

# THE OFFICE OF AUDIT AND COMPLIANCE



**FY2013**

## ACCOMPLISHMENTS REPORT

APRIL 1, 2012 – MARCH 31, 2013



Philadelphia Housing Authority

[WWW.PHA.PHILA.GOV](http://WWW.PHA.PHILA.GOV)



**Philadelphia Housing Authority**

Janea Jordon  
*Senior Vice President*

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If you have information of possible wrongdoing call, write or visit:

**Office of Audit and Compliance**  
**Philadelphia Housing Authority**  
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**Fraud Hotline (215) 684-8300, [oac@pha.phila.gov](mailto:oac@pha.phila.gov)**

## OUR MISSION

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The Office of Audit and Compliance (OAC) is the Philadelphia Housing Authority's (PHA) independent oversight department established to perform investigative, audit and compliance-related activities relating to PHA's operations, programs and services. The OAC serves PHA by helping to identify and reduce risks and ensuring that policies, procedures, laws and regulations are followed, established standards are met, resources are used efficiently and effectively, and PHA objectives are achieved.

OAC operates under the general direction of PHA's President and Chief Executive Officer with a direct reporting relationship to the Board of Commissioners. OAC is comprised of a Compliance Division, an Internal Audit Division and an Investigations Unit.

### **OAC provides the following services:**

- Conducts financial and financial-related audits.
- Conducts compliance and quality assurance reviews of operating controls and transactions to determine compliance with local, state and federal laws, regulations, and procedures.
- Conducts performance/operational audits to determine efficiency, economy, and effectiveness of all program areas and operations.
- Conducts criminal and administrative investigations involving allegations of impropriety, fraud, criminal activities, conflicts of interest, waste, mismanagement, etc.
- Serves as liaison and coordinator of PHA's interest with HUD, local, state and federal regulatory and investigative bodies.
- Responds to requests from the Board of Commissioners, the President and CEO and the Senior Management team for independent analyses of management or internal control systems.
- Coordinates audit efforts between internal and external auditors to avoid duplication of efforts.

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## MESSAGE FROM THE PRESIDENT AND CEO

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When I arrived at the Philadelphia Housing Authority in 2011, I was the Director of Audit and Compliance. My top priority was to officially establish the agency's oversight entity. With the support of the U.S. Department of Housing and Urban Development and PHA's executive management team, I recruited a team of auditors, investigators and compliance specialists, all with the end goal of eliminating fraud, waste, abuse and corruption across the agency. Moreover, I began the important process of reestablishing and rebuilding relationships with key external law enforcement and oversight entities with whom the OAC could partner to achieve its objectives.

In my new role as President and Chief Executive Officer, my expectations have not changed: I continue to charge OAC and its partners with assisting PHA in restoring public trust by preventing and uncovering fraud, corruption and unethical conduct by PHA employees, contractors and others who receive PHA funds. I have also charged OAC with auditing and reviewing PHA's operations, including policies and procedures, to identify internal control deficiencies and recommend improvements in order to reduce PHA's vulnerability to mismanagement, fraud, waste and corruption.

As a municipal corporation organized under the statutes of the Commonwealth of Pennsylvania to provide safe and decent housing to low-and moderate-income individuals in the City of Philadelphia, PHA is primarily federally funded and is accountable to HUD, the Board of Commissioners, the Mayor, the City Council and the citizens of the City of Philadelphia. As such, PHA employees, residents and contractors hold a significant position of public trust. The public, therefore, has a right to expect PHA's employees, contractors and those doing business with PHA to perform their responsibilities honestly and with integrity.

Although, our objectives are far from complete, I am impressed by the accomplishments the department has made thus far. I encourage everyone to continue to support OAC's efforts in making this agency more transparent and efficient. I take pride in the progress and the success outlined in this report, which clearly demonstrates that PHA is moving in the right direction.

