
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**HOMELESS OUTREACH PROJECTS
AND EVALUATION
DEMONSTRATION PROJECT**

July 2010 A-03-09-19073

AUDIT REPORT



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SOCIAL SECURITY

MEMORANDUM

Date: July 2, 2010

Refer To:

To: The Commissioner

From: Inspector General

Subject: Homeless Outreach Projects and Evaluation Demonstration Project (A-03-09-19073)

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) had appropriate oversight and monitoring controls for the Homeless Outreach Projects and Evaluation Demonstration Project (HOPE). In addition, we determined whether (1) expenditures for HOPE were allowed, supported, and in accordance with the grant's terms and (2) grantees accomplished the grant objectives.

BACKGROUND

Congress provided SSA with about \$24 million to conduct outreach and application assistance to people who were homeless and other under-served populations. SSA used the funds to establish HOPE¹ in support of the Presidential initiative to end chronic homelessness within 10 years. HOPE's goals were to (1) assist eligible, chronically homeless individuals in applying for Supplemental Security Income (SSI) and Social Security disability benefits and (2) demonstrate the effectiveness of using skilled medical and social service providers to identify, engage, and assist homeless individuals with disabling conditions to file for benefits within current policy.

In May 2004, SSA awarded 34 grants,² totaling approximately \$18 million for a 4-year period, to public and private organizations for HOPE. In November 2004, SSA awarded an additional seven grants, totaling about \$3.3 million.³ The 41 grantees were required

¹ Demonstration projects provide evidence of the feasibility and effectiveness of a new approach or practice. Demonstration projects are typically among the most costly, lengthy, and complex research projects that SSA conducts, and these projects are expected to answer long-standing policy questions. If results are not valid and reliable, they are not useful for policy formulation.

² SSA awarded cooperative agreements, which are similar to grants except that cooperative agreements require substantial involvement between SSA and the grantee during performance of the contemplated activity. In this report, we refer to cooperative agreements as grants.

³ See Appendix C for a list of the 41 HOPE grantees.

to provide outreach, support services, and benefit application assistance to chronically homeless adults and children. In addition, HOPE grantees could perform optional activities including presumptive disability screening, pre-release assistance for institutionalized individuals with disabilities, representative payee services, employment interventions, and electronic services to file for benefits. SSA also required that HOPE grantees work with a contractor to independently evaluate HOPE's outcomes, impacts, and benefits.

SSA expected the 41 grantees to effectively identify people who were chronically homeless so they could receive the assistance and care they needed. In addition, SSA expected that information and technical assistance the grantees received from SSA regional and disability determination services (DDS) employees would increase the efficiency of the disability application process for claimants. In this way, SSA would see a reduction in disability case processing time and denials for initial claims from individuals who were eligible for disability benefits.

Grant Process

SSA's Office of Acquisition and Grants (OAG) is responsible for processing grant applications and monitoring them once they are awarded. OAG's monitoring duties include reviewing quarterly progress reports, reviewing quarterly and final Financial Status Reports (FSR),⁴ making determinations on re-budgeting grant funds, reviewing requests for carryover funds, conducting necessary site visits, and closing out the grant at the end of an award period.⁵

Once a grant is awarded, OAG requests that SSA's Office of Finance (OF) allocate funds to an account to fund activities. OF sets up an account in which all grant funds for a grantee are allocated by Fiscal Year (FY). OF processes monthly reimbursement requests from the grantees and makes payments. A grantee can choose to either receive advanced payments or request reimbursement.

SSA's Office of Program Development and Research (OPDR) was responsible for designing, implementing, and evaluating HOPE. OPDR's monitoring duties included reviewing quarterly progress reports, conducting necessary site visits, addressing program issues and concerns, and ensuring grantee acceptance and compliance with the grant's terms and conditions. Furthermore, as part of HOPE, SSA provided the grantees information on its disability programs and application procedures. It also provided a regional/field office liaison and a State DDS liaison, who were responsible for offering grantees a range of technical assistance.

⁴ Federal agencies use the FSR (Form-269A) to monitor the financial progress of grants and show the status of funds.

⁵ SSA Grant Administration Manual, Section 4-05-00, August 22, 2007.

To perform our analysis, we reviewed relevant Federal guidance⁶ on grant management, SSA policies, and grant awards for the 41 grantees. Furthermore, we conducted a detailed review of 11 (27 percent) of the 41 grantees who received approximately \$5.8 million in grant awards.⁷ We sampled their direct costs, payroll, indirect costs, and matching costs incurred in 2004 through 2009 to determine whether (1) grantees' expenditures were allowed, supported, and in accordance with the terms of the grant award and (2) grantees accomplished the grant objectives. Finally, we evaluated the results of HOPE. See Appendix B for details on our scope and methodology.

