The Hawaii Low-Income Home Energy Assistance Program (LIHEAP) is administratively attached to the Department of Human Services (DHS). The office consists of one Program Specialist or the LIHEAP Coordinator and an Office Assistant. All functions of LIHEAP is the responsibility of the Program Specialist. Supervision and support services; i.e. Fiscal Management, IT Support and Investigations are supported by the DHS. LIHEAP has many checks and balances to avoid fraud in each step of the LIHEAP process; there is no one person or agency that determines eligibility and pays benefits.

1. Program Specialist/LIHEAP Coordinator
   - Development of the LIHEAP State Plan/Detailed Model Plan. It is reviewed by the Financial Assistance Program office supervisor and is subject to a Public Hearing.
   - Benefit amounts are set by the Program Specialist after data is sent to the State for reconciliation.
   - All payments for supplies, contracts and benefits are made by the Fiscal Management Office (FMO).
   - All requests for payment to the utility companies are accompanied with a listing of eligible recipients and sent to our State Department of Accounting via FMO.

2. Contract Agencies
   - All applications and records are reviewed by the LIHEAP manager or designated employee in each contracted provider agency to ensure that a household or residence receives correct benefits. These reviews are also subject to a review at the administrative level. The contractors have internal steps to have an application be reviewed by more than one set of “eyes” to insure proper determination is made.
   - All contract employee LIHEAP applications are processed by the contract LIHEAP manager and reviewed by the State LIHEAP Coordinator.
   - LIHEAP coordinator conducts unscheduled site visits to monitor application
processes and review cases.

- Desk reviews of randomly selected case records are completed for all islands. The number of selected cases are determined by Contract.
- Findings of the reviews are discussed with contract managers for correction and/or the implementation of a corrective action plan.
- Review of case processes are also discussed for corrective action; such as security issues of cases and confidential information.

3. Utility Companies

- All utility companies are regulated by Hawaii’s Public Utility Commission.
- All eligible clients are sent a letter of approval that includes the approved benefit amount. This letter also states to report any discrepancies to the contract agency or the LIHEAP Coordinator.

COMPLIANCE MONITORING:
LIHEAP coordinator will conduct unscheduled site visits to monitor application processes and review cases.

FRAUD REPORTING MECHANISMS:
The following is available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse and the strategies for advertising these resources:

a. Anyone can report suspected LIHEAP fraud to the Contractors, the LIHEAP Coordinator or the DHS Fraud Hotline.

b. The Department’s Fraud Hotline telephone number is published in all public phone books, on the Department of Human Services Website and on flyers posted at Community Action Program Offices.

c. Contracted provider agencies were given a method to report suspected fraud. This includes reporting the possible fraud to the LIHEAP office, and completing an Investigation Referral form and sending it to the LIHEAP office for follow up with our Investigation Office.

d. Contracted staff instructed to report all suspected employee fraud to the Agency Program Coordinator or State LIHEAP Coordinator for follow up, suspected fraud shall be reported to the Investigation Office for further investigation.
VERIFYING APPLICANT IDENTITIES:
The applicant and all adult household member’s identity is verified at initial interview.

Acceptable documentation of identity is:

- State ID
- Passport
- Hawaii Driver’s License
- School ID
- Employer ID
- Any combination of documents –
  - Marriage license
  - Divorce Decree
  - Property Deed/Title
  - High School or College Diploma
  - Verbal confirmation of ID from a public official; i.e. probation/parole officer, church official, police officer, school official, etc.

Contract agencies are trained to review all documents for validity; i.e. ensuring all documents submitted are for the same individual, spelling of name on all documents are correct, no corrections (cross outs or ‘white outs) are visible and official seals are clearly displayed. All questionable or discrepancies needed be validated by the document’s originating agency.

SOCIAL SECURITY NUMBER REQUESTS:
The State’s policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.

a. A Social Security number is required of all applicants one year and older.

b. Individuals of categorical households may have their Social Security numbers verified by the State’s electronic system that interfaces and validates social security numbers.

a. Social Security numbers are matched with utility companies. There are five utility companies in the State. Each utility company also requires all customers to provide identification and social security numbers. An account is not opened, if the customers cannot provide proof of identity or a social security number. Four of the larger utility companies also validate their customer’s identification and social security numbers with a credit company called Experian. One utility company will check to ensure that an applicant is not deceased through a website; www.legacy.com/obituaries.asp.
CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES:
The State uses existing government systems and databases to verify applicant or household member identities. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)

a. The Social Security Numbers of individuals of Categorical households are verified with the Social Security Administration and prisoner database through an interface.

b. The State of Hawaii contracts private organizations to implement the LIHEAP. These organizations currently do not have access any government interface. They are trained to review all social security cards for discrepancies and validate SSN’s with other official documents; i.e. pay stubs, checking or savings account statements, tax returns, etc.

c. The LIHEAP electronic system does an internal audit for duplicate social security numbers, names, address and utility account numbers.

