

136054

GAO

Report to the Chairman, Subcommittee on Housing and Community Development, Committee on Banking, Finance and Urban Affairs, House of Representatives, and Congresswoman Mary Rose Oakar

April 1988

# PUBLIC HOUSING

## Problems Continue to Plague the Cuyahoga Metropolitan Housing Authority



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**Resources, Community, and  
Economic Development Division**

B-226557

April 20, 1988

The Honorable Henry B. Gonzalez, Chairman  
The Honorable Mary Rose Oakar, Member  
Subcommittee on Housing and Community Development  
Committee on Banking, Finance and Urban Affairs  
House of Representatives

In response to your requests this report addresses the widespread problems that the Cuyahoga Metropolitan Housing Authority (CMHA) has had in managing its operations over the past several years. Specifically, the report discusses the results of several reports on CMHA issued by various government and private organizations since 1982 and problems that we identified in regard to CMHA's awarding of contracts and making related payments. The report also discusses problems relating to CMHA's administration of the Section 8 Moderate Rehabilitation Program. The report contains recommendations to the Secretary of Housing and Urban Development for improving CMHA's operations.

As agreed with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 14 days from the date of this letter. At that time, we will send copies to interested parties and also make copies available to others upon request.

This work was conducted under the general direction of John H. Luke, Associate Director. Major contributors are listed in appendix II.



J. Dexter Peach  
Assistant Comptroller General

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# Executive Summary

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## Purpose

The Cuyahoga Metropolitan Housing Authority (CMHA), located in Cleveland, Ohio, has been severely criticized for mismanagement over the past several years. Various reports have disclosed substantive weaknesses in virtually all areas of CMHA's operations.

Because of concern that CMHA was not making adequate progress toward resolving its problems, particularly those related to the expenditure of federal funds, Chairman Gonzalez and Congresswoman Oakar of the Subcommittee on Housing and Community Development, House Committee on Banking, Finance and Urban Affairs, asked GAO to review CMHA's operations. Congresswoman Oakar asked GAO to also review allegations concerning improprieties in CMHA's Section 8 Moderate Rehabilitation Program.

In accordance with these requests, GAO

- reviewed reports issued since 1982 on CMHA's operations to determine the extent and nature of the identified problems and their relationship to CMHA's system of internal controls,
- evaluated certain CMHA contracting and payment activities to determine if CMHA is following controls designed to ensure that federal funds are properly spent, and
- identified actions taken by CMHA to resolve problems associated with its administration of the Section 8 Moderate Rehabilitation Program.

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## Background

The United States Housing Act of 1937, as amended (42 U.S.C. 1437, *et. seq.*), established a public housing program to provide lower income families with decent, safe, and sanitary housing. The program is administered by the U.S. Department of Housing and Urban Development (HUD) and carried out by state and local government entities, called public housing authorities, which own and operate public housing projects. HUD provides these agencies with subsidies to help operate and maintain their projects.

CMHA was created in 1933 and is the nation's oldest public housing authority. It owns and manages 38 projects containing 11,691 units which house over 19,000 tenants. In 1987, HUD approved about \$26 million in subsidies for CMHA to operate the housing authority. This subsidy represented about 70 percent of CMHA's total operating budget of \$36 million. Over the past 4 years, HUD has also approved about \$40 million for CMHA to modernize its public housing units.

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CMHA also provides housing for lower income tenants through HUD's Section 8 Moderate Rehabilitation Program. Under this program owners of rental properties agree to upgrade and maintain these properties in standard condition in exchange for rental subsidies paid on behalf of lower income tenants. As of May 1987, 953 of the 1,162 units authorized CMHA were available to house lower income tenants.

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## Results in Brief

CMHA has long-standing management problems in virtually all areas of its operations. Since 1982, eight reports by various government and private organizations have identified numerous instances of CMHA's non-compliance with HUD's regulations and requirements. GAO's analysis of these reports indicates that many of the problems are directly related to weaknesses in CMHA's internal control system. Furthermore, GAO's own review showed that CMHA has violated internal controls established to ensure that contracts for consultant, and architectural and engineering services are properly awarded and paid for. Because of the seriousness of the weaknesses, GAO believes that CMHA's internal controls do not provide reasonable assurance that federal funds are adequately safeguarded against waste, loss, or misuse.

Regarding the Section 8 Moderate Rehabilitation Program, GAO found that HUD identified serious problems in CMHA's administration of the program in May 1987. As of March 1988, HUD was analyzing changes that CMHA said it was making to the program to determine if they would correct the problems identified.

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## GAO's Analysis

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### Previously Reported Problems

GAO's analysis of the eight reports issued since 1982 on CMHA's operations shows a continual history of significant management problems. The reports identify 158 instances of problems in eight major management areas, including finance and accounting, purchasing and inventory control, and maintenance and custodial services. Specific examples depicting the broad range of problems include

- the inability to track federal funds,
- expenses not recorded when incurred,
- inadequate maintenance of occupied units,
- inadequate inventory controls, and

- operating expenditures exceeding the amounts approved by HUD in CMHA's operating budget.

The most recent report, issued by a CPA firm, and dated July 2, 1987, cited 24 instances in which CMHA did not comply with HUD's regulations and requirements. The CPA found, for example, that payments were made without invoices or proof that the goods and services were received, and the report cited two cases in which payments totaling over \$1 million were made just on verbal authorization. Although supporting documentation was found later for the verbally authorized payments, the CPA firm could not find support for over \$650,000 in other expenditures. An inadequate system of internal controls was cited as a primary reason for the identified deficiencies.

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### Contract Awards and Payments Not Properly Approved

CMHA did not follow its procedures to control the award of contracts and payments under the contracts. GAO's analysis of the 25 consultant and architectural and engineering contracts awarded and/or active during January 1, 1987, through October 31, 1987, found that CMHA had awarded 12 contracts, valued at \$742,881, without HUD's and/or CMHA officials' required review and approval.

Moreover, GAO's review of 71 payments made under consulting contracts showed that for 34 payments, totaling about \$267,000, CMHA did not follow its procedures for reviewing and approving payments before they were made. GAO identified eight payments, valued at \$45,542, in which consultants were paid before invoices were received for the services performed. In addition, GAO's analysis showed that CMHA bypassed its procedures for issuing manually prepared checks, a process designed for use only in emergency situations when an immediate payment is required. CMHA made such payments without proper justification or supporting documentation.

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### Deficiencies in the Section 8 Moderate Rehabilitation Program

HUD reviewed CMHA's Section 8 Moderate Rehabilitation Program in May 1987 and identified serious problems including

- erroneous calculations by CMHA staff of rent subsidies, resulting in an estimated \$245,000 overpayment to private landlords, and
- not discovering misrepresentation of purchase and repair costs by the owners of an apartment building, which resulted in a potential overpayment of \$240,000 in rent subsidies over a 4-year period.