RESULTS OF REVIEW

Several grantees for HOPE did not meet one of the project's objectives. Each grantee was expected to enroll about 200 eligible chronically homeless individuals and assist them with Social Security Disability Insurance or SSI program application process. In total, the HOPE grantees were expected to enroll about 8,200 chronically homeless individuals. Although the 41 grantees had reported enrolling 10,500 chronically homeless individuals, we could only verify that 7,243 individuals (69 percent) had actually filed an application for Social Security benefits. For the remaining 3,257 enrollees (31 percent), we could not verify that an application had been filed for 1,845 enrollees, the grantees did not submit a Social Security number (SSN) for 1,184 enrollees, and the SSNs provided for 228 enrollees were invalid.

Additionally, SSA hired a contractor to conduct an interim evaluation of HOPE to determine its outcomes, impacts, and benefits. We found grantees did not always provide the contractor with the necessary information to assess improvements in the enrollees' quality of life. For example, grantees only provided data on the living situations for 655 of the 3,055 enrollees who were included as part of the evaluation. Therefore, the contractor was unable to assess the living situations for the remaining 2,400 enrollees.

Furthermore, SSA's oversight and monitoring of the 41 grantees could have been improved. We question \$118,566 in grant funds awarded to 5 of the 11 grantees reviewed because of the lack of adequate supporting documentation. In addition, we question \$96,630 in grant funds because 6 of the 41 grantees did not demonstrate that required matching funds were provided. OAG had not found these unsupported costs because they did not conduct site visits to ensure grant expenditures were allowed and supported. In addition, as of January 5, 2010, OAG was at least 284 days late in closing 2 grants in which the grantees had submitted their final reports to the Agency, and 15 grantees were 156 to 516 days late in submitting their final reports to the Agency. As a result, \$83,725 in grant funds was not deobligated, and OAG had no

⁶ Office of Management and Budget Circulars A-21, *Cost Principles for Educational Institutions*, and A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

⁷ See Appendix D for details about the 11 sample grantees.

support that the grantees had expended \$213,977 in grant funds. Finally, we found OF did not deobligate \$12,446 in grant funds that a grantee did not use.

ACHIEVING GRANT OBJECTIVES

The 41 grantees were expected to conduct outreach activities to locate homeless individuals with disabling impairments who were potentially eligible for Social Security benefits. Homeless individuals are considered to be enrolled for HOPE when they sign a HOPE consent form, sign an application for SSI or Social Security disability benefits, and file an application with SSA. Each grantee was expected to enroll a minimum of 50 individuals annually by assisting with the application process and assisting the individuals with participating in SSA's electronic application and case processing.⁸ However, the Agency anticipated that some grantees might have difficulty enrolling 50 homeless individuals during the grant's first year because of the start-up period needed for grantees to train and prepare staff for the project. Therefore, the 41 grantees were expected to enroll slightly fewer than 8,200 individuals during the 4-year grant period. Grantees could enroll individuals who had not yet filed an application for Social Security benefits as well as those whose benefits had been suspended or terminated. However, grantees could not enroll individuals who had applications pending with SSA or those who had already filed for a reconsideration or appeal of a denial or partially favorable decision.

The 41 grantees' quarterly progress reports⁹ indicated that they had enrolled 10,500 individuals who applied for Social Security benefits. However, we could only verify that 7,243 (69 percent) of these reported enrollees had filed an application (see Table 1). Of these 7,243 enrollees, 6,302 (87 percent) were awarded or had been reinstated for SSI or Social Security disability benefits, 891 (12 percent) were denied benefits, and 50 (1 percent) were awaiting a decision. We could not verify that 3,257 of the 10,500 individuals were enrolled because an application was not filed for 1,845 enrollees, and the SSNs provided for 228 enrollees were invalid. Additionally, the grantees did not submit an SSN for 1,184 enrollees (see Table 2). In July 2009, OPDR requested that each of the 41 grantees provide the enrollees' names, SSNs, and dates enrolled because OPDR had not been tracking this information during the life of HOPE. OPDR had relied on a contractor to track the enrollee information from June 2005 through April 2007. The grantees provided OPDR with enrollee information for 9,316 of the 10,500 enrollees but had not provided any information for the remaining 1,184 individuals. According to data provided by OPDR staff, 3 of the 41 grantees did not respond to their requests for enrollee information. In addition, the grantees' progress reports indicated some of the 1,184 individuals might have been erroneously counted as enrollees. The progress reports showed that some grantees counted an individual as an enrollee when they signed a consent form to participate in HOPE but did not file a claim for Social Security benefits.

⁸ See Appendix E for detailed grant requirements.