VERIFYING APPLICANT INCOME:
All applicants are required to provide verification of income; by providing pay stubs or written statements from employers.

An applicant claiming zero income is thoroughly questioned regarding how daily expenses are met; i.e. purchases of food, rent, clothing, transportation, etc. Applicants are required to substantiate their verbal statement with a written statement.

PRIVACY-PROTECTION AND CONFIDENTIALITY
The financial and operating controls to protect client information against improper use or disclosure:

a. All contracted eligibility workers are required to sign a LIHEAP Safeguard and Non-Disclosure Certification form.

b. Each contract agency and utility companies has its own Confidentiality and Security guidelines that cover records, personal information and unauthorized disclosure.

c. All records are locked and secured daily.

d. Records are destroyed after 3 years.

e. Training includes review of the LIHEAP Safeguard and Non-Disclosure Certification form.
LIHEAP BENEFITS POLICY:
State policies for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.

a. Hawaii contracts all utility companies to deposit benefits into eligible client’s account numbers. All utility companies are regulated by State Public Utility Commission and are bound by Tariff laws.

b. All eligible applicants’ names, social security numbers, residences and account numbers are validated with the utility companies before final payments are posted into individual utility accounts.

c. All eligible clients are sent notices of eligible benefits advising the household to confirm the payment applied to their account with their utility bill. Complaints of non-receipt of benefit or inaccurate payments have not been made.

d. Utility companies are required to post monthly LIHEAP balances until all benefits have been exhausted.

e. State plan and procedures includes a policy to sanction applicants and adult household members for one federal fiscal year for misrepresenting their household’s circumstances that result in the household’s ineligibility. Household circumstances include but are not limited to household size or income.

f. Contract agencies are trained that households must declare and provide verification of annual income in a reasonable amount greater than their expenditures for the same period; i.e. how have they been paying for their basic needs (rent, food, gas, utilities, etc.) prior to applying for LIHEAP.

g. Requests for payments are made to our Fiscal Management Office (FMO) with a listing of eligible LIHEAP clients. FMO in turn will request for a check to the State Department of Accounting who will then make payment to the utility companies.

h. Final payments to utility companies are verified as received by utility company representatives.
VERIFYING THE AUTHENTICITY OF ENERGY VENDORS:
All utility companies are regulated by the State’s Public Utility Commission (PUC) and Tariff laws. As an organization regulated by the PUC, all companies must provide monthly and annual financial and reliability reports.

Vendor authenticity is tracked by the PUC and all reports are of public record on their website; www.puc.hawaii.gov.

TRAINING AND TECHNICAL ASSISTANCE:
Training and technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.

Training is provided to all LIHEAP contract staff on each island by the Program Specialist a month prior to LIHEAP implementation. A power point presentation is accompanied with training folder that includes the presentation, LIHEAP procedures, forms and tables.

Training includes the importance of verifying identity and social security numbers and acceptable forms of verification. They were also trained on how to report suspected fraud. The utility companies were also invited to the training program.

Besides the above, staff were thoroughly trained on the importance of determining accurate eligibility. The following items are discussed:

i. Utility usage; i.e. kilowatts, therms, should correlate with household size.

j. Household’s income shall be reasonable to be equal or greater than all expenditures; i.e. food, shelter, clothing expenses.

k. All income must be verified.

l. Monthly checking and savings account statements should be reviewed for regular deposits that are not reported as income.

m. Explanation of different sources of income that could generate unreported income; i.e. disabled individual could be eligible for workman’s compensation, social security, etc.

Staff is also trained about the importance of confidentiality and safeguarding all information.

Utility company customer representatives are invited to attend the training to gain an understanding of the application process and meet the contract staff.
AUDITS OF LOCAL ADMINISTERING AGENCIES:

Utility companies are audited annually by the PUC.
All contracted provider agencies are has independent audits completed that are required and in compliance with auditing standards generally accepted in the USA and OMB Circular A-133.