Sincerely,

A handwritten signature in blue ink that reads "Kelvin Jeremiah". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kelvin Jeremiah  
*President & CEO*  
*Philadelphia Housing Authority*

## MESSAGE FROM THE SENIOR VICE PRESIDENT

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In accordance with PHA's Board Resolution #11428, the Office of Audit and Compliance was created in January of 2011 and tasked with monitoring, evaluating and providing oversight to ensure regulatory and operating compliance of the Philadelphia Housing Authority. Following the creation of the OAC, the March 2012 PHA Board Resolution #11517 further codified OAC's independence, responsibility and authority to carry out these objectives. With reporting accountability to the PHA President & CEO, the PHA Board of Commissioners, and most importantly to the public, the three (3) divisions that comprise OAC – Internal Audit, Compliance and Investigations, are utilized in various ways to achieve its mission.

In addition to staffing the department, finding and setting up an office space, creating internal policies and procedures to guide our work, establishing partnerships with external entities, connecting with internal departments, and working toward building a well performing internal team, the OAC worked diligently throughout its first official year of service to make strides toward advancing its stated objectives. During this past fiscal year, the Internal Audit Department completed 18 audits. The Investigations Division substantiated 119 cases, holding employees, residents and vendors accountable for defrauding the agency. The Compliance division implemented process improvements within several areas throughout the agency, realizing savings in time and money for PHA. These statistics only represent a small part of how far OAC has come since its inception, but, our work has only just begun.

In its first year, OAC conducted several corruption prevention trainings to PHA employees, and under Mr. Jeremiah's leadership, published a **Protocol for External Audits**, an **Employee Guide to Identify and Prevent Corruption**, and an **Anti-Corruption Guide for PHA's Contractors and Vendors**. These documents serve as a reminder, that the new PHA will be doing business in a transparent, fair and ethical way.

OAC recognizes that the majority of PHA's employees, residents and contractors are honest and trustworthy, and believes that its responsibilities are critical to ensuring that PHA and those doing or seeking to do business with PHA act with the highest standards of integrity. OAC is dedicated to the principal that no PHA employee, regardless of rank or position is above the law, and that the strength of PHA is built on the solid character of the individuals who hold the public trust. However, we believe that public trust is both an individual and collective responsibility. With the ongoing support of PHA's Board of Commissioners, executive management, staff, residents and contractors, OAC will continue to work diligently to eradicate fraud, corruption and unethical conduct at PHA.

This report represents the OAC's accomplishments for Fiscal Year Ended March 31, 2013, as well as our plans for the future. It is my hope that in being transparent about what we are doing and how we are doing it, you will continue to support our efforts.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Janea Jordan', written in a cursive style.

Janea Jordan  
Senior Vice President, OAC  
Philadelphia Housing Authority

## THE YEAR IN NUMBERS

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### FINANCIAL ACCOMPLISHMENTS

Restitution .....	\$84,213
Internal Audit Recovery (Actual).....	\$415,289
Compliance Streamlining .....	\$27,281,955
Termination/Resignation Savings .....	\$2,494,498
Pension Contribution Savings .....	\$885,194
	<b>Total: \$31,162,149</b>

### TERMINATION SAVINGS

As of March 31, 2013, OAC investigations of reported employee misconduct involving fraud, waste, and/or abuse, resulted in the termination or resignation of thirteen (13) PHA employees, saving PHA **\$2,494,498.20** based on two-year salary projections. In addition, it is estimated that these terminations or resignations have resulted in a savings of pension contributions by PHA in excess of **\$885,194.89**<sup>1</sup>.