⁹ Grantees are required to submit quarterly progress reports that provide SSA with a comparison of the actual accomplishments to the objectives that were established for the grant period. Further, these reports assist SSA in providing proper oversight and technical assistance to grantees.

Table 1—Enrollees with Application Filed

Status	Total Enrollees	Percent
Allowed benefits	6,302	87
Denied benefits	891	12
Awaiting a decision at the time of our review	50	1
Total Enrollees	7,243	100

Table 2—Enrollees without Application Filed

Status	Total Enrollees	Percent
A claim was not filed for the enrollees	1,845	57
Grantees did not provide enrollee information	1,184	36
Grantees provided invalid SSNs for enrollees	228	7
Total Enrollees	3,257	100

We were unable to use the data provided by OPDR staff to verify whether grantees had enrolled about 200 homeless individuals during the 4-year grant period.¹⁰ However, our review of the grantees' quarterly progress reports showed that 10 of the 41 grantees had not enrolled 200 homeless individuals during this period. The 10 grantees reported they had enrolled 144 to 197 individuals during the 4-year period.¹¹ In fact, 5 of the 10 grantees did not enroll 50 individuals for at least 3 of the 4 grant years. For example, a grantee in Michigan enrolled 170 individuals during the 4-year grant period: 17 in year 1; 21 in year 2; 96 in year 3; and 36 in year 4. Of the 10 grantees, 7 had indicated they were unable to meet the expected enrollment number because of certain impediments. For example, 2 of the 10 grantees provided services in Louisiana, and they did not meet the minimum expectation because the homeless were displaced by Hurricane Katrina. Five grantees reported that sources for recruiting potential enrollees were no longer available, they had difficulty maintaining contact with potential enrollees (that is, prisoners), or they had difficulty due to an unexpected move to a different location. SSA found these to be plausible explanations for not meeting the expectations set forth in the grant award. The remaining three grantees did not indicate why they did not meet the requirement.

SSA's demonstration projects are to provide evidence of the feasibility and effectiveness of a new approach or practice. Because SSA did not discover any policy barriers for the homeless during HOPE, it does not envision changing its current policies and procedures for the homeless. However, SSA continues to conduct outreach and support initiatives that serve the homeless. For example, SSA supports the SSI/SSDI

¹⁰ We could not rely on the data because it appeared to be incomplete and inaccurate. For example, the data included duplicate and missing SSNs.

¹¹ See Appendix C for more details about the 10 grantees.

Outreach Assistance and Recovery Technical Assistance Initiative (SOAR) sponsored by the Departments of Health and Human Services, Housing and Urban Development, Labor, and Veterans Affairs. The goal of SOAR is to help States and communities increase access to SSI and SSDI for homeless people with mental illnesses and/or co-occurring substance use disorders. According to OPDR staff, many of the HOPE grantees have built off their HOPE experience and are now participating in SOAR or have found other ways to continue providing outreach and assistance to the homeless.

EVALUATION OF HOPE

In September 2004, SSA hired a contractor to provide an interim evaluation of the outcomes, impacts, and benefits of HOPE.¹² The interim evaluation was used to determine the impact training had on the quality of assistance the grantee provided to disability applicants.¹³ SSA was particularly interested in achieving such outcomes as reduced processing time and reduced denials for claims from individuals who would be eligible for benefits under SSA's rules. SSA was also interested in the degree to which the assistance the grantees provided the homeless improved their quality of life, particularly in attaining stable housing. The contractor analyzed the data collected to compare HOPE grantee outcomes to two groups of agencies that provided similar services to people who were chronically homeless and disabled, and the agencies were located in close proximity to the grantees but did not receive HOPE funding.¹⁴

The September 2007 contractor's evaluation showed that HOPE grantees did not always provide the contractor with the necessary information to assess improvements in the quality of life for enrollees. We found that although the original 34 grantees¹⁵ had been expected to enroll at least 5,100 individuals as of May 2007, data for only 3,055 enrollees (60 percent) could be used for the evaluation. The contractor could not evaluate data for 2,045 enrollees because either an initial disability determination had not been completed or an application had not been filed for 1,445 enrollees, and the grantees did not provide valid consent forms for 600 enrollees, allowing personal information to be disclosed to the contractor.¹⁶ Additionally, the grantees only provided

¹² The Agency had conducted a final evaluation of HOPE, but the results were not available at the time of our review.

¹³ *Evaluation of Homeless Outreach Projects and Evaluation*, Final Evaluation Report October 2007.

¹⁴ The contractor identified 32 agencies and collected the SSA file data from clients of the agencies. The agencies were randomly divided into two groups. Group 1 received the same HOPE Program Orientation Manual but did not receive any other support beyond that routinely received in community settings. Group 2 did not receive a manual or training from SSA. The two comparison groups included data for 214 individuals who filed claims with SSA.