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Following its review, HUD requested CMHA to investigate allegations, first reported in a series of local newspaper articles, of improper rent subsidy payments to a project owner for nonexistent tenants. CMHA's investigation eventually led to canceling three housing contracts in which evidence showed that \$15,144 in rent subsidies were improperly paid. CMHA recaptured all of these overpayments through abated rent subsidies. As of March 1988, HUD was analyzing changes that CMHA said it was making to correct deficiencies in its administration of the program.

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## Recommendations

Given the wide range of long-standing problems identified with CMHA's operations, GAO recommends that the Secretary of HUD

- require that CMHA develop a plan, with specific time frames, to correct the internal control and management problems that have been identified by recent audits and reviews and
- review the plan that CMHA develops to ensure that it appropriately addresses the identified problems and monitor CMHA's progress in implementing it.

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## Agency Comments

During the course of its review, GAO discussed the information in this report with HUD officials. As requested, GAO did not obtain official agency comments on this report.

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**Abbreviations**

CIAP	Comprehensive Improvement Assistance Program
CMHA	Cuyahoga Metropolitan Housing Authority
CPA	Certified Public Accountant
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
OIG	Office of Inspector General
PHA	Public Housing Authority

# Introduction

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The Public Housing Program, administered by the Department of Housing and Urban Development (HUD), was established by the United States Housing Act of 1937, as amended (42 U.S.C. 1437, et. seq.), with a goal of providing decent, safe, and sanitary housing for lower income families. Although financially assisted by the federal government, public housing is owned and managed by local public housing authorities (PHA). Because rents are too low to cover costs, HUD provides PHAs with operating subsidies to help maintain and operate their projects. Through the Comprehensive Improvement Assistance Program (CIAP), HUD also provides PHAs funds to help finance capital and management improvements.

In return for the financial assistance provided by HUD, PHAs agree to assume certain legal obligations and responsibilities in regard to the operation of their housing program. These obligations and responsibilities are set forth in an agreement between HUD and PHAs, known as the Annual Contributions Contract. It requires, among other things, that PHAs maintain their projects in good repair, operate the projects with maximum efficiency and economy, and maintain their books and records in accordance with HUD's requirements.

PHAs also provide housing through HUD's Section 8 Lower Income Rental Assistance Program, which was established by the Housing and Community Development Act of 1974. Under this program, PHAs administer a rental assistance program for lower income households living in existing rental units, newly constructed units, and substantially and moderately rehabilitated units that are privately owned and operated.

HUD monitors PHAs to ensure that, among other things, they are providing decent, safe, and sanitary housing to lower income families; properly managing federal funds without waste or fraud; and carrying out statutory, regulatory, and contractual requirements.

When HUD finds a problem, it expects the PHA to correct it within a reasonable period of time. If for some reason the PHA does not take such action, however, various options are available to HUD to gain compliance. These options include apprising the PHA's board of commissioners of the problem, particularly in cases where they may not be fully aware of the situation, and placing specific limitations on the PHA's budget through the budget review and approval process. In some cases, however, stronger steps may be needed. If necessary, administrative sanctions can be taken against specific officials responsible for serious instances of mismanagement. Such sanctions include debarment, suspension, and temporary denial of participation in HUD programs for a specified period

of time. In the past HUD normally applied these sanctions in cases of fraud, embezzlement, kickbacks, racketeering, and extortion. However, by memorandum dated February 5, 1987, the Assistant Secretary for Public and Indian Housing encouraged their use in instances of serious mismanagement.

The ultimate action HUD can take against a PHA is to declare the PHA in substantial default or breach of the Annual Contributions Contract and, if necessary, take legal action to gain control of the day-to-day operations of the PHA. Such takeovers are extremely rare and are used only in worst case scenarios. HUD and the PHA try to reach a compromise agreement on resolving the problems before such action becomes necessary.

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## Cuyahoga Metropolitan Housing Authority

The Cuyahoga Metropolitan Housing Authority (CMHA) has the distinction of being the nation's oldest public housing agency. Created in 1933, CMHA owns and manages 38 housing projects containing 11,691 housing units. These units are the home for over 19,000 lower income residents in Cuyahoga County, Ohio—which includes the city of Cleveland.

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## CMHA's Public Housing Program

CMHA is governed by a five-member Board of Commissioners, serving 3-year terms. The commissioners are appointed as follows:

- Two members are appointed by the mayor of Cleveland; one of which must be a CMHA resident.
- Two members are appointed by the Cleveland City Council.
- One member is appointed by the mayor, with the approval of the city council, of the city with the second highest number of units owned or managed by CMHA (East Cleveland, Ohio).

The Board of Commissioners is responsible for establishing the policies under which CMHA conducts its business, and assuring that these policies are followed. CMHA's Executive Director, appointed by the commissioners, is responsible for carrying out the policies established by the commissioners and for conducting the day-to-day operations.

HUD records show that in 1987 it provided CMHA about \$26 million in subsidies to operate the housing authority. This subsidy represented about 70 percent of CMHA's total operating budget of \$36 million. In addition, over the past 4 years, HUD approved about \$40 million under CIAP for CMHA to modernize its public housing units. These units have an

average age over 30 years and still require extensive renovations—estimated by CMHA to exceed \$134 million over the next 11 years.

Since September 1985 HUD has classified CMHA as “operationally troubled.” CMHA was given this designation because (1) its vacancy rate exceeds 6 percent, (2) tenant accounts receivable exceeds 10 percent of monthly rental and other charges, and (3) the physical condition of many of its projects is deteriorating to a point where their long-term viability is threatened.

Figures 1.1, 1.2, and 1.3 depict the varying types of CMHA housing projects located in Cleveland.

