applicant’s acceptance or rejection without management oversight. We also found that the confirmation process used to ensure application information is accurately data-entered into the LIHEAP Information System is not performed by the Lehigh CAO. The CAO supervisor indicated that, if the data in the LIHEAP Information System (LIS) is inaccurate and an application was processed incorrectly, the applicant would complain. Thus, the resolution of the complaint should satisfy the confirmation process. We also noted that, of the three remaining CAOs reviewed where the confirmation process is utilized, Lancaster and Philadelphia failed to retain the reports supporting this confirmation process in accordance with retention guidelines.

During our on-site visits, we also noted that case files were stored in boxes in unrestricted areas, allowing unlimited access and the potential of unauthorized destruction of applicant files. These files contain names, SSNs, addresses, and income information. Additionally, the physical flow of a cash application was not always tracked or controlled.

As part of our audit, we selected 102 cash applications and found 62 audit exceptions as noted in the following table:

**Audit Exceptions**

	Lancaster County	Lehigh County	Perry County	Philadelphia County	Total
Lack of Eligibility Documentation	2	2	1	1	6
Eligibility Income Calculation Errors	3	2	1	3	9
Lack of Approval Signature	0	24	1	0	25
Data Entry Errors	2	2	2	8	14
Direct Payment Errors	0	1	0	0	1
Applications Not Found	1	1	0	5	7
<b>Total Exceptions by Site</b>	<b>8</b>	<b>32</b>	<b>5</b>	<b>17</b>	<b>62</b>

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The 62 audit exceptions noted in the above table were identified in 50 (49 percent) of the 102 LIHEAP cash applications tested. The following further details the audit exceptions identified:

- Lack of Eligibility Documentation

The CAO EAWs and Income Maintenance Case Workers (IMCWs-full-time employees who also may process LIHEAP applications), are not including certain forms in the applicant's file to support eligibility determinations, as required by the State Plan and LIHEAP Manual. The applicant's file must contain proof that the applicant is responsible to pay for the heat and what type of heat is used, or, if the heat is included in rent, a current landlord statement. We found five applicant files that did not contain this information. Additionally, we found one file that did not contain documentation showing how household income was determined.

- Eligibility Income Calculation Errors

EAWs and IMCWs are not correctly calculating applicant's household income. Income eligibility for LIHEAP benefits is based on gross earned income. Upon determining the applicant's eligibility, the EAW or IMCW is to deduct 20 percent of gross earned income for purposes of determining the LIHEAP benefit amount. During our review, we found two applications in which 20 percent of the earned income was not deducted prior to determining benefits, one application in which the child support income was not properly calculated, three applications in which household income was not supported by the proper 30-day income criteria, and three applications that contained basic addition and subtraction errors.

- Lack of Approval Signature

The CAO LIHEAP supervisor or IMCW is responsible to review each application and certify for completeness and accuracy by signing and dating the application before data information is entered into LIS. We found 25 applications that did not contain a proper approval signature.

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- Data Entry Errors

Data entry clerks at CAOs are not entering or are incorrectly entering application information into the LIS. We found 14 errors involving: household members' names, SSNs, addresses, income amounts, and primary heating sources. The confirmation process used to verify the accuracy of data in LIS did not detect these errors.

- Direct Payment Errors

A direct payment is a benefit sent directly to the applicant because either the heat is included in the applicant's rent or the applicant's fuel vendor is not a participant in the LIHEAP program. One applicant did not meet either criteria and therefore should not have qualified for a direct payment although the applicant was LIHEAP eligible. Instead, the LIHEAP benefit should have been paid directly to the vendor.

- Applications Not Found

Seven cash applications could not be found in the applicant's case records.

**Criteria:** As part of administering LIHEAP, DPW must ensure adequate controls, including segregation of duties, are in place to ensure applicants requesting LIHEAP benefits are eligible and receive the appropriate benefit amounts.

Because applicants' eligibility is manually determined, adequate written procedures, training, and documented supervisory review and approval are essential to ensure that applicant information and support are sufficient to determine eligibility in compliance with state regulations. In addition, proper documentation must be present to include support for household income, heating bills or documentation from a landlord that the landlord pays for heat and type of fuel used, and Social Security cards or medical assistance cards for all household members. Once eligibility is determined, controls need to be established to ensure all applications, both accepted and rejected, are accurately data entered into LIHEAP.

Finally, applications and support should be filed in a restricted area to ensure proper safeguarding of records.

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**Cause:** All four CAOs have no written policy and procedures on how to process, approve, and store applicant files. Also, some personnel are not adequately supervised in the performance of their duties within the CAO. According to the Philadelphia CAO LIHEAP Coordinator, some errors are due to a large number of applications being processed with limited staff.

The LIHEAP Manual, used by the CAOs to administer LIHEAP is ambiguous and inadequate in addressing pertinent LIHEAP application procedures. For instance, one CAO takes the position that the approval of cash applications by a supervisor prior to data entry is unnecessary. He also believes that the confirmation process is pointless. Also, one CAO uses clerks to not only enter data into LIS, but also to conduct the confirmation process, because the manual does not specifically say a supervisor should perform those types of duties.