¹⁵ The contractor used data for the original 34 grantees for the evaluation. They had 3 years of enrollee information available at the time of the evaluation.

¹⁶ The *Privacy Act of 1974*, as amended, 5 U.S.C. § 552a(b), states an agency shall not disclose any record to a third party without the prior written consent of the record subject, unless an exception permits the disclosure.

data on the living situations for 655 of the 3,055 enrollees. Therefore, the contractor was unable to assess improvements in the quality of life for the remaining 2,400 enrollees.

Based on the 3,055 enrollees, the contractor had concluded HOPE grantees were able to achieve a quicker time for determination than for the 2 separate comparison groups. For the HOPE grantees, determinations on the allowance and denial of Social Security benefits were made on average in 4.9 months as compared to the other two groups whose determinations were made on average in 5.7 months (see Table 3).¹⁷ Thus, HOPE grantees received a determination almost a month earlier than the two groups.

Table 3 – Comparison of Determination Rate

	Average Months to Determination	Difference Compared to HOPE Grantees
HOPE Grantees	4.9	
Group 1	5.6	-0.7
Group 2	5.8	-0.9
All Groups	5.7	-0.8

Source: McCoy, Marion L., Cynthia S. Robins, James Bethel, Carina Tarnow, and William D. Frey. 2007. *Evaluation of Homeless Outreach Projects and Evaluation (HOPE)*. WESTAT: Rockville, MD

In addition, the contractor concluded that the efficiency of the HOPE grantees to achieve a higher disability allowance rate for their enrollees over the two groups was not demonstrated because the difference was not statistically significant. As shown in Table 4, the HOPE grantees had a 41-percent allowance rate while the two groups had a 47-percent allowance rate, a difference of 6 percent. Therefore, the comparison agencies had a slightly higher allowance rate. However, the evaluation indicated there might have been an uneven implementation pattern among the HOPE grantees that could have affected the allowance rate. Based on visits to 5 of the 34 grantees, the contractor found 3 grantees reported enrolling anyone who met the definition of “chronically homeless” and claimed to have a disabling condition, while 2 grantees used a stricter criteria to avoid individuals who might have tried to “scam the system.” The evaluation did not discuss the two groups’ methodologies for enrolling homeless individuals.

¹⁷ The time for a determination included the time between the filing date of a disability benefit application with SSA and the date a decision was made to approve or deny the claim.

Table 4 – Comparison of Allowance Rates

	Allowance Rate	Difference Compared to HOPE Grantees
HOPE Grantees	41%	
Group 1	39%	-2%
Group 2	58%	17%
All Groups	47%	-6%

Source: McCoy, Marion L., Cynthia S. Robins, James Bethel, Carina Tarnow, and William D. Frey. 2007. *Evaluation of Homeless Outreach Projects and Evaluation (HOPE)*. WESTAT: Rockville, MD

SSA OVERSIGHT AND MONITORING OF HOPE

We found OAG was monitoring the HOPE grantees by making determinations on re-budgeting grant funds, reviewing requests for carryover funds, and working closely with grantees to resolve problems. However, OAG's oversight and monitoring of the grantees could have been improved. We question \$118,566 in grant funds awarded to 5 of the 11 grantees reviewed because of the lack of adequate supporting documentation. In addition, we question \$96,630 in grant funds because 6 of the 41 grantees did not demonstrate that required matching funds were provided. OAG had not discovered these unsupported costs because it did not conduct site visits to ensure grant expenditures were allowed and supported. In addition, as of January 5, 2010, OAG was at least 284 days late in closing 2 grants in which the grantees had submitted their final reports to the Agency, and 15 grantees were 156 to 516 days late in submitting their final reports to the Agency. As a result, \$83,725 in grant funds was not deobligated, and SSA had no support that the grantees had expended \$213,977 in grant funds. Finally, we found OF did not deobligate \$12,446 in grant funds not used by a grantee.

Unsupported Grant Expenditures

Financial records, supporting documents, statistical records, and all other records pertinent to a grant award must be retained for 3 years from the date of submission of the final expenditure report.¹⁸ We found 5 of the 11 grantees reviewed were unable to provide documentation to support the \$118,566 in expenditures (see Table 5) related to computer equipment, supplies, travel, and administrative costs. For example, a grantee in Indiana could not provide supporting documentation for \$81,645 of the \$511,605 in grant award funds. According to the grantee, they could not produce documentation to support the expenditures because the computer used to track the financial data for the grant was destroyed in 2008. Another grantee in Connecticut could not provide documentation or show physical evidence for the purchase of 17 laptop computers, modems, and scanners totaling \$19,550.

¹⁸ 20 C.F.R. § 435.53.