**Figure 1.1: Olde Cedar—This Project Was Recently Renovated With CIAP Funds**

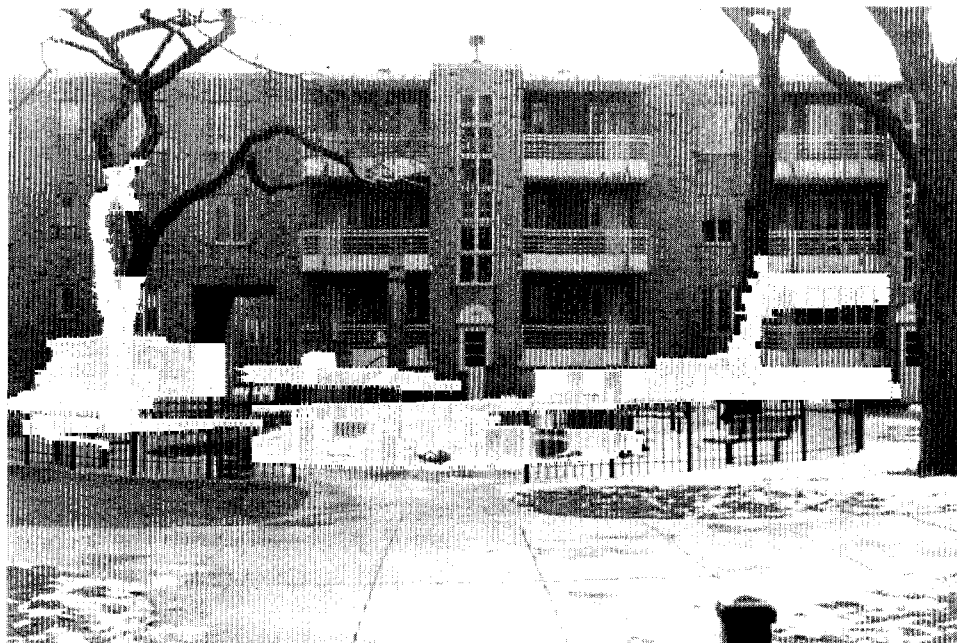


Figure 1.2: Carver Park—Typical of a CMHA Project in Poor Condition



## CMHA's Section 8 Moderate Rehabilitation Program

CMHA's administration of the Section 8 Moderate Rehabilitation Program began in 1980, and it is currently authorized to provide assistance to 1,162 housing units. The Moderate Rehabilitation Program—a facet of the Section 8 Program—was established by the Housing and Community Development Amendments of 1978 to provide (1) a vehicle to upgrade privately owned rental properties in the early stages of deterioration and maintain them in standard condition, and (2) rental subsidies on behalf of lower income tenants. CMHA is responsible for determining the neighborhoods in which moderate rehabilitation will be used, reviewing owners' rehabilitation applications, determining the feasibility of accomplishing the rehabilitation within the rental constraints, and monitoring the construction work. As of May 1987, 953 of the 1,162 units authorized CMHA had been rehabilitated and were available to house lower income households.

## Objectives, Scope, and Methodology

In November 1986, Representatives Henry Gonzalez and Mary Rose Oakar, Chairman and Member, respectively, of the Subcommittee on Housing and Community Development, House Committee on Banking,

**Figure 1.3: Cedar Extension House—One of CMHA's Projects for Elderly Residents**



Finance and Urban Affairs, asked us to determine whether any improprieties exist in CMHA's expenditure of federal funds to operate its housing programs. In August 1986, CMHA was the subject of congressional hearings held by the Subcommittee. In the Subcommittee's opinion CMHA did not provide adequate responses regarding the expenditure of funds for its public housing program, including those for consulting and contractor services. Consequently, the Subcommittee asked us to review CMHA's operation of this program.

In April 1987, we received an additional request from Congresswoman Oakar to look into allegations concerning CMHA's administration of its Section 8 Moderate Rehabilitation Program, with a particular focus on allegations that landlords are securing payments for tenants no longer living in the units.

On the basis of the November 1986 and April 1987 requests and subsequent meetings with the requesters' staff, we agreed to

- evaluate audits and reviews of CMHA operations issued since 1982 to determine the extent and nature of previously reported problems and their relationship to CMHA's system of internal controls,

- evaluate certain CMHA contracting and payment activities to determine if CMHA is following appropriate controls to assure that federal funds are spent properly, and
- identify actions taken by CMHA to resolve problems associated with its administration of the Section 8 Moderate Rehabilitation Program.

To determine the nature and extent of problems being experienced by CMHA, we reviewed eight reports issued on CMHA's activities since 1982. The reports included reviews performed by the HUD Office of Inspector General (OIG); management reviews by the HUD field office in Cleveland, Ohio; audits performed by a certified public accounting (CPA) firm; and a management review performed by a private consultant. (See app. I for a listing of these audits and reviews.) Our review included a detailed analysis of the problems outlined in the eight reports and, as discussed below, a review of the controls followed in awarding and making payments under certain type contracts, and procedures used to control payments made by manually prepared checks.

Because of the repetitive nature of the identified problems, we performed a more extensive review and analysis of the two most recent reports—a May 1987 review of the moderate rehabilitation program performed by HUD program officials, and a July 1987 audit of CMHA by a CPA firm. We also evaluated the work performed and the data used to support the conclusions in the reports.

We independently reviewed the 19 contracts for consulting services awarded or active during January 1, 1987, through October 30, 1987, and the six contracts for architectural services awarded during the same period, to determine if CMHA followed appropriate controls to ensure that federal funds are spent properly. This time period was selected so as not to duplicate the work performed on the most recent CPA audit for the 1-year period ending December 31, 1986. We reviewed the contract files and payment records for these contracts. In addition, we evaluated CMHA policies, procedures, and practices followed in awarding and making payments under the contracts. We also had discussions with HUD, CMHA, and representatives of the CPA firm which conducted the most recent audit.

To determine if CMHA was following its August 28, 1987, policy regarding the use of manually written checks, we analyzed the 85 payments made in this manner during September and October 1987.

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We also reviewed reports by HUD and a consultant concerning problems CMHA has had in administering the Section 8 Moderate Rehabilitation Program. We also discussed with HUD and CMHA officials actions CMHA has taken in regard to the problems discussed in those reports.

We performed field work at HUD, CMHA, and the CPA's local offices in Cleveland, Ohio, between May and December 1987. Our work was performed in accordance with generally accepted government auditing standards. During the course of our review, we discussed the information in this report with HUD officials. As requested, we did not obtain official agency comments on a draft of this report.



# CMHA Plagued by Uncorrected Long-Standing Problems

CMHA has management problems that have gone uncorrected for several years. Since 1982 eight reports have been issued on CMHA's operations. Collectively, the reports reveal a continuing history of major problems in practically all areas of CMHA's operations. With one exception, the reports made recommendations to correct the deficiencies. Although CMHA promised to take corrective action, recent reports and our work (see chapter 3) continue to identify the same or similar problems. For example,

- a 1987 CPA audit report identified 24 instances of noncompliance with HUD's regulations and requirements and about \$650,000 in unsupported costs and
- HUD estimated that CMHA's 1987 expenditures would exceed its approved budget by several million dollars.

We believe that a major factor contributing to CMHA's continuing management problems is that it has not established and followed an adequate system of internal controls.