**Effect:** An opportunity for fraudulent activities exists due to poor controls over administering LIHEAP. As a result, there is limited assurance that eligibility determinations and related benefit payments are accurate and in accordance with regulations.

**Recommendations:** We recommend that DPW:

- ensure the CAO EAWs and IMCWs receive adequate training to properly process cash applications, and are properly supervised;
- ensure each CAO has a policy and procedure manual detailing application processing procedures beyond referencing to the State Plan and LIHEAP Manual, including safeguarding records;
- revise the LIHEAP Manual to provide proper guidance to the CAOs concerning the control environment and eliminate ambiguous wording of the State Plan requirements;
- monitor CAOs to ensure LIHEAP is properly administered; and
- address adequate staffing at CAOs.

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**DPW Response:** We would like to thank the Auditor General's Office for bringing some of these issues to our attention. While we do not believe that any of the instances noted in the audit report resulted in fraud, we agree that a critical component of a well-run program includes the elimination of potential administrative weaknesses such as those identified in the report. The Department will review each recommendation in the audit report and make the appropriate change in its program training and documentation provided to field staff.

The Department would also like to provide the following comments related to the exception noted in this audit finding:

- **Lack of Approval Signature:** Approximately 40 percent of the exceptions noted in the audit report are related to the failure of a Lehigh County Assistance Office supervisor to sign and review applications processed by county energy assistance workers. At the time of the audit, the supervisor was newly assigned to LIHEAP and did not fully understand existing program requirements and his responsibilities. As soon the employee was informed of the misunderstanding of existing procedures, the employee took action to correct the mistake. In the future, the Department will revise its training curriculum for this program to help ensure that supervisors are aware of this responsibility and all supervisory and program staff responsibilities are delineated as clearly as possible.
  
- **Lack of Policy or Procedure Manuals:** The audit report asserts that the Department does not have any written policy and procedures on how to process, approve and store applicant files. As noted during the Department's exit conference for this audit, the Department believes this finding is inaccurate. The policies and procedures for LIHEAP are contained in the following three documents, which we have provided to the auditors: the LIHEAP Manual, the LIHEAP State Plan and a volume that provides data entry instructions entitled "Using LIHEAP". These documents provide all the policy and procedures needed by staff and all of these documents were available to the workers operating the program prior to and during the LIHEAP season in question. We would agree that the audit has shown that the Department needs to do a better job assuring that these policies and procedures more readily available to field staff. As a result, the Department will place all relevant policies and procedures in one place on its intranet website and publicize the availability of these documents internally to every county assistance office in the commonwealth.

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- **Applications Not Found:** The Department agrees that not being able to locate seven applications of the 102 sampled is a weakness in our system that needs to be corrected through better filing practices. We would like to point out, however, the five cases identified in the report that could not be found in Philadelphia at the time of the audit was the result of that office being in the process of moving and the relevant LIHEAP files had already been boxed and prepared for moving. We believe that as part of our review of the cases identified in this audit, the Department will find these five cases as well as the other two noted in the report.
  
- **Other Audit Exceptions:** While the Department will take steps to prevent similar errors from occurring in the future, we would like to note that our review of these cases has found that correcting the errors would not have affected the eligibility of the applicant nor the benefit amount disbursed to that individual's energy company.

**Auditors' Conclusion:** We disagree with DPW's statement regarding its belief that none of the "instances noted in the audit report resulted in fraud." As indicated in Finding No. 1, potential fraud by both applicants and employees was validated by the Philadelphia CAO and crisis contractor management from 23 situations. We learned during our audit that some of these situations involved CAO employees that were previously under investigation by the Office of Inspector General (OIG). According to the LIHEAP CAO Coordinator, during the 2005-06 LIHEAP year potential employee fraud was found by CAO management. As a result of the CAO's investigation, one EAW admitted to fraudulent activity and was suspended pending an OIG investigation. Furthermore, according to the CAO Coordinator, potential fraud involving other EAWs, a data-entry clerk, and a supervisor was also discovered and forwarded to the OIG for investigation. We contacted the OIG, which acknowledged that an investigation was ongoing with the LIHEAP program. The OIG indicated that the investigation involved both applicant and employee fraud, it involved both the CAO and crisis contractor, and that the investigation could take a couple of years to complete, due to the extent of the issues involved. *Because the audit exceptions were not included in OIG's ongoing investigation regarding potential fraud and abuse, as noted in Finding No. 1, we have forwarded information and applications received from the Philadelphia CAO and crisis contractor as well as the five other counties tested to the OIG.*

Although we commend DPW for considering our recommendations, we disagree with DPW's comments related to the following audit exceptions:

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- Lack of Policy and Procedure Manuals: We clearly state in the audit report that it was the four CAOs and not DPW that lack written policies and procedures on how to process, approve and store files. This was acknowledged through interviews and observations with CAO personnel. CAOs only had available “global” policies and procedures that were ambiguous and inadequate. Therefore, it is important for the CAOs to have their own standard operating procedures, in addition to what DPW had developed.
- Applications Not Found: We acknowledge DPW’s commitment to correct its filing practices. However, we disagree that the only reason for the missing files is inadequate filing practices. As evident in Finding No. 1, we were provided with less than 100 applicant files from more than 300 requested. According to the Philadelphia CAO LIHEAP Coordinator, missing applications could also indicate potential fraud by employees.
- Other Audit Exceptions: We question DPW’s conclusion that its review of these exceptions found that correcting the errors would not have affected the benefit amount disbursed. For example, with respect to the nine eligibility income calculation errors, three applicants received either a benefit overpayment or underpayment based on the errors made.