Table 5 - Unsupported Expenditures

State of Grantee	Type of Unsupported Expenditures	Amount Unsupported Expenditures	Percent of Award	Total HOPE Award
Connecticut	Supplies	\$19,550	4.0	\$550,000
New York	Travel and Supplies	\$715	0.2	\$412,500
District of Columbia	Consulting and Supplies	\$1,745	0.3	\$550,000
Florida	Administrative Expenses ¹	\$14,911	3.0	\$550,000
Indiana	Supplies	\$81,645	16.0	\$511,605
Total		\$118,566		\$2,574,105

Note: (1) The grantee's general ledger identified these expenses as administrative.

Matching Funds Requirement

HOPE required matching funds from grantees to broaden the impact it would have on the homeless population. Our review of the grantee's final FSRs and financial records showed that 6 of the 41 grantees did not substantiate that they provided the required matching share of \$96,630 (see Table 6). The grant award required that the grantees provide a matching share that equals a minimum of 5 percent of the total project costs. The matching share is calculated using the following formula: Federal share divided by .95 equals total project costs. The matching share equals the total project cost minus the Federal share. Since the six grantees did not demonstrate that the required matching funds were provided, we question \$96,630 in grant funds.

Table 6—Unsupported Matching Share

State of Grantee	Total Federal Share	Required Matching Share	Actual Matching Share	Questioned Costs
Connecticut	\$550,000	\$28,947	\$0 ⁽¹⁾	\$28,947
Indiana	\$511,605	\$26,927	\$0 ⁽¹⁾	\$26,927
New York	\$400,054	\$21,055	\$0 ⁽¹⁾	\$21,055
California	\$548,484	\$28,868	\$12,983	\$15,885
Massachusetts	\$445,423	\$23,443	\$21,222	\$2,221
Oregon	\$377,206	\$19,853	\$18,258	\$1,595
Total				\$96,630

Note: (1) During our site visits, the grantees could not provide support for any of their matching share.

Closing of Grants

We found that SSA failed to close two grants although the grantees had submitted their required final reports to the Agency on July 21, 2008 and March 21, 2009, respectively. Therefore, as of January 5, 2010, OAG was 284 and 533 days late, respectively, in closing these grants. As a result, \$83,725 in grant funds was not deobligated for one of the two grantees. OAG did not close this grant because it was waiting for the grantee to provide its final indirect cost rate. However, we did not find any evidence that OAG had followed up with the grantee to obtain the final indirect cost rate. According to SSA policy, when the grant period has ended, SSA is required to close the grant to ensure

the Government's interest has been adequately protected.¹⁹ The close-out process requires that SSA obtain and review the grantee's final FSR and progress report, which are due within 90 days after the grant's expiration. We believe SSA must take steps to ensure grants are closed timely so Federal dollars can be deobligated when not needed and put to better use.

Submission of Final Reports

As of January 5, 2010, we found 15 grantees had not submitted their final FSRs even though the grants had ended. Of the 15 grantees, 14 had not submitted their final FSRs and 1 had not submitted both their final FSR and progress report. The grantees were between 156 and 516 days late in submitting the final reports. Because the final FSRs were not submitted to OAG timely, there was no evidence that 7 of 15 grantees had expended about \$213,977 in grant funds. While OAG had notified the grantees of the requirement to submit the final reports 30 days before the grant expiration date, we found OAG did not always follow up with the grantees to ascertain the reason for delay and obtain a revised submission date, as required by its policy.²⁰ We believe OAG needs to follow up with the 15 grantees to ensure they submit their final FSRs to the Agency.

Deobligate Grant Funds

We found OF did not deobligate \$12,446 in grants funds for a grantee who submitted its final FSR. These funds were not deobligated because OF did not compare the amount of the grant award to the amount drawn down by the grantee. Instead, they relied on the balances reported on the grantee's final FSRs, which erroneously showed a zero balance. Our comparison of the amount awarded to the amount received showed the grantee had an unobligated balance of \$12,446. We informed staff in OF, and they deobligated the \$12,446 at the time of our review.

CONCLUSION AND RECOMMENDATIONS

Because the HOPE grantees did not always deliver the performance they were funded to produce by assisting about 8,200 homeless individuals with applying for Social Security benefits, HOPE did not benefit as many homeless individuals as intended. Our review found that the 41 grantees had only assisted 7,243 of the 10,500 reported enrollees with filing a claim for Social Security benefits. We were not able to verify whether an additional 3,257 enrollees had applied for benefits through HOPE. In addition, while we found OAG was monitoring the grantees by making determinations on re-budgeting grant funds, reviewing requests for carryover funds, and working closely with grantees to resolve problems, we believe OAG still needed to increase its oversight and monitoring of the HOPE grantees. Specifically, OAG needed to ensure that grantees submitted the required FSRs and progress reports, which demonstrates

¹⁹ SSA Grant Administration Manual, Section 4-05-00, August 22, 2007.