### PARTNERSHIPS

The Office of Audit and Compliance has initiated and maintained partnerships with several Federal, State and Local agencies in efforts to protect the integrity of PHA and to further hold individuals who defraud the agency accountable. These partnerships include:

- The US Department of Housing and Urban Development Office of Inspector General
- Social Security Administration Office of Inspector General
- The US Department of Agriculture Office of Inspector General
- The US Department of Veterans Affairs Office of Inspector General
- Federal Bureau of Investigation
- Internal Revenue Service
- United States Attorney's Office
- Philadelphia District Attorney's Office
- Pennsylvania State Ethics Commission
- US Bureau of Alcohol, Tobacco, Firearms and Explosives

### FY2013 COMPLAINT INTAKE

As of March 31, 2013 the OAC Investigations division received a total of **774** complaints. Of those complaints, **373** were opened as active investigations, **119**<sup>2</sup> cases were substantiated, 18 of which were referred for criminal prosecution with 1 arrest completed.

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<sup>1</sup> OAC utilized conservative estimates in the determination of the financial impact of terminations and resignations of PHA employees. Some agencies, particularly in the federal sector, project similar savings over the remainder of the dismissed employees' career.

<sup>2</sup>OAC Investigators have up to 180 days to complete an investigation. This number reflects investigations submitted for closure since July 2012, when the case tracking system was implemented.

## IDENTIFYING AND PREVENTING CORRUPTION

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OAC's Investigations Division is charged with investigating allegations of fraud, corruption, official misconduct, conflicts of interest, mismanagement and other criminal offenses with respect to employees, residents and persons or entities doing business with the Philadelphia Housing Authority. These cases involve individuals who defrauded the Authority for personal gain, resulting in the prosecutions and repayments of restitution owed to PHA in the amount of **\$84,213**.

### THEFT OF BENEFITS

Following a joint investigation, OAC discovered Doris Whitfield Richardson, a resident of PHA, was stealing survivor benefits meant for her deceased grandmother. The benefit payments, issued by the Veteran's Affairs and Office of Personnel Management, went unreported to the Social Security Administration and the Department of Housing and Urban Development when Richardson applied for government assistance.

Richardson was convicted and sentenced to 33 months in prison for conversion of government funds, wire fraud, and Social Security fraud. She was ordered to pay **\$10,338** to PHA in restitution.

### KICK BACKS

An OAC investigation (continued by way of the former PHA Office of Inspector General) led to the arrest and conviction of Kerri Bizzell, a former manager of PHA's small construction contracts. Bizzell abused her position by extorting kickbacks in exchange for PHA contracts.

Bizzell was sentenced to 50 months in federal prison, followed by 3 years of supervised release on extortion and obstruction charges. She was ordered to pay **\$25,000** in restitution to PHA.

### UNREPORTED INCOME

A joint investigation found that Sharman Long, a PHA resident, was in receipt of approximately \$208,505.40 in government benefit payments she was not entitled to receive. To receive governmental assistance, Long concealed her marriage and work activity from the Department of Housing and Urban Development and PHA, the Social Security Administration, the United States Department of Agriculture, the United States Department of Health and Human Services, as well as, the Pennsylvania Department of Welfare.

Long was sentenced to 90 days in prison, 3 years of probation and fined \$208,506.40 in restitution, **\$22,000** of which will be paid to PHA.

### UNDERREPORTED INCOME

Following a complaint of unreported income, OAC discovered that Tamia Mack, a PHA resident, did not accurately report her assets and income. Mack reported to PHA that she earned \$300.00 to \$400.00 per month as a self-employed hair stylist, when in fact she was actually a full time employee at Jefferson Hospital earning between \$31,000.00 and \$60,000.00 per year. OAC's investigation determined that Mack underpaid her rent in the amount of \$26,875.00. The investigation also discovered that Mack also failed to report that she purchased a house while living at her PHA unit.

Mack was arrested and charged with defrauding PHA. Mack pleaded guilty to theft, false swearing and tampering with public records, and was ordered to pay **\$26,875** to PHA in restitution.