Based on DPW’s response, the finding and recommendations remain as previously stated.



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**Finding No. 3 - Control Weaknesses Found in Administering LIHEAP Crisis Benefits**

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**Condition:** The Low Income Home Energy Assistance Program (LIHEAP) crisis benefit is administered by local County Assistance Offices (CAO), except in the following nine counties, where the crisis portion of LIHEAP is administered by crisis contractors: Allegheny, Carbon, Centre, Lackawanna, Lancaster, Luzerne, Philadelphia, Wyoming, and York. The nine crisis contractors, who process LIHEAP crisis benefits, cannot enter benefit information into the Department of Public Welfare's (DPW) LIHEAP Information System (LIS). Rather, they must process crisis benefits and then forward the information hard copy to the local CAO for entry into LIS. Based on interviews performed as part of our audit, we noted the following control weaknesses:

- User IDs and passwords assigned to crisis workers for data entry of crisis transactions into the database used by the Philadelphia crisis contractor were not properly secured. The Philadelphia Crisis Coordinator for the 2005-06 LIHEAP year admitted that user IDs and passwords were shared with non-data entry employees when crisis application processing demand was high.
- The Philadelphia Crisis Coordinator stated that, due to a computer software problem, no weatherization assistance referrals were entered into LIS during the 2005-06 LIHEAP year.
- The crisis contractors for York and Lancaster counties do not have access to LIS. As a result, for many crisis applications processed, the crisis worker must call the CAO to verify LIHEAP status, household composition, and income. On the other hand, the Philadelphia crisis contractor has read-only access to LIS to access this information.

As part of our audit, we also tested 89 approved and 20 rejected LIHEAP crisis applications and 32 crisis referrals to the Weatherization Assistance Program administered by the Department of Community and Economic Development (DCED). With regard to crisis referrals, if an individual contacts a CAO or crisis contractor with a crisis involving an inoperable heating system, the CAO or crisis contractor will determine if the individual is eligible for LIHEAP. Once eligible, the CAO or crisis contractor uses a referral form to refer the individual's information to a weatherization program contractor for it to assess and resolve the crisis.

The following table summarizes by county the audit exceptions we found reviewing these case files:

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***Finding No. 3***

**Audit Exceptions**

<b>Crisis Applications</b>	<b>Lehigh County</b>	<b>Perry County</b>	<b>Lancaster County</b>	<b>Philadelphia County</b>	<b>York County</b>	<b>Total</b>
Crisis Not Resolved Within 48 Hours	3	2	0	1	1	7
Lack of Documentation	0	1	0	0	3	4
Certifier/Worker Signatures Missing on Crisis Applications	3	0	5	0	5	13
Data Entry Errors	11	14	24	3	23	75
Applications Could Not be Located	2	0	0	3	1	6
<b>Weatherization Program Referrals</b>						
Poor Record Keeping	0	0	0	5	1	6
Ineligible Applicants Referred to the Weatherization Program	0	0	0	1	1	2
<b>Total Exceptions By Site</b>	<b>19</b>	<b>17</b>	<b>29</b>	<b>13</b>	<b>35</b>	<b>113</b>

The 113 audit exceptions noted in the above table were identified in 74 (52 percent) of the 141 crisis applications and referrals tested (28 of the 74 applications contained more than one exception). The following describes the control weaknesses:

- Crisis Not Resolved Within 48 Hours

Seven crisis situations, involving the delivery of fuel oil and propane, were not resolved within 48 hours of the crisis, as required. The crisis resolutions ranged from three to seven days, including a situation where it took six days for oil to be delivered to an applicant.

- Lack of Documentation

We found four vendor receipts missing, which confirm fuel delivery and crisis benefit amount.

- Certifier/Worker Signatures Missing on Crisis Applications

Three applications from the Lehigh CAO and five applications from the Lancaster County crisis contractor lacked certifier signatures, and five applications from the York County crisis contractor lacked both the certifier and crisis worker signatures.

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- Data Entry Errors

The 75 data entry errors involved 46 authorization dates, which is the date the crisis is approved as valid; 20 fuel delivery dates, which is the date the crisis is resolved; six application receipt dates; two crisis codes; and one household member composition. Generally, the data entry clerks would extract this information from a crisis worksheet completed by a CAO or crisis contractor employee. In many instances, the authorization and/or delivery dates were left blank on the crisis worksheet. As a result, data entry clerks at the CAOs appear to be entering the “date of input” as the authorization and/or delivery dates. Because crisis situations are required to be resolved within 48 hours, the authorization date, which starts the 48 hours and the delivery date which ends the crisis should be accurately entered into LIS to allow DPW to monitor the timeliness of crisis resolution by each county.

- Applications Could Not be Located

The crisis contractor in York could not locate an approved application and the crisis contractor in Philadelphia could not locate one approved and two rejected applications. Additionally, the Lehigh CAO could not locate two rejected applications.

