

ATTACHMENT 1

PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

ABSTRACT: HHS is requiring further detail from Grantees on their FY'2014 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY'2014 Plan which represent improvements or changes to the Grantees' FY'2014 plan for preventing and detecting fraud, abuse and improper payment prevention.

Instructions: Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must be explicitly explained whether any changes are planned for the new FY.

Tribe: Muckleshoot Fiscal Year 2014

RECENT AUDIT FINDINGS

Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY'2013 or the prior three year, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.

No audit findings exist for any audit, assessment, or review of LIHEAP agencies' finances for FY2009, FY2010 or FY2011 (the Tribe's most recent completed annual audit). The Muckleshoot Indian Tribe is able to provide additional documentation if requested.

Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2014

N/A

If there are no plans in place, please explain why not.

N/A

According to the Paperwork Reduction Act of 1995 (Pub. L. 104013), public reporting burden for this collection of information is estimated to average 1 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

COMPLIANCE MONITORING:

Describe the Grantee's FY'2013 strategies that will continue in FY'2014 for monitoring compliance with state and federal LIHEAP policies and procedures by the Grantee and local administering agencies.

The Grantee's FY2013 compliance monitoring strategies have not changed within the last year. The Muckleshoot Indian Tribe currently has a set of internal controls in place to ensure compliance with all State and Federal LIHEAP policies, procedures, and regulations. Our Grants & Contracts Officer, Steve Maurer, is the Tribal point-of-contact for all matters relating to Federal and State awards. He serves

as a liaison between the Tribal Operations Divisions, the Grantee (the Tribal Council), and the Federal and State government agencies. He ensures that all documents, including any regulatory or policy information, relating to all Federal and State grants and contracts received by the Tribe are distributed according to Tribal policies. Each division is responsible for review of any grant or contract received by the Grantee (the Tribal Council). The Muckleshoot Finance Department/Grants & Contracts Department staff also review each grant or contract received to ensure any Federal or State regulations are being adhered to.

For policies specific to the LIHEAP grant, there are also established procedures in place to ensure that all guidelines, especially relating to client eligibility, are being followed. Each LIHEAP applicant is subject to preliminary intake and screening at the Muckleshoot Resource Center, including verification of identity and collection of data on household members. The data is sent to the Muckleshoot Finance/Grants & Contracts department. The Finance Department prepares a verification of income for each household that applies for LIHEAP. The Resource Center verifies that clients are eligible using the income verification provided by the Finance Department and using additional information provided by the clients. The Resource Center then submits a requisition for payment for each eligible household. All requisitions are individually reviewed by the Grants & Contracts Finance Manager to ensure that the correct amount is being pledged and paid to each energy vendor. Payments are never made directly to the client, rather to the energy vendors themselves.

Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.

The Muckleshoot Finance Department established a Centralized Income Office in 2009, in order to ensure that the Tribe's income-based programs are being implemented consistently and correctly. The Centralized Income Office screens applicants based on income and other eligibility criteria and

provides information about eligibility to the Muckleshoot Resource Center and other departments. Currently, the Centralized Income Office is not processing information for LIHEAP clients; however, the Tribe may choose to implement that later in FY2013 or in FY2014.

If you don't have a firm compliance monitoring system in place for FY 2014, please describe how the State is verifying that LIHEAP policy and procedures are followed.

N/A

Necessary outcomes from these systems and strategies.

The Tribe's intended outcome is continuing evaluation of all documents, applicants, and households for the LIHEAP program, with regular monitoring to ensure that all Federal and State guidelines are being adhered to.

FRAUD REPORTING MECHANISMS:

For FY2013 activities continuing in FY 2014, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse (These may include telephone hotlines, websites, email addresses, etc.); (b) strategies for advertising these resources.

Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.

If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.

Necessary outcomes of these strategies and systems.

VERIFYING APPLICANT IDENTITIES:

Describe all FY 2013 Grantee policies continuing in FY 2014 for how identities of applicants and household members are verified.

Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.

Currently we have an application process for LIHEAP that allows for LIHEAP clients to identify each household member and at the same time requiring social security numbers for each client. Currently we do not require picture identification with our application but this may be considered in the future.

If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.

Necessary outcomes from these systems and strategies.

SOCIAL SECURITY NUMBER REQUESTS:

Describe the Grantees FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for benefits.

Social Security Numbers are required for all household members on our application. The tribe plans on implementing procedures to verify Social Security Numbers using the TIN matching tool in the IRS database. The Tribal Finance Department will work in conjunction with the Resource Center to implement these new procedures within the new year.

Please describe whether the State's policy for requiring or not requiring Social Security number is new as of FY 2014, or remaining the same.

If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.

Necessary outcomes from these systems strategies.

CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2013 and FY 2014. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)

Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.

The Tribe plans on implementing procedures to verify Social Security Numbers using the Tin matching tool in the IRS database. The Tribal Finance Department will work with the Resource Center to implement these new procedures within the new year.

If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.

Necessary outcomes from these systems and strategies.