### PREVAILING WAGE VIOLATIONS - UNDERPAYMENT OF EMPLOYEES BY PHA CONTRACTORS

Most construction projects PHA undertakes are funded by federal funds, which require the payment of prevailing wages. PHA is tasked with ensuring that construction contractors and sub-contractors are abiding by all applicable prevailing wage laws and regulations while working on PHA construction projects. Maintaining compliance with prevailing wage laws and regulations is vital to ensuring that PHA is eligible for future funding from the federal government, and is necessary in order to avoid punitive fines from the federal government. The wage compliance enforcement for fiscal year 2013 Davis-Bacon and Related Acts projects resulted in fourteen (14) citations being issued to construction contractors for violations that totaled **\$13,640.46** in restitution payments made by contractors to individuals working on PHA projects that the contractors underpaid.

### RESIDENCY

PHA will be aggressively investigating employee violations of the PHA residency policy. During the fiscal year 2013, OAC substantiated three (3) investigations in which employees were found to not have their bona fide living quarters within the City of Philadelphia. Based on these investigations, the employees were terminated pursuant to Section 2.2 of the Employee Handbook. All employees are strongly advised to make sure that they fully comply with PHA's Philadelphia residency requirement. Any questions should be directed to Human Resources.

## PROTECTING OUR ASSETS

The Internal Audit Department (IA) serves the Philadelphia Housing Authority's management and the Board of Commissioners in the identification, evaluation, and mitigation of agency risks. IA provides useful review, advice and recommendations where control weaknesses exist. By conducting risk-based audits and reviews, IA verifies that PHA's assets are safeguarded.

IA completed eighteen (18) audits and special reviews during Fiscal Year 2012/2013, and issued four (4) audit reports with associated Management Action Plans. Below are some of the audits conducted by PHA's internal Audit Department, which resulted in more than **\$3 million** in potential recoveries of PHA's funds and/or savings through process improvements.

### TENANT SERVICES (FSS/ESS PROGRAM)

IA's review of the FSS/ESS Program determined that funds accumulated in escrow accounts for participants who were terminated from the Program. Consequently, these funds were forfeited by the FSS participants, removed from the depository account and treated as program receipts for payment of program expenses in accordance with HUD's requirements governing the use of program receipts.

**Actual Recovery** ..... **\$415,289**

### HCV PROGRAM (PORTABILITY RECEIVABLE)

IA assessed portability vouchers to determine if the vouchers were administered in accordance with HUD's guidelines and PHA's policies, and procedures. IA determined that various Housing Authorities owe PHA approximately **\$1.6 million** in payments, and recommended that the Housing Choice Voucher Program begin to request payment of these portability receivables owed.

**Potential Recovery** ..... **\$1,600,000**

### HCV PROGRAM (PORTABILITY PAYABLE)

IA's review determined and recommended that the HCV Program can save money by performing in-house, routine tasks such as creating reports, informing staff when and how to apply administrative fees, and interpreting HUD's regulations and PHA's policies and procedures, that have been traditionally outsourced to consultants.

**Potential Savings** ..... **\$50,000**

### HUMAN RESOURCES

IA reviewed the policies and procedures associated with vacation accruals for PHA employees. IA determined that current and former employees may owe PHA approximately **\$160,038** for inaccurate vacation leave accruals and conversions from sick leave to vacation pay outs.

**Potential Recovery** ..... **\$160,038**

### TENANT SERVICES (SECTION 3 PROGRAM)

IA reviewed Section 3 Program compliance and adequacy of the associated internal control systems. IA found that fifteen (15) active contractual commitments (e.g., scholarships) totaling approximately \$40.9 million dating back to 2008 have not been strictly enforced. IA determined that contractors owe PHA approximately **\$1.3 million** for outstanding and uncollected commitments.

**Potential Recovery** ..... **\$1,300,000**

### PUBLIC HOUSING PROGRAM (504 ADMINISTRATION)

IA's review of the Public Housing 504 Administration found that PHA was not reimbursed by the Pennsylvania Housing Finance Agency (PHFA) for a portion of the rent for tenants funded under the Nursing Home Transition program because of late reimbursement submissions to PHFA and other issues.