- Poor Record Keeping

In instances where applicants have inoperative heating systems, the crisis contractor or CAO is to fill out a Crisis Referral Form and fax it to the weatherization program contractor for resolution, who in turn, makes the necessary repairs. Once complete, the weatherization program contractor will complete the referral form indicating the services provided and how much the services cost and fax it back to the crisis contractor or CAO for eventual entry into LIS. Because the cost of repairing the heating system is paid by DCED, the entry into LIS is for informational purposes only.

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As noted in the Audit Exceptions table, the Philadelphia crisis contractor did not have the completed referral forms showing that repairs were completed for the five crisis referrals. Additionally, at the York County crisis contractor, the referral form for one crisis referral was not found.

- **Ineligible Applicants Referred to the Weatherization Program**

In York County, an applicant was referred for weatherization assistance to have a furnace repaired, even though the next day the CAO rejected the applicant for LIHEAP cash benefits because income was above eligibility requirements. As a result, the applicant should not have been referred to the weatherization program.

In Philadelphia, an applicant was referred for weatherization assistance because the heating system was not working; even though the applicant was ineligible based on household income. The CAO erroneously granted LIHEAP eligibility using the wrong income amount. The crisis contractor relied on this LIHEAP eligibility determination to refer this applicant to the weatherization program.

**Criteria:** Administering LIHEAP crisis benefits should include strong controls over application processing and resolution, safeguarding records, and maintaining compliance with state regulations.

**Cause:** All three crisis contractors and five CAOs have no written policies and procedures, beyond the State Plan and the LIHEAP Manual, on how to process, approve, and store applicant files. The LIHEAP Manual, used by the CAOs to administer LIHEAP, is ambiguous and inadequate in addressing detailed application procedures.

**Effect:** An opportunity for fraud and abuse exists due to poor controls over administering the LIHEAP crisis benefit. As a result, there is limited assurance that crisis benefits are being processed in a timely and accurate manner.

The crisis contractor without access to LIS may be delayed in processing applications. Additionally, the lack of LIS access at the Lancaster crisis contractor office has resulted in additional costs to the CAO because it needs to designate one individual to answer calls dealing with applicant information that is only available on LIS.

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Although the coding problem at the Philadelphia crisis contractor has no dollar effect, it may affect the statistics kept by DPW on processing LIHEAP transactions and may result in inaccurate figures being presented to the U.S. Department of Health and Human Services.

**Recommendations:** We recommend that DPW ensure the crisis contractors:

- have adequate controls, including written policies and procedures, to accurately process crisis transactions;
- maintain adequate documentation;
- complete all pertinent information, including authorization and delivery dates, on crisis worksheet/data base output;
- verify applicant LIHEAP eligibility prior to forwarding crisis referrals to the weatherization program contractor;
- utilize LIS in their offices to promote efficiencies;
- follow up on referrals to the weatherization program to ensure they are completed, to obtain the completed referral form, and to ensure the information is forwarded for entry into LIS; and
- properly code weatherization assistance referrals to ensure entry into LIS.

We also recommend that DPW ensure the CAOs:

- complete all pertinent information, including authorization and delivery dates, on crisis worksheet;
- accurately data enter information in LIS;
- have written policies and procedures detailing application processing/approval and safeguarding records beyond referencing to the State Plan and the LIHEAP Manual;
- resolve crisis situations timely; and
- require certifiers to approve crisis applications prior to data entry.

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**DPW Response:** We would also like to thank the Auditor General's Office for bringing these exceptions to our attention. The Department believes that many of the recommendations included in the audit report have merit and will make changes to our existing policies and procedures where appropriate.

The Department would also like to provide the following comments related to the exceptions noted in this audit finding:

- **Crisis Applications Not Resolved Within 48 Hours:** In five of the seven audit exceptions noted in the audit report, the oil delivery was made and the crisis was resolved within the 48 hour period. In these cases, the discrepancy noted in the audit report was the result of final data entry not being made until the vendor delivered a receipt. The other cases are still under review.
- **User IDs and Passwords Not Properly Secured and Crisis Contractors in York and Lancaster Counties Do Not Have LIS System Access:** During the time of the audit, all crisis contractors were given read-only access to the LIHEAP system. Some contractors chose not to avail themselves of this opportunity and continued the practice of calling the CAO to verify a household's status and/or eligibility for LIHEAP cash grants. While the limitation of read-only access to the system greatly limited the potential for fraud, the failure to secure passwords created issues related to the privacy of our clients. The Department will make changes to its curriculum for crisis contractors to reemphasize the importance of securing user identification and passwords not only as a potential weakness related to fraud but also as a matter of protecting client privacy.
- **Certifier/Worker Signatures Missing on Crisis Applications:** The Department will take steps to reinforce the importance of ensuring the completeness of all applications including signatures. Please note that in all 13 cases noted in the audit report, the crisis application was rejected and the applicant was found not to be eligible for benefits.
- **Data Entry Errors:** In 72 of the 75 cases noted in this exception, the data entry error was that the date of data entry was not the same date as the fuel delivery. This error was arose from clerical staff confusion related to changes in the automated system used to process applications – staff were in fact following the previous year's methodology. The Department will make changes to its training curriculum to help ensure that clerical staff understands the correct procedure.