## Problems Identified in All Areas of CMHA's Operations

Our review of the eight reports issued since 1982 on CMHA disclosed 158 instances of problems in practically all areas of CMHA's operations. Many of these problems have been long-standing. For example, the HUD Office of Inspector General criticized CMHA in 1982 and 1986 for the same problem in its maintenance program. The 1982 report found that CMHA (1) did not adequately control and account for employees' working time, (2) used higher paid skilled employees for unskilled tasks, and (3) did not adequately document maintenance needs and employee performance. The OIG raised identical problems in the March 1986 report. These reports stated that the consequences of these problems include less preventive maintenance being performed and units remaining vacant for long periods of time.

Similarly, the 1986 OIG report, as well as several prior studies, were critical of CMHA for not having adequate controls over material and equipment located at its projects. Without such controls, CMHA has no assurance that its inventories and equipment are accounted for properly. Other examples depicting the broad range of problems include

- operating expenditures exceeding the amounts approved by HUD in operating budgets,
- excessive tenant accounts receivables,
- expenses not recorded when incurred,

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Standing Problems**

- inability to track federal funds,
- inadequate documentation of travel expenses,
- energy conservation measures not implemented, and
- weaknesses in contracting for consulting services.

Table 2.1 shows our grouping of prior audit and review findings regarding CMHA and provides a conceptual framework for analyzing CMHA's management practices as reported from 1982 to 1987.

**Table 2.1: GAO's Categorization of Reported CMHA Problems**

<b>Management areas</b>	<b>Basic management function</b>	<b>Problem category</b>	<b>Frequency of the problem reported<sup>a</sup></b>
<b>1. General</b>			
Administration	Executive function with overall responsibility for organizing and sustaining CMHA's operations (the executive function refers to both the board and the executive staff)	Operational plans/planning Oversight/control of operations File maintenance & record keeping Modernization activities (genl) Section 8 program monitoring	3 4 26 2 11
<b>Total</b>			<b>46</b>
<b>2. Finance and Accounting</b>			
2. Finance and Accounting	Manages and keeps track of the flow of resources within the CMHA	Budgeting Accounting Cash and investment management	4 41 2
<b>Total</b>			<b>47</b>
<b>3. Personnel and Training</b>			
3. Personnel and Training	Generally responsible for recruiting, training, retaining, disciplining, and compensating staff as well as managing CMHA's formal relationships with its workers	Salary administration	3
<b>Total</b>			<b>3</b>
<b>4. Purchasing and Inventory</b>			
4. Purchasing and Inventory	Buys, stores, allocates, and generally keeps track of the material resources acquired for CMHA's operations	Procurement & contracting Inventory	9 4
<b>Total</b>			<b>13</b>
<b>5. Management Information</b>			
5. Management Information	Assembles and disseminates the information which permits monitoring and evaluation of the CMHA's status and its performance in various program and other areas	Data processing/systems Management reporting	1 6
<b>Total</b>			<b>7</b>

(continued)

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**Standing Problems**

<b>Management areas</b>	<b>Basic management function</b>	<b>Problem category</b>	<b>Frequency of the problem reported<sup>a</sup></b>
6. Maintenance and Custodial Services	Includes the cleaning, routine upkeep (e.g., preventive maintenance, special technology operations, and grounds maintenance), and continual repair of the CMHA's real estate	Maintenance	5
<b>Total</b>			<b>5</b>
7. Security and Social Services	Security maintains personal and property security and also civil peace and order at the public housing facilities and social services helps meet the social welfare needs of the public housing residents	Security	1
<b>Total</b>			<b>1</b>
8. Rental and Occupancy	Establishes the terms of residence, attracts and screens potential tenants, lets and assigns apartments, and enforces the lease and other rules of occupancy	Rent collection and management Tenant selection and eviction Vacancy reduction	26 8 2
<b>Total</b>			<b>36</b>
<b>Total Reported Problems</b>			<b>158</b>

<sup>a</sup>GAO grouped the 158 problems reported by organizations outside of the CMHA into categories by problem type and then regrouped them into eight broad management areas. We used HUD's public housing management guides to identify the broad management areas and corresponding management functions that make up housing management to highlight the types of problems that the CMHA most frequently faced in each area of management. The eight selected management areas and corresponding functions are intended to represent logical clusters of the responsibilities most likely discharged by a PHA. They do not represent organizational units.

## Recently Issued CPA Audit Report Shows Problems Continuing

The latest report on CMHA's operations—a CPA audit report dated July 2, 1987—indicates that CMHA continues to experience significant operating problems.<sup>1</sup> The report, which covered the 1-year period ending December 31, 1986, cited 24 instances of noncompliance with HUD's regulations or requirements and identified \$650,336 in expenditures that were not properly supported. The report cited CMHA's inadequate internal control system as the primary reason for the deficiencies. Because of inadequate financial data, attributed to material weaknesses in CMHA's internal accounting controls, the CPA firm could not and did not express an

<sup>1</sup>The CPA's review was performed in accordance with requirements of the Single Audit Act of 1984. The act requires that such audits include a review of (1) applicable financial statements, (2) internal accounting and other controls used in managing federal programs, and (3) compliance with applicable laws and regulations.

opinion on whether there was reasonable assurance that the financial statements, prepared by CMHA, reflected the results of its operations.

The 24 deficiencies identified by the CPA firm covered several of the major management areas, including general administration, finance and accounting, purchasing and inventory, and management information. In the finance and accounting area, for example, the CPA firm reported that CMHA personnel were making payments without assuring that they were supported by appropriate documentation, such as approved purchase orders, invoices, bills, or proof that the goods and services were received. Thirty percent of the purchase orders tested were approved after the goods and services were received and paid for. In one instance, \$4,500 was paid for cement without a purchase order ever being prepared. The CPA firm also identified two payments, totaling over \$1 million, that were made based solely on verbal authorization. Although the CPA firm subsequently found supporting documentation for these payments, it identified \$650,336 in expenditures where supporting documentation could not be located.

Another major problem identified in the latest CPA audit was that CMHA did not properly account for the materials and equipment in its inventory. This problem has apparently existed for several years without CMHA taking effective corrective action. A CPA audit covering the 2-year period ending December 31, 1983, found the same problem. Although corrective action was recommended, a subsequent OIG report issued over a year later again found inventory control problems. Again, CMHA promised corrective action; however, the CPA audit for the 2-year period ending December 31, 1985, showed that CMHA made little progress in assuring the accuracy of its physical inventory.

In September 1986, CMHA issued an administrative order setting forth detailed procedures for taking and maintaining an accurate account of its inventory. In May 1987, CMHA revised this order to initiate an automated inventory control system. In July 1987, however, CMHA's internal auditor reviewed the inventory records at CMHA's warehouse and several projects to determine the accuracy of the records. The auditor's test of the warehouse records showed that 100 refrigerators could not be accounted for, and tests at the projects showed that the records were unreliable. For instance, one project could not account for 68 refrigerators and ranges shown on its property records.

