HHS Office of Inspector General

REPORT HIGHLIGHTS

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New York Should Improve Its Monitoring of Low-Income Home Energy Assistance Program Subrecipients

Why OIG Did This Audit

- The Low-Income Home Energy Assistance Program (LIHEAP) assists low-income households (participants) in meeting their immediate home energy needs. At the Federal level, LIHEAP is administered by ACF.
- Funding for LIHEAP increased rapidly in response to the COVID-19 pandemic and rising energy prices. Prior OIG work found that States did not always adequately monitor the organizations that administer LIHEAP on their behalf.
- The rapid increase in LIHEAP funding combined with prior audit findings increases the risk of fraud and abuse in LIHEAP. We performed this audit to determine whether New York effectively monitored LIHEAP subrecipients to ensure compliance with Federal and State LIHEAP requirements.

What OIG Found

New York did not effectively monitor its LIHEAP subrecipients to ensure compliance with Federal and State LIHEAP requirements. Specifically, New York made payments for lump-sum transactions that could not be traced to specific expenditures. Of the $589 million of LIHEAP expenditures included in our audit period, New York could not provide assurance that lump-sum payments for LIHEAP expenses totaling $197 million for Federal fiscal year 2022 complied with Federal and State requirements.

What OIG Recommends

We made two recommendations to New York, including that it work with its subrecipients to determine the allowability of the $197 million in lump-sum payments for LIHEAP expenses and return funds for unsupported expenses to the Federal Government, and implement procedures to monitor subrecipient expenses, including lump-sum reimbursements.

New York disagreed with one recommendation and did not indicate concurrence or nonconcurrence with our other recommendation.