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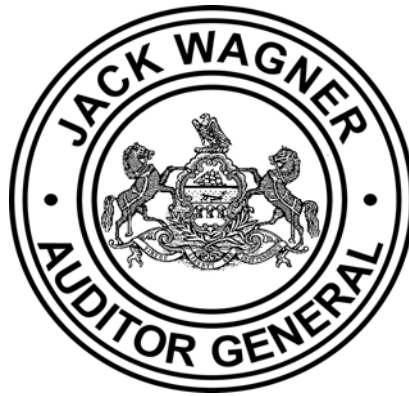
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- Ineligible Applicants Referred to Weatherization: Under the Commonwealth's LIHEAP policies, ineligibility for the cash and crisis programs administered by the Department does not automatically make a client ineligible for the weatherization benefits administered by the Department of Community and Economic Development (DCED) and its own guidelines. Therefore, the Department does not believe it was in error referring the applicant noted in this audit exception to DCED.

**Auditors' Conclusion:** We applaud DPW's decision to implement the recommendations identified in the finding. However, we disagree with DPW's comments related to the following three exceptions:

- Crisis Applications Not Resolved Within 48 Hours: As noted in the finding, all seven situations did not have fuel delivered within 48 hours. We compared the date the crisis was approved according to the crisis worksheet to the date the fuel was **actually delivered** per the fuel receipt in six of the seven situations. For the seventh situation, because no receipt was present, we used the dates noted on the crisis worksheet. We did not use the date the CAO or crisis contractor received the fuel receipt as stated by DPW.
- User IDs and Passwords Not Properly Secured and Crisis Contractors in York and Lancaster Counties Do Not Have LIS System Access: We disagree with DPW's comment regarding read-only access being given to all crisis contractors, but some crisis contractors "chose not to avail themselves" of the read-only access. According to both the York and Lancaster crisis contractors, the read-only access to LIS did not work on their computers.
- Ineligible Applicants Referred to Weatherization: In response to DPW's position that it was not in error in referring these applicants to DCED for weatherization benefits, we simply refer to the 2006 LIHEAP Final State Plan, which clearly explains that applicants seeking crisis benefits, including weather-related crises, must apply through the CAO or crisis contractor, who will determine LIHEAP eligibility. Because these applicants, who had weather-related crises, were not LIHEAP eligible, these applicants should not have been referred to the weatherization program for crisis resolution.

Based on DPW's response, the finding and recommendations remain as previously stated.



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**Finding No. 4 - DPW Failed to Adequately Monitor the Processing of LIHEAP Applications**

**Condition:** During the 2005-06 Low Income Home Energy Assistance Program (LIHEAP) year, the Department of Public Welfare (DPW) employed one monitor to perform its systematic review of processing LIHEAP applications at County Assistance Offices (CAO). As part of our audit, we reviewed the 17 monitoring reports issued during that program year. The monitor concluded on all 17 monitoring reports that the CAOs complied with program policies and procedures and found no compliance and administrative problems. However, we found through interviews and review of documentation that there were inefficiencies regarding the monitor's procedures for reviewing the LIHEAP application process. The following summarizes these problems:

- The monitor informs the CAO how many cash and crisis application acceptances and rejections to retrieve from the case files for review. However, the CAO is allowed to select which applications the monitor gets to review. This method does not allow the monitor to detect missing applications, as indicated in Finding No. 1 - Systemic Weaknesses Exist in LIHEAP That Resulted in Potential Fraud and Abuse.
- The monitor's testing procedures do not include verifying that the application information is properly entered into the LIHEAP Information System (LIS). Because the LIS uses household income, number of household members, type of fuel, and county of residence to determine the cash benefit amount, it is critical that this information be accurately entered. Additionally, Social Security Number (SSN), household address, and vendor are also critical information to ensure the proper fuel account is credited.
- The monitor does not test any applications processed through the nine external crisis contractors with whom DPW contracts to process crisis applications for nine CAOs.
- The monitor does not assess the adequacy of the CAOs controls for processing LIHEAP applications. As noted in Finding Nos. 1, 2 and 3, we found control weaknesses in the five CAOs tested.
- Documentation supporting the monitor's review is not organized to allow an independent review to determine the adequacy of the results. The names and SSNs on the applications reviewed are listed on tablet paper. However, the steps tested and related conclusions are not documented or identified. Furthermore, the documentation that is supposed to support various interviews is limited to minimal notes on a tablet.

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- The monitor does not ensure that each of the 67 CAOs are examined every four years, as required. Concerning the five CAO sites we visited, DPW stated that the monitor had not visited the York and Lehigh county CAOs in the last four years. The monitor admitted that he does not keep track of where he visits or use any methodology to determine which CAOs are to be selected for sampling and monitoring.
- The monitor did not make any unscheduled visits to any CAOs during the 2005-06 LIHEAP program year for investigative or follow-up purposes, even though the monitor was aware that the Philadelphia CAO had made referrals to the Office of Inspector General.