**Potential Recovery** ..... **\$7,371**

**TOTAL POTENTIAL RECOVERY** ..... **\$3,117,409**

## EXTERNAL PARTNERSHIPS

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While it is imperative that OAC continues to protect PHA's assets, the Office's Compliance and Audit Divisions also partner with external entities, like the US Department of Housing and Urban Development, to oversee and facilitate external audit and review activities on behalf of the Philadelphia Housing Authority. **Without the assistance of PHA internal departments, OAC would not be successful in addressing these external audits and reviews, and would not succeed in maintaining these external partnerships.** Highlighted below are a few examples of these partnerships in action:

### US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - PORTABILITY (DELAWARE COUNTY HOUSING AUTHORITY)

OAC was responsible for the coordination of HUD's reconciliation of Portability receivables and payables between PHA and the Delaware County Housing Authority (DCHA). In conjunction with the Housing Choice Voucher Program (HCVP), one conducted an internal reconciliation which resulted in an adjustment to HUD's findings. Currently, OAC is awaiting HUD's response to OAC's submission.

### DEPARTMENT OF LABOR - WAGE COMPLIANCE REVIEW

In December 2012, the U.S. Department of Labor (DOL) completed a wage compliance review of years 1-3 (2008-2010) of the UFAS 504 Accessible Housing project. The findings presented by the DOL claimed that PHA owed \$173,253.43 in back wages to individuals that worked on the project. In an effort to ensure compliance and prevent waste through punitive findings, PHA's Wage Compliance Officer and Internal Audit team performed an additional review of the same project. Through this internal review, PHA determined that the original findings presented by the DOL were inaccurate, and instead found that PHA owed \$128,055.13. After further review, the DOL agreed to the revisions and payments were made to sixty-two (62) individuals who worked on the project. The due diligence performed by PHA's Compliance and Audit departments ensured that PHA achieved full compliance with the law, and resulted in a savings to the agency of **\$45,198.30**.

### DEPARTMENT OF LABOR – FAIR LABOR STANDARDS ACT

Based on a complaint made to OAC, OAC's Wage Compliance Officer (WCO) conducted a thorough review of a selected group of employees' exempt/nonexempt statuses to determine if any employees were classified as "exempt" in error, per the Fair Labor Standards Act. The review found that multiple employees were classified incorrectly, and were owed compensation for hours worked from the prior three (3) years. Reviewing and resolving this error internally allowed PHA to fix these issues for the affected employees while avoiding punitive fines from the Department of Labor, representing a cost savings of **\$54,614.40** to the agency. Additionally, the review prompted the agency to assess employee statuses in every department, ensuring compliance throughout PHA and mitigating future risk of punitive fines.

Following the completion of the DOL review, the Audit and Compliance Department at PHA created an oversight team and a plan of action to prevent any reoccurrence of these violations in the future. The plan of action includes improving supporting documentation, finalizing an internal wage compliance policy and procedure, developing a field-use tool for maintenance work, and improving the agency's preparation for external audits and reviews. These steps will ensure future compliance and will represent additional cost-savings in the following years.

### PENNSYLVANIA DEPARTMENT OF AGRICULTURE – PEST CONTROL SERVICES

In September 2012, the Compliance Department discovered several compliance violations within the Integrated Pest Management Department (IPM) at PHA. The Compliance Department worked with PHA's IPM Department to create a plan of action that addressed the issues, swiftly suspending internal pest control practices temporarily until complete compliance with the Pennsylvania Department of Agriculture's associated regulations was achieved. The plan developed by the Compliance and IPM Departments' prevented PHA from being exposed to **\$360,000** in potential fines, and implemented preventative measures within the IPM Department in attempts to ensure the same errors do not occur in the future.