²⁰ SSA Grant Administration Manual, Section 3-10-10, August 22, 2007.

whether grant funds were being used effectively and as intended. In addition, OAG needed to ensure that site visits were performed and grants were closed in a timely manner.

Accordingly, we recommend SSA:

1. Require that the five grantees provide adequate support or return \$118,566 to SSA.
2. Require that the six grantees provide adequate support for the matching share or return \$96,630 in grant funds to SSA.
3. Deobligate \$83,725 in grant funds awarded but not disbursed to one grantee.
4. Ensure that grants are closed in accordance with SSA policy.
5. Follow up with the 15 grantees to ensure they submit their final financial and/or progress reports.
6. Improve monitoring of the grants by conducting site visits when warranted so problems are identified and corrective action is taken to help grantees achieve or revise their performance objectives.
7. OAG, OPDR, and OF should work together to enhance the monitoring and oversight of grantees to ensure that grant funds are used appropriately and as intended.

AGENCY COMMENT

SSA agreed with our recommendations. See Appendix F for the full text of SSA's comments.



Patrick P. O'Carroll, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Homeless Outreach Projects and Evaluation Demonstration Project Grantees

APPENDIX D – Summary of Sampled Grantees

APPENDIX E – Homeless Outreach Projects and Evaluation Demonstration Project Grantees Core and Optional Functions

APPENDIX F – Agency Comment

APPENDIX G – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
FY	Fiscal Year
FSR	Financial Status Report
HOPE	Homeless Outreach Projects and Evaluation Demonstration Project
OAG	Office of Acquisition and Grants
OF	Office of Finance
OIG	Office of the Inspector General
OPDR	Office of Program Development and Research
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
U.S.C.	United States Code

Form

Form–269A *Financial Status Report*

Scope and Methodology

To accomplish our objectives, we:

- Reviewed the Social Security Administration's (SSA) policies and procedures on grant management, including SSA's Grant Policy Handbook and Grant Administration Manual.
- Reviewed applicable Federal laws and regulations regarding grant awards as well as Office of Management and Budget Circulars A-21 (*Cost Principles for Educational Institutions*) and A-133 (*Audits of States, Local Governments, and Non-Profit Organizations*).
- Reviewed the Evaluation of Homeless Outreach Projects and Evaluation Demonstration Project (HOPE) Final Evaluation Report, October 2007.
- Reviewed the terms and conditions of the grant set forth in the solicitation and award.
- Reviewed the HOPE project applications, Budget Narratives, Financial Status Reports, and Quarterly Progress Reports as well as SSA's correspondence with grantees.
- Reviewed the 41 grantees to determine whether a Single Audit was performed in Fiscal Year 2007.
- Reviewed allegations of fraud concerning one grantee in Indiana.
- Obtained and reviewed the grant files for all 41 HOPE grantees, which included grant award document, approved budgets, quarterly Financial Status Reports (FSR) (Form-269A), quarterly progress reports, and other correspondence.
- Obtained and reviewed the 41 HOPE grantees' reimbursement histories from the Social Security Online Accounting and Reporting System.
- Selected 11 grantees for review based on the following criteria:
 - each SSA region was represented in the selection;
 - grantees who did not meet the HOPE objective of enrolling at least 50 homeless individuals within a grant year; and
 - grantees who had the lowest and highest outcome of favorable decisions.

- Conducted 11 site visits and tested samples of grantees' direct costs, payroll, indirect costs, and matching costs.
- Obtained and reviewed the data extract of enrollee information provided by the grantees in August 2009.
- Reviewed the National Disability Determination Services System, Master Beneficiary Record, and the Supplemental Security Record.

We performed our audit in the Philadelphia Audit Division and at the locations of the 11 sample grantees between April 2009 and January 2010. We determined that data used for this audit were sufficiently reliable to meet our audit objectives. We assessed the reliability of the data by reconciling sample invoices to the selected transactions. In addition, we verified claim data for enrollees to SSA's records. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C

Homeless Outreach Projects and Evaluation Demonstration Project Grantees

The Homeless Outreach Projects and Evaluation Demonstration Project (HOPE) is a Social Security Administration (SSA) initiative to assist the chronically homeless. In May 2004, SSA awarded 34 grants, totaling about \$18 million, to public and private organizations to provide outreach, support services, and benefit application assistance to chronically homeless adults and children. As of September 2009, the 34 grantees had drawn down about \$17.7 million of the \$18 million in grants funds.