Because CMHA's records for equipment and material were unreliable, CMHA's internal auditor told us that CMHA planned to conduct a complete

inventory of the materials and equipment at its warehouse and each of its 38 projects. In a follow-up discussion with the internal auditor in March 1988, we were told that CMHA was conducting the inventory and had not yet determined the amount or dollar value of expendable and fixed assets in its possession. While this effort may result in an accurate inventory count, the historical problems CMHA has had in taking and accounting for its inventory will continue until effective controls are established and implemented.

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## CMHA Expenditures Exceed HUD- Approved Budget

On the basis of its review of CMHA's operating expenditures for the first 6 months in 1987, HUD projected that CMHA's expenditures for 1987 would exceed the HUD-approved budget by more than \$3 million. This situation has been a repetitive problem for CMHA and has placed it in a very tenuous financial position.

HUD requires PHAs to develop and submit an annual operating budget for their low-income housing programs. HUD reviews the budget to assure that it provides a realistic estimate of expenditures relative to projected income. HUD's Cleveland Housing Finance Specialist told us that HUD also periodically reviews CMHA's financial reports to ensure that actual expenditures are within the approved budget and suggests corrective action if needed. For fiscal year 1987, HUD approved an overall operating budget of \$36.5 million for CMHA's low-income housing program, with \$25.6 million provided directly by HUD.

HUD's review of CMHA's operating statement for the 6-month period ending June 30, 1987, noted significant deviations from budgeted amounts in several areas, including administrative expenses, protective services, and maintenance and operations. Similar problems with CMHA's budgetary controls were identified in two previous CPA audits and led the CPA firm to conclude that CMHA's budgetary controls were ineffective. HUD estimated, based on CMHA's expenditures as of June 30, 1987, that CMHA would exceed its approved budget by approximately \$3 million for the year. (See table 2.2.)

**Table 2.2: HUD Estimated Cost Overrun for 1987 Based on CMHA Expenditures as of June 30, 1987**

Category	Budgeted	HUD projected expenditures	Projected overrun
Administrative expenses	\$6,294,200	\$7,017,522	\$723,322
Protective services-labor	839,363	1,010,414	171,051
Ordinary maintenance and operations-labor	4,327,403	5,888,008	1,560,605
Employee benefits contributions	2,803,142	3,370,372	567,230
<b>Total</b>	<b>\$14,264,108</b>	<b>\$17,286,316</b>	<b>\$3,022,208</b>

CMHA told HUD that the higher expenditures were due to its efforts to increase tenant occupancy through such things as repairing units, increasing the effectiveness of its maintenance staff, and improving tenant security. The CMHA Executive Director told HUD that he had already taken several cost-cutting actions, including a freeze on hiring, a freeze on salaries, and limitations on staff overtime, to work within the constraints and limitations of the approved budget. Subsequently, however, CMHA requested that HUD allow it to use Comprehensive Improvement Assistance Program (CIAP) funds to cover its budget deficit. At that time CMHA estimated the deficit would be \$5.4 million—approximately \$2.4 million higher than HUD’s estimate. HUD denied CMHA’s request and questioned whether the excess expenditures were directly related to increasing occupancy. HUD told CMHA that it is precluded from using CIAP funds for operating expenses and that CMHA’s current CIAP funds were fully committed to approved projects.

In December 1987, HUD again notified CMHA that it had substantially exceeded its budget and, given the seriousness and magnitude of the budget overruns, CMHA would be required to submit a statement of its operating receipts and expenditures to HUD every month, beginning with the month of January 1988. Further, HUD required CMHA to certify that a copy of the monthly statement had been provided to each member of the Board of Commissioners.

Also, in December 1987, HUD notified the CMHA Board Chairman that (1) CMHA had overspent its authorized budget by \$3 million to \$5 million which was a clear violation of its contract with HUD and (2) CMHA had so substantially depleted its operating reserves that HUD would almost certainly declare CMHA financially troubled following its review of CMHA’s year-end financial statements. A PHA with 1,250 or more housing units is classified as financially troubled when its operating reserves fall to 20 percent or less of its maximum allowable level. HUD pointed out that the

board is ultimately responsible for CMHA's actions and recommended that the board members take a more active role in monitoring CMHA's operations, especially control over the budget. As of March 1988 the board had not responded to HUD's recommendation.

In a separate action, HUD notified CMHA in December 1987 that its previously submitted fiscal year 1988 budget for its low-income housing program was unacceptable because it did not provide a reasonable estimate of CMHA's anticipated expenditures. As of March 10, 1988, CMHA had submitted a revised budget, and it was being reviewed by HUD.

## Internal Control Weaknesses Key Contributor to CMHA's Problems

The broad range of CMHA problems previously discussed point to material weaknesses in its internal control system. Internal controls are designed to provide management with reasonable assurance that resource use is consistent with laws, regulations, and policies; that all assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and that revenues and expenditures are properly recorded and accounted for so that reliable financial and statistical reports may be prepared and accountability of assets may be maintained. A material weakness, as defined in the July 1987 CPA report, is a condition in which specific control procedures or the degree of compliance with them does not reduce, to a relatively low level, the risk that material errors could occur and not be detected in a timely period by employees performing their assigned duties.

According to the most recent CPA report, the general control environment of CMHA is not conducive to the establishment and performance of an adequate system of internal controls because

- there is an excessive turnover or movement of personnel between positions together with a lack of clearly defined and documented procedures and responsibilities to properly orient new employees to new positions,
- management and administrative staff is not critically evaluated on a regular basis,
- the appropriate resources needed to complete required tasks are not provided on a timely basis, and
- CMHA inconsistently responded to the long-term resolution of identified system weaknesses.

The CPA firm reached the above conclusion based on finding material internal control weaknesses in many areas of CMHA's operations that were discussed in this chapter. As of March 1988 CMHA had not formally

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**Chapter 2**  
**CMHA Plagued by Uncorrected Long-**  
**Standing Problems**

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responded to the CPA's report. The CPA firm was, however, working with CMHA personnel in trying to resolve some of the problems identified. As discussed in the following chapter, our assessment of CMHA's internal controls in selected areas also disclosed material weaknesses.



# Weaknesses in CMHA's Controls Over Contracting, Disbursements, and Subsidy Payments

CMHA does not always follow controls designed to ensure that contract awards and related payments are appropriate. We analyzed all 25 consulting and architectural contracts awarded and/or active during the period January 1, 1987, through October 31, 1987. We found that CMHA had awarded 12 of these contracts, valued at \$742,881, without required review and approval of HUD and/or appropriate CMHA officials.

