



U.S. Department of Housing and Urban Development
Office of Inspector General for Audit
Region VII
Gateway Tower II
400 State Avenue
Kansas City, Kansas 66101

April 13, 2006

Memorandum Number: 2006-KC-0801

MEMORANDUM FOR: Milan Ozdinec, Deputy Assistant Secretary, Office of Public Housing and Voucher Programs, PE

//signed//

FROM: Ronald J. Hosking, Regional Inspector General for Audit, 8AGA

SUBJECT: Audit Closeout: HUD's Oversight of Public Housing Authorities' Processes for Prohibiting Criminal Activity

INTRODUCTION

We have completed a review of the U.S. Department of Housing and Urban Development's (HUD) oversight of how public housing authorities (authorities) implement the screening and eviction requirements for drug abuse and other criminal activity. Our objective was to determine whether HUD ensures that authorities prevent individuals who commit certain crimes from participating in public housing and Housing Choice Voucher programs.

SCOPE & METHODOLOGY

The original review period was from October 2004 through September 2005. We revised the review period to January through December 2005. The authorities maintain their records by calendar year, so it was more efficient to review their data using the calendar year.

We interviewed and obtained information from HUD's Office of Public Housing officials at headquarters and in the local field office. We reviewed applicable laws, regulations, and other requirements related to our objective.

We performed on-site reviews of three authorities in our local area: Denver Housing Authority, Aurora Housing Authority, and Boulder Housing Partners. We interviewed authority officials regarding their policies and procedures for screening and evicting/terminating tenancy for drug-related and other criminal activity. We selected a sample of at least 20 applicant/tenant files to review at each authority. We selected the sample files to cover the different situations for preventing and detecting criminal activity in assisted housing. The review included looking at new applicants that moved in, denied applicants, and tenants evicted or terminated from the program during 2005.

We searched public records for our sample of applicants and tenants to see if we could identify any criminal activity that was relevant to the applicants' and/or tenants' eligibility for housing assistance.

RESULTS OF REVIEW

HUD's controls over the authorities' implementation of the screening and eviction requirements for drug abuse and other criminal activity include the following:

- Authorities' written policies – Authorities are required to submit their annual plans to the HUD field offices. The annual plans are required to include policies that address the screening and the eviction and/or termination of assistance requirements. HUD field staff is responsible for reviewing and approving the plans.
- Authorities' self-certification and reporting – Authorities self-report on their screening and eviction policies and procedures through the Public Housing Assessment System. One of the indicators in the system relates to security. It measures how an authority tracks, reports, and prevents crime; screens applicants for issues related to criminal activity (including drug-related criminal activity); enforces leases; and prevents drug use.
- Monitoring reviews – Field office staff conduct monitoring reviews of selected authorities. During the monitoring reviews, HUD looks at the items that the authorities self-certify.

The authorities we visited were actively implementing the screening and eviction and/or termination requirements. They performed criminal background checks at application and during the tenancy when a situation occurred that warranted a criminal background check. Most of the files contained evidence of a background check. Five of the files for applicants that moved into the Aurora Housing Authority in 2005 did not contain evidence of a background check. However, the requirements instruct authorities to destroy the criminal background checks once the purpose is served for which the report was obtained. HUD's instructions state that the purpose is served once the applicant is admitted.

The public records databases we searched did not identify any criminal activity that would change the eligibility status of the sample applicants and tenants.

Our review of three authorities did not identify any pervasive issues with HUD's controls over the screening and eviction requirements for drug abuse and other criminal activity in public housing and Housing Choice Voucher programs. Since we did not identify any high-risk areas that warrant investing further audit resources, we did not expand our testing or perform any detailed testing of HUD's controls. Therefore, we are closing the review and not proceeding with more detailed audit work.

If you have any questions relating to our review, please contact me at (913) 551-5870 or Frederick Smith, assistant regional inspector general for audit, at (303) 672-5482.