Count of Grantees	State	Total Grant Award	Grant Funds Received	Start Date	End Date	Received No Cost Extension ^(b)	Total Reported Enrollees
1	CA	\$550,000	\$550,000	5/1/2004	4/30/2008		394
2	CA	\$550,000	\$547,937	5/1/2004	4/30/2008		224
3	CA	\$537,130	\$537,129	5/1/2004	4/30/2008		215
4	CA	\$547,401	\$547,403	5/1/2004	4/30/2008		223
5	CA	\$549,595	\$549,567	5/1/2004	6/30/2008	Yes	175 ^(a)
6	CA	\$550,000	\$548,484	5/1/2004	4/30/2008		240
7	CA	\$527,004	\$527,003	5/1/2004	6/30/2008	Yes	216
8	CA	\$550,000	\$550,000	5/1/2004	10/31/2008	Yes	309
9	CO	\$550,000	\$540,534	5/1/2004	4/30/2008		571
10	CT	\$550,000	\$550,000	5/1/2004	4/30/2008		238
11	DC	\$550,000	\$490,796	5/1/2004	5/31/2008	Yes	233
12	FL	\$550,000	\$550,000	5/1/2004	4/30/2008		207
13	HI	\$514,720	\$514,720	5/1/2004	10/31/2008	Yes	296
14	KS	\$481,520	\$479,672	5/1/2004	4/30/2009		320
15	LA	\$549,989	\$546,081	5/1/2004	4/30/2009		160 ^(a)
16	LA	\$550,000	\$550,000	5/1/2004	4/30/2008		144 ^(a)
17	MA	\$550,000	\$466,275	5/1/2004	10/31/2008	Yes	154 ^(a)
18	MA	\$538,063	\$538,063	5/1/2004	4/30/2008		219
19	MA	\$550,000	\$550,000	5/1/2004	4/30/2008		271
20	MI	\$550,000	\$538,149	5/1/2004	4/30/2009		170 ^(a)
21	MN	\$394,194	\$393,834	5/1/2004	4/30/2008		226
22	MN	\$550,000	\$535,572	5/1/2004	4/30/2008		312
23	NV	\$486,640	\$486,640	5/1/2004	4/30/2008		431
24	NY	\$545,897	\$492,167	5/1/2004	4/30/2008		197 ^(a)
25	NY	\$550,000	\$550,000	5/1/2004	4/30/2008		220
26	NY	\$550,000	\$528,376	5/1/2004	4/30/2008		195 ^(a)
27	NY	\$412,500	\$400,054	5/1/2004	4/30/2008		187 ^(a)
28	NY	\$550,000	\$550,000	5/1/2004	4/30/2008		227
29	OH	\$550,000	\$550,000	5/1/2004	7/31/2008	Yes	329

Count of Grantees	State	Total Grant Award	Grant Funds Received	Start Date	End Date	Received No Cost Extension <small>(b)</small>	Total Reported Enrollees
30	OR	\$550,000	\$550,000	5/1/2004	4/30/2008		185 ^(a)
31	OR	\$377,206	\$377,207	5/1/2004	4/30/2008		488
32	TX	\$550,000	\$539,812	5/1/2004	4/30/2009		330
33	WA	\$550,000	\$550,000	5/1/2004	8/31/2008	Yes	197 ^(a)
34	WI	\$550,000	\$550,000	5/1/2004	8/31/2008	Yes	238
Total		\$18,011,859	\$17,725,476^(c)				8,741

Note: (a) The 10 grantees did not enroll at least 200 homeless individuals during the 4-year grant period.

(b) The grantees were granted an extension without receiving additional grant funds.

(c) Number is higher due to rounding.

In November 2004, SSA awarded an additional seven grants totaling about \$3.3 million to private and public organizations. As of September 2009, the seven grantees had drawn down about \$3.2 of the \$3.3 million in grant funds.

Count of Grantees	State	Total Grant Award	Grant Award Received	Start Date	End Date	Received No Cost Extension	Total Reported Enrollees
1	AZ	\$549,621	\$512,271	11/1/2004	10/31/2008		202
2	IN	\$511,614	\$511,605	11/1/2004	10/31/2008		249
3	MA	\$445,423	\$445,423	11/1/2004	10/31/2008		220
4	NC	\$266,891	\$239,666	11/1/2004	10/31/2008		209
5	TX	\$430,445	\$373,696	11/1/2004	10/31/2009		233
6	TX	\$550,000	\$550,000	11/1/2004	10/31/2008		284
7	WI	\$550,000	\$550,000	11/1/2004	10/31/2008		362
Total		\$3,303,994	\$3,182,661				1,759
41	Grand Total	\$21,315,853	\$20,908,137				10,500

Summary of Sampled Grantees

Count	State	Total Grant Award	Unsupported Expenditures	Unsupported Matching Funds
1	CT	\$550,000	\$19,550	\$28,947
2	NY	\$412,500	\$715	\$21,055
3	DC	\$550,000	\$1,745	None
4	FL	\$550,000	\$14,911	None
5	IN	\$511,614	\$81,645	\$26,927
6	LA	\$549,989	None	None
7	KS	\$481,520	None	None
8	CO	\$550,000	None	None
9	CA	\$550,000	None	None
10	CA	\$527,005	None	None
11	OR	\$550,000	None	None
Total		\$5,782,627	\$118,566	\$76,929

Homeless Outreach Projects and Evaluation Demonstration Project Grantees Core and Optional Functions

Grantees were required to perform the core functions and could choose to perform other optional functions.