Overall, as discussed in this report, DPW failed to adequately administer LIHEAP. In addition to inadequate monitoring, DPW failed to ensure CAOs had written procedures to process LIHEAP applications, failed to ensure controls are adequate at CAOs, failed to assess the adequacy of application processing, written procedures and controls at crisis contractors, and failed to ensure the LIS has sufficient controls and edit checks to reduce the risk of fraud and abuse.

**Criteria:** The LIHEAP State Plan for the 2005-06 LIHEAP year identifies DPW's monitoring process as consisting of three-phases:

- “Reporting: All agencies (CAOs) are required to submit reports to the Office of Income Maintenance, which reviews them to determine any administrative problems that the agency may be encountering. If necessary, a monitor will visit that county [CAO] to observe the operation and suggest changes to alleviate existing problems.
- Systematic review: Approximately 25 percent of county operations are scheduled for review by a monitor during the program year. The review consists of an examination of case records and contacts with vendors and recipients, as needed, to determine if the agency is in compliance with State and Federal regulations.
- Unscheduled visits: Unscheduled visits will be used as an investigative measure. If information is received which suggests the possibility of misuse, misrepresentation, or any abuse, the monitor for the area will investigate the allegation.”

Prudent auditing and monitoring practices dictate that standard written procedures should exist to systematically select and monitor sites. These procedures would include: 1) a method of selecting case files to review, 2) ensuring that all necessary procedures were performed, 3) assessing the adequacy of controls, 4) ensuring procedures are adequately documented, summarized and reviewed, and 5) ensuring that all sites are monitored within a standard cycle.

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**Cause:** DPW has not developed written procedures for selecting sites to monitor. Additionally, DPW does not have standard written procedures for conducting, documenting, reviewing and reporting on the monitoring visits. Furthermore, the monitor stated that even if a control weakness is found at a CAO, he would not include it in his report to DPW or convey it to the CAO because the monitor believes that he does not have the authority to require the CAO to make the change.

**Effect:** Without adequately monitoring the processing of LIHEAP applications, DPW lacks assurance that LIHEAP applications are processed accurately and that controls are adequate for preventing, detecting, and reporting fraud and abuse. Also, the lack of an effective monitoring system presents the opportunity for fraud and abuse to be perpetrated at the CAO level as evidenced by the potential fraud and abuse discussed in Finding No. 1.

**Recommendations:** Based on the results of our audit, we recommend that DPW ensure that necessary resources are available to allow for the immediate review of all CAOs and crisis contractors within the next 12 months.

In addition, we recommend that DPW develop written procedures and sampling methodology to ensure that all CAOs and crisis contractors processing LIHEAP applications are selected for systematic review by the monitor during a standard cycle. For those CAOs and crisis contractors who are considered high risk, a review should be conducted annually. These standard written procedures should include, but not be limited to:

- assessing controls;
- selection strategy of cash, crisis, and rejection applications, including the monitor determining which applications to examine, not the CAO;
- ensuring application materials are accurately entered into LIS;
- ensuring procedures performed and conclusions reached are adequately documented; and
- ensuring resolution to known deficiencies.

Finally, DPW should require that the monitor's documentation of its on-site monitoring be reviewed and approved by a supervisor to ensure that procedures performed were adequate and well documented and that the conclusions reached were reasonable.

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**DPW Response:** While we respectfully disagree with the audit report's assertion that the processes the Department put in place to monitor the processing of LIHEAP applications failed to adequately monitor the program, the Department does believe that many of the recommendations offered in this audit finding could help improve our monitoring processes in the future. As a result, the Department is making the following changes to its monitoring policies for LIHEAP:

- Selecting cases for monitoring through a random sample;
- Creating a multi-year schedule to ensure that every county assistance office is reviewed at least every three years and that Philadelphia and Allegheny (which represent more than 30 percent of the caseload) are reviewed each year;
- Increasing the focus on items noted in the audit report such as the accuracy of information entered into our data system and the completeness of sample case files; and
- Codifying these changes in a new formal protocol that ensures that the results of the monitoring review are provided to the executive director of the CAO during a formal exit conference. The Department will also issue a final written report to the CAO leadership including a corrective action plan for any changes that are required.

**Auditors' Conclusion:** We acknowledge DPW's efforts to implement many of the recommendations reported in the finding, even though DPW disagrees with the report's assertion that it failed to adequately monitor the processing of LIHEAP applications. As evident throughout this audit report, the potential of fraud and abuse in LIHEAP clearly indicates that DPW's monitoring efforts are insufficient.