Further, our review of 71 payments made under 16 consulting contracts showed that for 34 payments, valued at \$266,956, CMHA did not follow its policy requiring that payments be reviewed and approved before they are made. Our analysis of payments made without proper approval showed that eight payments, valued at \$45,542, were made to consultants before invoices were received for the services performed. In addition, CMHA made 11 of the 71 payments, valued at \$92,153, using manually prepared checks, a process designed for use in emergency situations. In doing so, CMHA officials bypassed the formal approval process for these payments. We found that manual checks were being used on a routine basis, and they were often made without the documentation required to justify such payments.

Internal control weaknesses were also identified by HUD in its review of CMHA's administration of the Section 8 Moderate Rehabilitation Program. Specifically, it found that CMHA had overpaid rent subsidies to section 8 project owners because it did not properly calculate rents and also did not detect that some project owners had falsified certain information in order to obtain higher subsidies.

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## CMHA Contracts Awarded Without Proper Approval

Our review of selected contracts for consulting and architectural services showed that CMHA frequently did not obtain appropriate approval before awarding the contracts. We found instances in which either a required HUD approval was not obtained or the appropriate officials within CMHA did not sign off on contracts prior to their award. We found that CMHA awarded 11 consulting contracts valued at \$680,631 and one architectural contract valued at \$62,250 without proper review and approval by HUD and/or CMHA.

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## Consulting Services

CMHA contracts with private consultants to obtain professional services in managing, carrying out, and evaluating various aspects of its operations. HUD requires that PHAs obtain its approval before awarding any consultant contract when

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**Chapter 3**  
**Weaknesses in CMHA's Controls Over**  
**Contracting, Disbursements, and**  
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- the procurement exceeds \$10,000 and will be awarded without competition, or only one bid is received in response to the solicitation for bid or request for proposal;
- the amount of the procurement exceeds the amount included for such purpose in CMHA's operating budget approved by HUD;
- the contract is for legal or related services; or
- HUD's approval of the contract is specially required by federal law or executive order.

HUD's written approval of the contract is to be included in the official contract file maintained by CMHA.

In addition to HUD's requirements, CMHA also required as of September 26, 1986, that consultant contracts be reviewed and approved by different divisions within CMHA prior to contract award. The division directors are required to sign and date a routing sheet attached to the proposed contract to signify their approval of the contract. This multiple review process is intended to provide assurance to CMHA management that the proposed contract meets HUD and CMHA requirements. For example, the Chief of Purchasing reviews the contract to assure that the contractor was selected properly, while the Budget Chief's signature attests that the contract is for a budgeted expenditure. To be effective, the review process must occur prior to the award of the contract. We found that CMHA awarded 11 contracts valued at \$680,631 without complying with HUD and/or CMHA approval requirements.

Our review of the 19 consulting contracts that were awarded or active during the period January 1, 1987, through October 31, 1987, showed that nine contracts should have been approved by HUD; however, five were not. The five contracts required HUD approval because each exceeded \$10,000 and was either awarded noncompetitively or was for legal services. The five contracts ranged in value from \$32,106 to \$203,394.

Our review of the 19 contracts also showed that CMHA did not follow its own procedures in awarding 8 contracts—2 of these contracts should also have been approved by HUD but were not. Sixteen of the 19 contracts included in our sample were awarded after CMHA's September 26, 1986, policy. Eight of the 16 contracts either were approved by CMHA after the contract was awarded or were not formally approved at all. For example, a contract valued at \$110,000 for security services at one project was awarded in October 1986. However, the contract approval

sheet was not signed and dated by appropriate CMHA officials until September 1987, approximately 11 months after the contract was awarded. In another instance, CMHA entered into a contract in January 1987 with a CPA firm to perform an audit of CMHA for the 1-year period ending December 31, 1986. The value of the contract was \$68,200. The contract approval sheet was not signed and dated by appropriate CMHA officials until September 1987, more than 8 months after the contract was entered into.

The CMHA Legal Director told us that the purpose of having appropriate officials sign the approval sheets after the contracts were awarded was to show that the contracts were properly awarded. He acknowledged that CMHA probably violated certain procedural requirements in awarding contracts but believed vast improvement had been made in this area over the past few years. However, because CMHA officials did not follow the established review and approval process, no assurance was provided that the contracts were properly awarded. For example, our review of the eight contracts also showed that two contracts were awarded on a noncompetitive basis but did not have the required written justification in the contract files. CMHA is required by HUD to prepare written justification when contracts are awarded on a noncompetitive basis to assure that (1) the contracted item of service is unique, (2) time is of the essence and only one known source can meet the needs in the required time frame, (3) data are unavailable for competitive procurement, or (4) the desired item is manufactured by only one source and must be compatible and interchangeable with existing equipment.

In discussing the award of consulting contracts with the CMHA Executive Director, he said that the current system for awarding such contracts has been in place little more than 1 year. He said that CMHA had not yet made a comprehensive review of the system to determine if problems exist and what corrective actions may be needed.

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## Architectural Services

HUD, through its CIAP program, provides financial assistance to CMHA to upgrade the physical condition of its low-income housing projects. CMHA uses CIAP funds to contract with architectural firms and construction companies to accomplish the improvement work.

During the period January 1, 1987, through October 31, 1987, CMHA awarded six contracts for architectural services. While CMHA followed applicable procedures in the award of five of these contracts, we found that one contract, valued at \$62,250, was awarded without HUD's

approval. In accordance with HUD's CIAP handbook, which outlines its policies and procedures for the program, HUD's Cleveland Office requires that it must approve all architectural contracts over \$3,000 before they are awarded.

Our analysis showed that in May 1987, CMHA requested that HUD approve the \$62,250 contract. In June 1987, HUD disapproved the contract because the cost of the work and the type of work to be performed were not consistent with the HUD-approved CIAP budget. The contract file showed, however, that CMHA awarded the contract in August 1987. The contract approval sheet contained a notation, made by the CMHA construction and development division director, that the responsible HUD engineer verbally approved the contract prior to the award. The HUD engineer told us that HUD procedures require that PHAS be provided written approval of proposed contracts. He said that he did not provide such approval before CMHA awarded the contract and that he was out of town and could not have been contacted by CMHA officials at the time the contract approval sheet indicated he verbally approved the contract.

HUD eventually approved the expenditure for the contract in November 1987 after the work had been completed. The HUD approval letter stated that, after reviewing the completed work, HUD agreed that the contract amount was fair and reasonable. The approval letter, however, stated that CMHA's awarding of the contract prior to HUD's approval directly violated HUD's regulations.

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## **CMHA Also Paid on Contracts Without Proper Approval**

In addition to not obtaining proper approval before awarding contracts, we found that CMHA also did not obtain proper approval before paying for services received under certain contracts. Various CMHA offices responsible for reviewing and approving payment requests did not do so prior to funds being disbursed. Also, manual checks, which are to be used only on an exception basis, were issued routinely and without proper justification and supporting documentation.