Core Grant Activities

- Conduct outreach activities to locate homeless individuals with disabling impairments who are potentially eligible for Social Security benefits. Grantees are expected to enroll at least 50 individuals annually. Grantees may enroll individuals who have not yet filed an application for Social Security benefits as well as those whose benefits are suspended or terminated. Grantees may not enroll individuals who have applications pending with the Social Security Administration (SSA) or those who have already filed for a reconsideration or appeal of a denial or partially favorable decision. Grantees may enroll individuals with whom they had contact before the grant award, if the individual has not already filed a claim for benefits. To be considered a project participant, an individual must be enrolled by the grantee using the reporting mechanism provided by SSA and its evaluation contractor.
- Provide direct assistance to homeless individuals in the Social Security benefit application process.
- Assist claimants with finding necessary documentation for the Social Security benefit application and appeals process, including proof of identity, financial records, and medical records.
- Provide existing medical evidence in the claimant's medical records.
- Perform any necessary medical examinations, arrange for such examinations, and/or establish a collaborative relationship with an organization that will perform any examinations needed to make a disability determination.
- Assist claimants with attending consultative examinations, when necessary.
- Provide information regarding the effect a claimant's impairment has on their ability to perform work.

- Maintain contact with the claimant throughout the determination process and help the claimant respond to requests for further information.
- Assist claimants with filing reconsideration requests and appeals.
- Collaborate with, and make referrals to, other organizations to ensure favorable outcomes for claimants and beneficiaries, including working with agencies that provide
 - mental health services;
 - supportive housing;
 - community-based health care services;
 - employment rehabilitation services;
 - job placement;
 - benefit planning assistance and outreach;
 - veterans' health benefits;
 - substance abuse treatment;
 - translation and/or interpreter services; and
 - services to parolees and those in work-release programs.
- Assist claimants with participating in SSA electronic application and case processing initiatives.
- Attend training designed to improve the quality of core activities.
- Plan for project continuation when grant funding ends.

Optional Activities: The grantees could use grant funds to perform functions that would help homeless individuals with disabling impairments attain stable supportive housing, recover, attain employment, and use benefits to meet basic needs. Funds could be used to:

- Develop and improve representative payee services.
- Screen claimants for “presumptive disability.” Under SSA program rules, a Supplemental Security Income claimant may receive payments, for up to 6 months, based on a presumption of disability. Grantees who choose to exercise the option to include a presumptive disability element in their project will work with SSA program staff, and local field office and disability determination services representatives, after award, to establish and implement any project-specific procedures that may be deemed necessary by SSA.
- Establish and implement pre-release procedures.
- Improve electronic services and information sharing.

- Develop a work entry/return-to-work program.

Evaluation: Grantees were required to work with the evaluation contractor who conducted an independent evaluation of outcomes, impacts, and benefits of the HOPE projects. The evaluation contractor developed an interactive website to collect evaluation information from the grantees. The grantees were required to use the Website monthly to report enrollee information. The contractor used the Website to track enrollee information from June 2005 through April 2007.

Agency Comment



SOCIAL SECURITY

MEMORANDUM

Date: July 1, 2010

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: James A. Winn
Executive Counselor to the Commissioner

Subject: Office of the Inspector General (OIG) Draft Report, "Homeless Outreach Projects and Evaluation Demonstration Project" (A-03-09-19073)--INFORMATION

Thank you for the opportunity to review and comment on the draft report. We appreciate OIG's efforts in conducting this review. We agree with the results of your review and are taking the necessary steps to implement the recommendations.

Please let me know if we can be of further assistance. Please direct staff inquiries to Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Appendix G

OIG Contacts and Staff Acknowledgments

OIG Contacts

Cylinda McCloud-Keal, Director, Philadelphia Audit Division

Carol Madonna, Audit Manager

Acknowledgments

In addition to those named above:

Damon Mahoner, Senior Auditor

Michael Brooks, Auditor

David Domzalski, Auditor

Richard Devers, IT Specialist

Atlanta Audit Division

Chicago Audit Division

Dallas Audit Division

Falls Church Audit Division

Kansas City Audit Division

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www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-03-09-19073.

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Social Security Advisory Board

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OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

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