



New Jersey Legislature
★ Office of LEGISLATIVE SERVICES ★
OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

**DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF HOUSING AND COMMUNITY RESOURCES
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM ELIGIBILITY
July 1, 2015 to October 31, 2018**

We found adequate controls were in place at the department to ensure the propriety of program expenditures. In making this determination, we noted certain internal control weaknesses meriting management's attention. As part of our testing, we also noted documentation issues associated with some recipients' applications that may have precluded them from program eligibility. These cases will be referred to the Division of Criminal Justice.

AUDIT HIGHLIGHTS

- The division does not verify all sources of income of Low Income Home Energy Assistance Program (LIHEAP) applicants at the time of application. We noted that the division does not use the New Jersey Department of Labor and Workforce Development's (NJDOLWD) wage reporting system to verify income of LIHEAP applicants at the time of application or subsequent to acceptance into the program unless the applicant reports zero income.
- Eligibility for the program is determined by 17 non-profit agencies that are awarded grants through the department to administer the program. These agencies approved 105,527 applications for assistance during the 2017 heating season. Our data analysis and comparison of the NJDOLWD wage reporting system and the energy assistance database maintained by the department revealed that 6,868 of 105,527 LIHEAP recipients receiving \$3.0 million in benefits may have underreported their income. As a result, it is possible LIHEAP recipients were provided with greater benefits than they were entitled.
- We judgmentally selected 207 recipients receiving benefits totaling \$93,000 for the 2017 heating season to determine if wage information they provided to the non-profit agencies matched NJDOLWD records. We found 33 of the recipients had wages they did not report to the non-profit agency. As a result, the division provided these recipients \$11,428 in benefits for which they were not entitled. Examples are included in the report.

AUDITEE RESPONSE

The department does not concur with our recommendation.

For the complete audit report or to print this Executive Summary, click [here](#).