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## **Contract Payments**

CMHA's policy is to monitor contract payments and control expenditures by requiring that key CMHA officials sign off on a routing sheet before payments are made on a contract. Although CMHA does not have written procedures to describe the various reviews, the Fiscal Director said the payment process is initiated when CMHA receives a request for payment for services from a vendor or contractor. The contracting officer responsible for the specific contract prepares a payment routing sheet and

attaches the vendor's invoice or contractor's billing statement. The routing sheet and attached invoice/billing are sent to specified CMHA offices (i.e., budget, compliance, fiscal, and purchasing) for review and signature.

The review and signatures of officials from the different offices are designed to provide various assurances. For example, the contracting officer certifies that the cost is proper and should be paid, while the compliance officer assures that the cost is consistent with the terms and conditions of the contract. The Budget Director confirms that funds for the payment have been included in the operating budget, and the Fiscal Director assures that the funds are available to make the payment. The purchasing officer is responsible for assuring that the necessary documentation for payment has been received and reviewed. Then the routing sheet and invoice/billing are submitted to Fiscal Services' Accounts Payable Section, which pays the vendor or contractor, cancels the invoice/billing, and places the canceled documentation in the payment files.

The payment files for the 16 consulting contracts we reviewed showed that CMHA did not always follow its policy for approving contract payments and, as a result, has made a substantial number of payments that were not properly approved. To determine the extent to which payments were made without the required approval, we reviewed the payment files for each contract and compared the dates of approval by the various CMHA officials with the dates of the checks. We found that 34 of 71 payments under the 16 contracts were made without the required prior approval. These payments amounted to \$266,956. Eight of the 34 payments, valued at \$45,542, were made before invoices were received for the services performed.

The CMHA Fiscal Director agreed that accounts payable clerks do not always receive sufficient documentation to support payments made on consulting contracts. He said that in such cases they rely on the integrity of the contracting officers as the basis for making the payments.

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## Manual Checks

In addition to making payments without prior approval, 11 of the 71 payments were made using manually prepared checks, a process designed for use only when an immediate payment is needed to resolve an emergency condition affecting the health and welfare of CMHA tenants, employees, and property. CMHA did not have a written policy on the use of manual checks when the 11 payments were made, but the

Fiscal Director told us that requesters of manual checks were supposed to complete a form stating the reason for immediate payment and obtain written authorization for the payment before issuing the check. He acknowledged, however, that few manual check requests were supported by such documentation because there was an "understanding" among CMHA officials that manual checks could be obtained without documenting the need for immediate payment, submitting contractor invoices for review, or obtaining prior approval of the disbursement.

According to the Fiscal Director, CMHA officials can verbally request from the accounts payable section a check to pay for goods or services received. The accounts payable clerk will then type the payee's name and payment amount onto a blank check and affix the Executive and Fiscal Directors' signatures onto the check through use of an inked stamp. The completed check is then given to the requesting official.

The 11 payments made using manually prepared checks, valued at \$92,153, were made without a completed request form which provided the reason for immediate payment and authorized issuance of the check. As a result, CMHA made these payments based on the verbal requests of the CMHA officials seeking the payments. In addition, since the payment approval form was not completed by the particular CMHA officials involved, we could not determine which official requested the manual check(s) or whether the official was acting within his/her sphere of responsibility.

On August 28, 1987, CMHA issued Management Bulletin 47-87, which established a formal policy on use of manual checks. The policy (1) restricted the issuance of manual checks to emergencies affecting the health and welfare of CMHA tenants, employees, and property, and (2) required approval of manual check requests by a division director and by either the Fiscal Director or the Executive Director. The new requirements became effective as of the date of the policy.

We analyzed the 85 manual checks issued by CMHA for all type of services during September and October 1987 to determine whether the new policy was being followed. Our review showed that (1) 80 payments (94 percent) were not emergencies as defined by CMHA, (2) 57 payments (67 percent) were made without the mandatory request form, and (3) 44 payments (52 percent) were not approved by either the Executive Director or the Fiscal Director as required. The Fiscal Director could not explain why the majority of the payments did not comply with the new policy. Without following proper procedures and controls, there is no

assurance that manual payments are for approved and appropriate purposes.

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## Problems Found With CMHA's Administration of Section 8 Moderate Rehabilitation Program

In May 1987, HUD made various recommendations to correct serious problems that it identified with CMHA's administration of the Section 8 Moderate Rehabilitation Program. These problems included

- CMHA staff erroneously calculated rent subsidies received by private landlords participating in the program and
- CMHA staff did not detect that the owners of an apartment building misrepresented the purchase and repair costs of the building which resulted in an overpayment of rent subsidies estimated to be \$240,000 over a 4-year period.

CMHA's own review of the program, initiated in May 1987 at HUD's request, also disclosed that a project owner fraudulently received rent subsidies for tenants no longer living in the project.

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## HUD's Review Discloses Erroneous Calculations of Rent Subsidies

In May 1987, after a Cleveland newspaper began a series of articles on abuses of the Section 8 Moderate Rehabilitation Program, HUD made a limited review of CMHA's administration of the program. A total of 32 tenant and corresponding owner files were reviewed to evaluate CMHA's performance in calculating tenants' rents and subsidy payments to owners and to determine if proper documentation was contained in the files. HUD found that CMHA was incorrectly calculating rent subsidies, and sufficient documentation was not in the files to substantiate the validity of costs used in making the rent calculations. HUD recommended that CMHA provide training to its staff who make and review the rent calculations and that all rent calculations be independently reviewed before approval. HUD also recommended that CMHA make a more comprehensive review to determine if rent subsidies were properly calculated.

After HUD's review, CMHA hired a consultant to review the initial rent calculations for all 953 units active under its Section 8 Moderate Rehabilitation Program. On the basis of his review of the contract files, the consultant estimated that rent calculation errors had resulted in subsidy overpayments amounting to \$245,246. The consultant attributed the errors to a lack of awareness by CMHA staff of HUD's requirements. The consultant also made recommendations, similar to those made by HUD, to improve CMHA's ability to properly calculate the rent subsidy.

In October 1987 CMHA formally responded to HUD's May 1987 report and outlined a number of changes it was making in regard to its management of the Section 8 Moderate Rehabilitation Program. As of March 1988 HUD was analyzing CMHA's response to determine if the changes would correct the problems found with CMHA administration of the program.