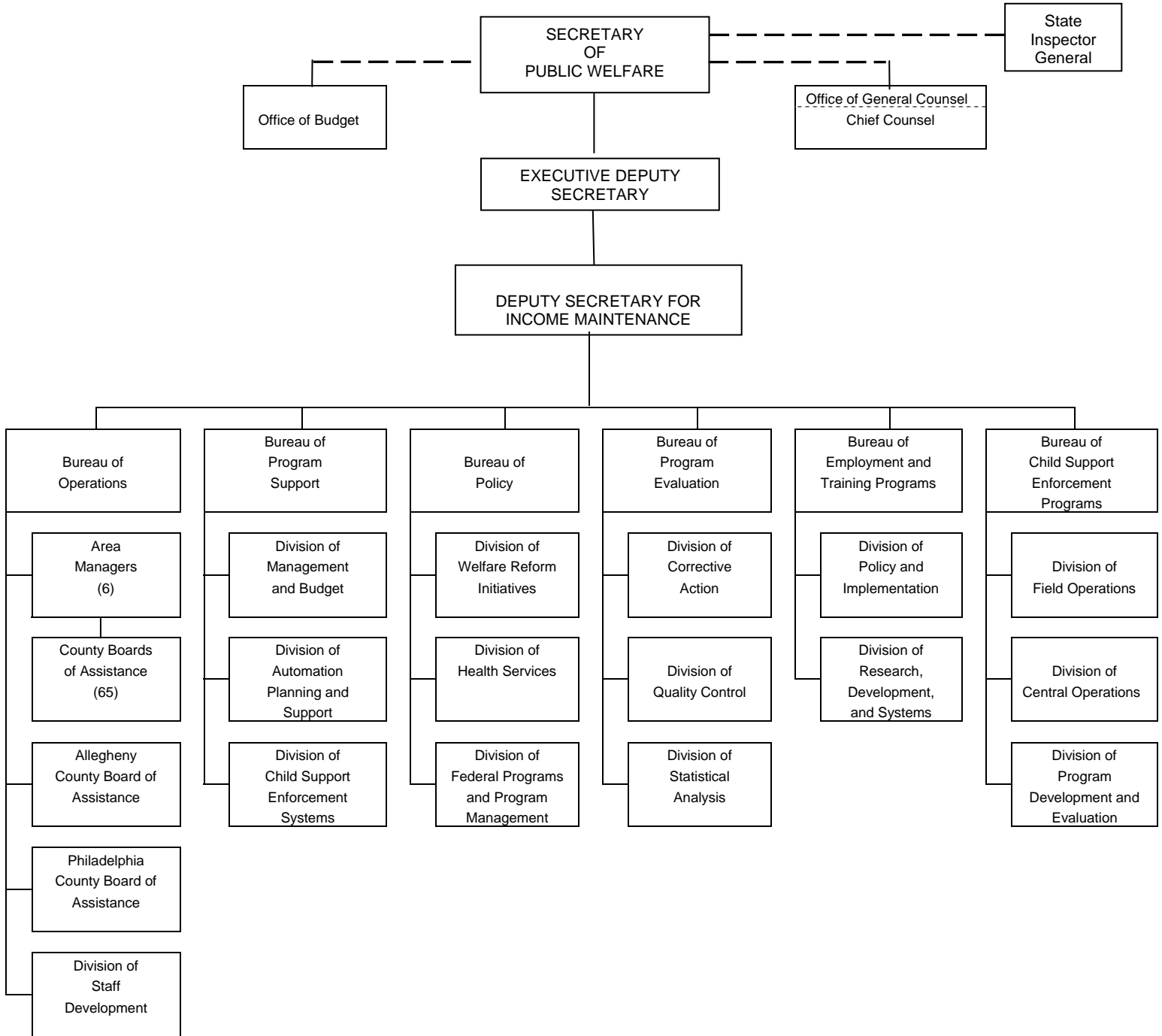
DPW failed to ensure CAOs had written procedures to process LIHEAP applications, failed to ensure controls are adequate at CAOs, failed to assess the adequacy of application processing, written procedures and controls at crisis contractors, failed to ensure the LIS has sufficient controls and edit checks to reduce the risk of fraud and abuse, and allowed CAOs to select which applications the monitor gets to review.

Based on DPW's response, the finding and recommendations remain as previously stated.

APPENDIX A

Excerpt of DPW's Organization Chart

DEPARTMENT OF PUBLIC WELFARE



The Office of Income Maintenance (OIM) is responsible, among other duties, for the administration of the Low Income Home Energy Assistance Program (LIHEAP). Within OIM, the Bureau of Operations is responsible for directing and controlling all public assistance programs delivered through the 67 County Assistance Offices (CAO). Additionally, this bureau is responsible for the statewide coordination and monitoring of specialized programs administered in the CAOs, including LIHEAP. Additionally, the Division of Federal Programs and Program Management within the Bureau of Policy develops and maintains regulatory policy for LIHEAP.