### PA STATE ETHICS COMMISSION – STATEMENT OF FINANCIAL INTEREST

PA State Ethics Commission requires that all Public Employees and Public Officials complete an annual Statement of Financial Interest form to ensure compliance with statutes of the PA Ethics Act. OAC, in conjunction with PHA's HR department, developed and implemented Financial Disclosure Statement Standard Operating Procedures (SOP) to ensure timely and accurate filing of Statements of Financial Interests for all eligible public employees and public officials involved with the agency. The State Ethics Commission was a resource that assisted in ensuring that the implemented SOP was in compliance with the PA State Ethics Commissions requirement.

## EXTERNAL PARTNERSHIPS

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### **US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT – AMERICAN RECOVERY AND REINVESTMENT ACT**

HUD conducted three (3) comprehensive on-site reviews of PHA's administration of the 2009 American Recovery and Reinvestment Act (ARRA) Capital Fund Recovery Competition Grants totaling the amount of \$9,167,500 for fiscal year 2013. The purpose of the review was to determine if PHA administered the program in accordance with all applicable Notice of Funding Availability (NOFA), regulatory and programmatic requirements. The Compliance Department coordinated with PHA's departments to ensure compliance by providing HUD with requested material to satisfactorily close-out these comprehensive on-site reviews. The Compliance Department is pleased to report that there were no deficiencies found during HUD's on-site review of the administration of these ARRA funds. Consequently, PHA did not have to repay any of these awarded ARRA grants back to HUD.

### **ALTERNATIVE MANAGEMENT ENTITY (AME) – PENNROSE MANAGEMENT REVIEW**

At the request of PHA's Office of General Counsel, a comprehensive compliance review led by the OAC in conjunction with Operations Management and PHA's Maintenance Department was conducted at the three (3) Pennrose Management developments (MLK I, MLK III, Falls Ridge) during October 2012. The review of these AME developments identified compliance violations with financial requirements, waitlist management, unit requirements, rent calculations, and building violations within units and common areas. The review report resulted in PHA postponing the AME's subsidy increase payments until all findings are corrected, saving PHA \$11,438 monthly for a total of **\$80,066** for FY 2013. As of the publication of this report, the AME is still not compliant and subsequently has not received the subsidy increase.

### **INTERNAL REVENUE SERVICE AUDIT – PAYROLL AND ACCOUNTS PAYABLE**

The Internal Revenue Service (IRS) in conjunction with OAC and the Office of General Counsel (OGC) conducted a review of PHA's fringe benefits, vendor payments and payroll for the year 2010. OAC coordinated with Finance, Human Resources and Contract Procurement/Administration Departments to ensure that the IRS received complete and accurate supporting documentation. Although there were several findings, OAC and OGC worked together with the IRS to ensure that all findings were mitigated and any associated penalties and assessments were minimized.

## EVALUATING AND IMPROVING

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The Compliance Division of OAC partners closely with internal departments throughout PHA to ensure efficiency and effectiveness within the Agency's operations, programs, and services. Over the past fiscal year, these partnerships have led to the development and implementation of initiatives that have cut costs and increased productivity throughout the Authority, resulting in the elimination of thousands of dollars in spending and conservation of man hours. Listed below are a few of the Compliance Division's projects which led to these saving.

### ENTERPRISE INCOME VERIFICATION (EIV) REVIEW

#### Background

HUD's EIV System is designed to make integrated income data available from one source, via the Internet, for housing authorities to use, so that income verification is improved during certification. Housing Authorities are required to use and implement the EIV system in their day-to-day operations.

#### Improvements

Through OAC's recommendations, Operations will minimize any HUD audits and fines, while ensuring that no overpayments of rent occur due to ineligible or deceased tenants.

**Authority Savings:** PHA avoided **\$17,328** in potential payments to ineligible or deceased tenants during FY2013.

### NON-ELDERLY DISABLED VOUCHERS

#### Background

Since 1997, the Housing Choice Voucher Program (HCVP) has been awarded 765 vouchers to serve Non-Elderly Persons with Disabilities (NED), which PHA was required to distribute to qualifying PHA tenants.