VERIFYING APPLICANT INCOME:

Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2013 and continuing in FY 2014.

The Tribe does not currently have access to State Directories of new hires; however, the Tribe does have access to Tribal Payroll and Per Capita payment records, which are used to verify applicant annual income. Each LIHEAP applicant must sign a statement agreeing to disclose any Tribal Payroll and Per Capita information to Muckleshoot Resource Center staff members. The Payroll Finance Director provides the applicant's annual income information to Resource Center staff members.

Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.

N/A

If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying that information?

Since the Tribe does not currently have access to State Directories of new hires, Finance uses the available tools to verify applicant income. Those tools include Tribal Payroll and Per Capita records as described above.

Necessary outcomes from these systems strategies

The necessary outcome is continuing effective income evaluation for all LIHEAP applicants and households.

PRIVACY-PROTECTION AND CONFIDENTIALITY:

Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 to protect client information against improper use or disclosure.

The Tribe has policies relating to confidentiality of all client information. Applicants must first sign an agreement to have any income information disclosed to Resource Center staff. Information on applicant income is transmitted ONLY to Resource Center staff members from the Finance Department. All Muckleshoot employees must sign a confidentiality agreement upon hire, which serves to protect the Tribe, Tribal members, and clients from fraud relating to improper disclosure of information. Additionally, the confidentiality clause in the Tribal Personnel Policies and Procedures

(copy attached) serves to protect clients against improper use or disclosure of their personal financial information.

Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.

N/A

If you don't have any relevant physical or operation controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.

N/A

Necessary outcomes from these systems and strategies.

N/A

LIHEAP BENEFITS POLICY:

Describe the FY 2013 Grantee policies continuing in FY 2014 for protecting against fraud when making payments, providing benefits to energy vendors on behalf of clients.

As described in the above section on "Compliance Monitoring", the Muckleshoot Finance Department pays energy vendors directly on behalf of the applicants in order to reduce fraud and ensure that LIHEAP funds are used in accordance with all Federal, State, and Tribal guidelines. Each applicant is required to submit an energy bill in their name in order to document their address and energy vendor. Income verifications and payment records are kept on file in the Finance Department in order to ensure that each client receives the correct timing and amount of assistance.

Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.

The Resource Center, in conjunction with the Tribal Finance Department, is still in the process of implementing agreements between the Tribe and the energy vendors used by LIHEAP applicants. These agreements will serve as the basic tool for preventing fraud in making payments to vendors and providing benefits to clients. The agreements are currently being reviewed by the Tribal Legal Department.

If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of the clients, what supplementary step is the Grantee taking to ensure program integrity.

N/A

Necessary outcomes from these systems and strategies.

The necessary outcome is all authorized energy vendors are receiving correct payments for eligible applicants.

PROCEDURES FOR UNREGULATED ENERGY VENDORS:

Describe the Grantee's FY 2013 policies continuing FY 2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other unregulated energy utilities.

To ensure compliance with IRS regulations, the Tribal Finance Department currently requires that a W-9 Form be submitted for all vendors on an annual basis. This form is required before payment is made to any vendor. The Grants & Contracts Finance Manager then verifies that the submitted information is correct by "Tin Matching" the information provided with IRS records.

Please highlight any strategies policy in this area which will be newly implemented in FY 2014.

If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.

Necessary outcomes from these systems and strategies.

VERIFYING THE AUTHENTICITY OF ENERGY VENDORS:

Describe the Grantee FY 2013 policies continuing in FY 2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.

To ensure compliance with IRS regulations, the Tribal Finance Department currently requires that a W-9 form be submitted for all vendors on an annual basis. This form is required before payment is made to any vendor. The Grants & Contracts Finance Manager then verifies that the submitted information is correct by "TIN Matching" the information provided with IRS records.

Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.

N/A

If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?

N/A

Necessary outcomes and strategies

The necessary outcome is all payments made using LIHEAP funding are made to a valid energy vendor that has been verified using IRS tools and records.

TRAINING AND TECHNICAL ASSISTANCE:

In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.

Please highlight specific elements of your training regiment and technical assistance resources from your plan which will represent newly implemented in FY 2014.

If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.

In the future necessary staff will be attending future LIHEAP trainings and conferences and will participate in any future webinars that are offered.

Necessary outcomes from these systems and strategies.

AUDITS OF LOCAL ADMINISTERING AGENCIES:

Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.

As a Federally recognized sovereign nation, self-governed in accordance with PL 93-638, the Tribe is required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501 et. seq.) and OMB Circular A-133 Compliance Supplement and Government Auditing Standards. The Tribe is currently audited annually by a regional firm, Stauffer & Associates PLLC.

Please describe new policies or strategies to be implemented in FY 2014.

N/A

If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.

N/A

Necessary outcomes from these systems and strategies.

The outcome is to ensure that the Tribe maintains program integrity by complying with all requirements under PL 93-638, as well as all Federal, State, and Tribal policies, procedures, and guidelines.

Additional Information Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals , including pages/sections from established LIHEAP policies and procedures.