APPENDIX B CASH AND CRISIS APPLICATIONS PROCESSED BY COUNTY DURING THE FISCAL YEAR ENDED JUNE 30, 2006 (SORTED BY TOTAL APPLICATIONS PROCESSED)						
COUNTY NAME	NUMBER OF CASH APPLICATIONS	CASH BENEFIT AMOUNT	NUMBER OF CRISIS APPLICATIONS	CRISIS BENEFIT AMOUNT	NUMBER OF TOTAL APPLICATIONS	TOTAL BENEFIT AMOUNT
PHILADELPHIA	111,512	\$21,156,595	41,734	\$15,352,233	153,246	\$36,508,828
ALLEGHENY	48,420	8,897,560	12,019	4,273,417	60,439	13,170,977
FAYETTE	13,013	2,652,896	10,563	3,079,133	23,576	5,732,029
LUZERNE	16,899	3,567,424	6,493	2,267,432	23,392	5,834,856
WESTMORELAND	16,014	3,172,417	5,624	1,695,254	21,638	4,867,671
ERIE	15,993	3,099,674	4,944	1,491,346	20,937	4,591,020
DELAWARE	14,339	2,467,407	5,483	2,039,045	19,822	4,506,452
CAMBRIA	9,064	1,796,159	5,294	1,619,163	14,358	3,415,322
LACKAWANNA	9,674	1,871,674	4,642	1,799,622	14,316	3,671,296
LANCASTER	10,331	1,669,231	3,902	1,192,370	14,233	2,861,601
BERKS	10,121	1,538,063	3,685	1,116,531	13,806	2,654,594
DAUPHIN	9,540	1,321,271	3,113	934,124	12,653	2,255,395
CLEARFIELD	6,519	1,399,012	6,029	1,722,066	12,548	3,121,078
BLAIR	8,534	1,724,988	3,729	1,108,388	12,263	2,833,376
LEHIGH	9,289	1,522,178	2,601	828,667	11,890	2,350,845
WASHINGTON	8,331	1,685,246	3,342	990,338	11,673	2,675,584
YORK	8,270	1,475,985	2,980	963,827	11,250	2,439,812
BEAVER	8,139	1,737,633	2,873	913,584	11,012	2,651,217
SCHUYLKILL	6,654	1,309,719	4,321	1,329,447	10,975	2,639,166
MONTGOMERY	8,526	1,161,204	2,095	723,987	10,621	1,885,191
MERCER	6,844	1,351,121	2,793	750,364	9,637	2,101,485
LYCOMING	6,227	1,089,555	3,177	1,046,336	9,404	2,135,891
CRAWFORD	5,990	1,287,726	3,321	927,989	9,311	2,215,715
LAWRENCE	5,536	1,077,656	3,021	895,760	8,557	1,973,416
BUCKS	6,170	1,011,542	2,371	766,082	8,541	1,777,624
BUTLER	5,689	1,215,308	2,657	807,137	8,346	2,022,445
SOMERSET	4,723	911,122	2,800	855,924	7,523	1,767,046
NORTHAMPTON	5,685	852,778	1,827	560,531	7,512	1,413,309
NORTHUMBERLAND	4,860	754,631	1,998	640,748	6,858	1,395,379
CHESTER	4,795	767,609	2,041	704,402	6,836	1,472,011
INDIANA	4,268	768,454	2,537	785,366	6,805	1,553,820
MONROE	4,846	1,001,424	1,882	648,044	6,728	1,649,468
BRADFORD	3,880	786,607	2,161	564,722	6,041	1,351,329
BEDFORD	3,227	565,482	2,494	731,751	5,721	1,297,233
VENANGO	3,781	764,090	1,572	452,780	5,353	1,216,870
ARMSTRONG	4,074	803,636	1,061	329,860	5,135	1,133,496
MIFFLIN	2,826	499,075	2,240	639,112	5,066	1,138,187
COLUMBIA	3,497	719,467	1,563	497,484	5,060	1,216,951
CENTRE	3,129	621,763	1,843	538,035	4,972	1,159,798
CUMBERLAND	3,735	587,362	973	308,360	4,708	895,722
HUNTINGDON	2,473	521,334	2,206	644,108	4,679	1,165,442
GREENE	2,680	541,934	1,674	483,219	4,354	1,025,153
LEBANON	2,830	480,182	1,220	356,468	4,050	836,650
CARBON	2,624	522,181	1,223	385,071	3,847	907,252
SUSQUEHANNA	2,165	499,795	1,541	442,354	3,706	942,149
FRANKLIN	2,965	418,099	673	187,764	3,638	605,863
WAYNE	2,329	487,715	1,266	384,181	3,595	871,896
MCKEAN	2,692	546,804	782	254,715	3,474	801,519
JEFFERSON	2,606	533,975	842	268,024	3,448	801,999
CLINTON	2,203	440,725	1,196	369,104	3,399	809,829
TIOGA	2,511	519,971	799	252,877	3,310	772,848
CLARION	2,241	508,759	895	242,186	3,136	750,945
WARREN	1,991	395,273	649	195,604	2,640	590,877
PERRY	1,556	284,443	744	232,387	2,300	516,830
ADAMS	1,746	218,952	344	103,255	2,090	322,207
ELK	1,600	330,001	464	132,048	2,064	462,049
WYOMING	1,284	309,365	507	153,886	1,791	463,251
SNYDER	1,221	202,988	549	176,731	1,770	379,719
UNION	1,163	190,944	501	155,278	1,664	346,222
PIKE	1,187	214,417	327	99,396	1,514	313,813
JUNIATA	936	148,422	554	160,276	1,490	308,698
POTTER	1,103	228,427	283	86,616	1,386	315,043
FULTON	741	156,261	504	144,629	1,245	300,890
MONTOUR	694	134,266	291	94,400	985	228,666
CAMERON	426	77,855	139	39,673	565	117,528
SULLIVAN	422	85,789	130	38,863	552	124,652
FOREST	364	82,257	152	41,030	516	123,287
<b>Totals</b>	<b>489,717</b>	<b>\$91,743,878</b>	<b>200,253</b>	<b>\$65,014,904</b>	<b>689,970</b>	<b>\$156,758,782</b>

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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM  
JULY 1, 2000 THROUGH JUNE 30, 2006**

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