



Office of the Inspector General Advisory #17

TO: Eugene Jones, Jr., Chief Executive Officer
CC: Cheryl Burns, Chief Housing Choice Voucher Officer
FROM: Elissa Rhee-Lee, Inspector General
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DATE: December 18, 2018
SUBJECT: Prohibited Activity and Conduct Meetings

Due to the number of Chicago Housing Authority (CHA) Housing Choice Voucher (HCV) participants and the amount of taxpayer dollars spent on the HCV program, the Office of the Inspector General (OIG) is dedicated to pursuing investigations involving HCV participants and/or owners to ensure citizens who need and deserve affordable housing receive such assistance.

Criminal fraud schemes undertaken by HCV participants and/or property owners are widespread. Therefore, each inquiry and investigation, as they relate to HCV participants and/or owners, require a thorough review of participant and/or landlord documents. When analyzing these files, the OIG will occasionally identify that a Prohibited Activity and Conduct (PAC) meeting occurred with the participant but cannot find any memorialization about what happened during the meeting, what questions were asked or what the participant or stated in response to the questions.

To the OIG's knowledge, PAC meetings are based on allegations of possible violations of the Housing Assistance Payments (HAP) contract, U.S. Department of Housing and Urban Development (HUD) regulations and/or the HCV Program Administrative Plan. They provide CHA an opportunity to remind owners and participants of their program responsibilities, such as repetition of prohibited activity/conduct by a household member shall be deemed a violation and shall subject the participant to termination from the HCV Program.

Not documenting what occurred at a PAC meeting may hinder an OIG investigation or an administrative termination, especially if a participant made a significant statement, admitting or denying the alleged violation. For example, an OIG investigation revealed that a HCV participant was renting from and residing jointly in a subsidized unit with the owner, who was determined to be the participant's relative. A review of the participant's Yardi Memo Notes showed that a PAC meeting had been held for violating the HCV Family Obligations but no further information was recorded to identify whether the participant was confronted by CHA personnel and asked about their relationship to the landlord or whether it was explained that it is

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a program violation to rent from a relative. By having such evidence be documented, the OIG is able to better determine if the voucher holder and/or landlord took any overt steps to conceal their relationship and deceive the CHA, which in turn assists the OIG's decision to pursue criminal prosecution.

The OIG believes there is significant value in recording more detailed information, as it relates to PAC Meetings, and is recommending that the HCV Department and its contractors consistently document relevant information in the Memo Notes Section within Yardi. Information to be documented includes, but is not limited to, any significant statement(s) by a participant or landlord, such as an admission or a denial of the alleged violation. Accordingly, this supports transparency and integrity within the HCV program and allows the OIG to continue its pursuit of combating landlord/tenant fraud. This would also support the HCV Department in addressing repeated violations by participants and/or owners.

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