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### Rent Subsidies Overpaid Because of Owner Misrepresentations

HUD also found in May 1987 that CMHA did not detect that owners of Alhambra Apartments—a 58 unit section 8 project—misrepresented the cost of the project and did not ensure that the cost of the rehabilitation work that was claimed by the owners and used in calculating the rent subsidy was properly supported. As a result, a potential overpayment of \$240,000 in federal rent subsidies was made over a 4-year period. According to HUD, the owners misrepresented costs by inflating the actual costs of the building through the following sequence of events:

- Two partners purchased the Alhambra Apartments from HUD for \$10,000 in 1975. In January 1983, the partners used a paper transaction to inflate the mortgage cost of the Alhambra Apartments. One partner sold his interest in the apartment to the other partner for \$515,000; however, no money was ever exchanged. That same day, the owner(s) applied to CMHA to participate in the Section 8 Moderate Rehabilitation Program. In June 1983, following acceptance into the program, CMHA calculated the rent subsidy for Alhambra Apartments using the mortgage amount of \$515,000 instead of the original purchase price of \$10,000. Subsequently, in December 1983, the two partners for the Alhambra Apartments canceled their January 1983 sales contract without notifying CMHA. The owners continued to receive the higher rent subsidy.

In its review of CMHA's section 8 program, HUD found three other instances in which the costs used as the basis for making rent calculations were not properly documented in CMHA files. Because of the lack of such documentation, HUD questioned whether the rent subsidies were properly calculated.

On the basis of its findings HUD requested that CMHA (1) review the four cases it found where costs were not properly documented, (2) recalculate the rent subsidies based on adequately documented costs, and (3) collect any overpayments. At the completion of our audit work CMHA was in the process of reviewing the four cases. A CMHA official advised us, however, that the Alhambra Apartments case had been turned over to the U.S. Department of Justice for investigation of possible criminal wrongdoing.



## Subsidies Paid for Tenants Not Living in Project

In April 1987, a Cleveland newspaper published a series of articles that identified a private homeowner participating in the Section 8 Moderate Rehabilitation Program who was receiving federal rent subsidies for tenants who no longer lived in the subsidized units. According to HUD's regulations, once the eligible tenant moves out of a subsidized unit, or a tenant becomes ineligible, the owner is required to notify CMHA. However, in this case the owner failed to notify CMHA and continued to receive rent subsidies for tenants who were not actually living in the housing units. The newspaper referred to these tenants as "ghost tenants."

As a result of the newspaper articles, HUD requested CMHA to investigate these allegations. CMHA's investigation led to the cancellation of three of five section 8 contracts with the owner and disclosed that \$15,144 in subsidies had been paid for six ghost tenants. As of March 1988 the total amount of the overpayment had been recaptured by CMHA by reducing rent subsidies on the owner's other units.

CMHA also turned this case over to the local prosecutor's office in May 1987, and the owner was indicted for grand theft. The owner pleaded guilty to the charge and has been sentenced.

To restrict future occurrences of the ghost tenants, CMHA has proposed the following actions:

- CMHA will conduct random unannounced visits to moderate rehabilitation units to determine the accuracy of information regarding occupancy.
- CMHA will hire an investigator to make more timely and complete investigations of potential wrongdoing.
- CMHA is considering the feasibility of taking polaroid photographs of tenants at the time of certification, for later identification purposes.

As of March 1988, HUD was still evaluating the above proposed actions.

# Conclusions and Recommendations

## Conclusions

Since 1982, various reports on CMHA's operations have identified numerous instances of noncompliance with HUD's regulations and requirements in practically all areas of its public housing program. Usually, CMHA promised to take corrective action; however, subsequent audits or reviews, including our current review, continue to identify the same or similar problems in such areas as finance and accounting, inventory control, and contracting. CMHA has also had problems in controlling federal subsidy payments made under its Section 8 Moderate Rehabilitation Program.

The wide range of problems identified by our review, eight prior reviews, and separate monitoring efforts by HUD indicate a lack of effective action by CMHA to address its problems. Actions CMHA management has taken in attempting to resolve these problems has resulted at best in only temporary solutions. We believe that part of the problem has been CMHA's approach of attempting to resolve individual problems on a case by case basis, rather than addressing inherent weaknesses in its operating system. Our work has indicated that many of CMHA's problems have occurred because it does not have an effective system of internal controls to help ensure compliance with HUD's rules and regulations. Effective internal controls must be an integral part of any management system and are essential to achieve the proper conduct of CMHA's operations. Such controls facilitate the achievement of management objectives by serving as checks and balances against undesired actions.

Given CMHA's ineffectiveness in resolving its problems, we believe that HUD needs to ensure that CMHA (1) develops and implements an effective internal control system, and (2) corrects the wide ranging problems that have been found with its operations. Until an effective internal control system is implemented CMHA will not be able to provide reasonable assurance that federal funds are adequately safeguarded against waste, loss, or misuse. If CMHA does not cooperate in this endeavor, HUD may need to take stronger actions available to it. Such actions include debarment, suspension, and temporary denial of participation in HUD programs of responsible CMHA officials. If these measures are not successful, HUD may need to begin taking the steps necessary to allow it to temporarily take over the day-to-day management of CMHA.

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## **Recommendations**

We recommend that the Secretary of HUD:

- Require that CMHA develop a plan, with specific time frames, to implement an effective system of internal controls and to correct the management problems that have been found in virtually all areas of its operations, including its administration of the Section 8 Moderate Rehabilitation Program. In developing this plan, CMHA should use recent audits and reviews issued on CMHA's operations to help them identify significant problem areas and actions needed to overcome the problems identified in these reports.
- Review the plan that CMHA develops to ensure that it appropriately addresses the identified problems, and monitor CMHA's progress in implementing its plan.

# Audits and Reviews of the Cuyahoga Metropolitan Housing Authority Issued Since 1982

<b>Performed by</b>	<b>Description of the Audit or Review</b>	<b>Date of report</b>
Marwick Main & Co.	Single Audit of CMHA for the 1-year Period Ending December 31, 1986	July 2, 1987
HUD/Cleveland Field Office	Management Review of CMHA's Section 8 Moderate Rehabilitation Program	May 28, 1987
Peat Marwick Main & Co.	Single Audit of CMHA for the 2-year Period Ending December 31, 1985	October 17, 1986
HUD/Office of Inspector General	Operating and Management Review of CMHA's Low-Income Housing Program	March 14, 1986
HUD/Cleveland Field Office	Management Review of CMHA's Section 8 Existing and Moderate Rehabilitation Programs	September 30, 1984
Peat Marwick Main & Co.	Single Audit of CMHA for the 2-year Period Ending December 31, 1983	July 27, 1984
McHenry Company	Management Review Report and Improvement Plan for CMHA	January 18, 1984
HUD/Office of Inspector General	Operating and Management Review of CMHA	March 30, 1982

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