#### Improvements

OAC coordinated efforts with PHA's HCVP and Information Systems Management (ISM) departments to create an internal process for tracking and properly coding NED vouchers for submission into HUD's system. By ensuring that all NED vouchers were issued before the HUD mandated deadline, PHA remained in compliance with HUD mandates.

**Authority Savings:** PHA avoided the revocation of **765 vouchers** maintaining **\$652,550** in funding.

### POLICE RECORD CHECKS

#### Background

The Philadelphia Housing Authority conducts a police record check (PRC) for all applicants and residents 18 years of age and older, to determine eligibility for participation in PHA's housing assistance programs (Public Housing, Housing Choice Voucher, and, Philadelphia Asset Property Management Corporation.) PHA used the Pennsylvania Access to Criminal History (PATCH) system to conduct PRCs.

#### Improvements

Based on OAC's analysis and report, OAC and PHAPD now use the Commonwealth Law Enforcement Assistance Network (CLEAN), a realized savings of \$10 per PRC.

**Authority Savings:** PHA will save an estimated **\$175,000** annually.

### SCATTERED SITE 340 AUDIT RESPONSE

#### Background

In March 2009, PHA was awarded \$90.5 million in formula grant capital funds under the American Recovery and Reinvestment Act (ARRA). Approximately \$31.5 million of this was designated to the 340 Scattered Sites Rehabilitation Program, which was audited by the HUD OIG in May 2011. A report was issued citing the potential repayment of \$26,433,077 in ARRA funds.

#### Improvements

In response to the audit, the OAC developed and implemented Standard Operating Procedures (SOP) to the audit to ensure proper documentation and standardized billing procedures for Scattered Sites rehabilitation projects. The SOPs were implemented with the help of PHA's Finance and Construction/Development Departments and eventually supported the closure of the audit in August 2012 with no repayment of funds required.

**Authority Savings:** By implementing SOPs around the rehabilitation of Scattered Sites, PHA prevented the repayment of **\$26,433,077** and secured any potential ARRA funding.

## EVALUATING AND IMPROVING

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### MILEAGE REIMBURSEMENT

#### Background

To ensure PHA is meeting the Internal Revenue Service (IRS) mileage rate, the Mileage Reimbursement Policies and Procedures were developed and implemented to enforce and maintain the most up-to-date mileage rates.

#### Improvements

As of January 2012, PHA employees received \$0.51 in mileage reimbursement, in accordance with the IRS's current mileage rates preventing potential citations of approximately \$4,000 for the reporting period. A process was put in place to ensure that the correct rate is used moving forward.

**Authority Savings:** PHA prevented potential citations of up to **\$4,000** for failure to provide accurate mileage reimbursement.

**TOTAL AGENCY SAVINGS:** ..... **\$27,281,955**

## MOVING FORWARD

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### **OAC's Vision and Values will continue to be as follows:**

- Conduct quality audits of PHA's operations timely and efficiently and in accordance with professional standards established by the Institute of Internal Auditors and Generally Accepted Government Auditing Standards
- Conduct investigations in a timely, thorough, and impartial manner
- Ensure transparency and accountability in PHA operations, services and program
- Work closely with other law enforcement, state and federal agencies to detect and investigate corruption, fraud, waste, abuse, mismanagement and conflicts of interest
- Ensure the integrity in PHA's financial reports
- Ensure the optimal efficiency and effectiveness in PHA's operations, programs and services by emphasizing ongoing compliance with all applicable rules and regulations

### **To confidentially report PHA related fraud, corruption, employee misconduct, conflicts of interest, waste or mismanagement to the Office of Audit and Compliance:**

- Call PHA's Fraud Hotline: 215-684-8300
- Email: [oac@pha.phila.gov](mailto:oac@pha.phila.gov)
- Send mail to : Office of Audit and Compliance, 12 S. 23rd Street, 5th Floor, Philadelphia PA 19103



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