



THA's OFFICIAL STATMENT

*Aaron Darden
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*Rick Neal
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On August 30, 2017, a Fox23 Tulsa news story reported online, as well as on-air, regarding alleged misuse of federal funds by the Housing Authority of the City of Tulsa ("THA"). This report was false. THA denies all allegations that a federal audit claimed it misused more than \$1.6 million in federal tax dollars.

The U.S. Department of Housing and Urban Development's ("HUD") Office of Inspector General ("OIG") notified THA that it would conduct an audit survey in October 2016. The purpose of the review was to promote fiscal responsibility, financial accountability, and strengthen the soundness of public housing. The objective was to review tenant certifications, calculate housing assistance payments for housing choice voucher programs in accordance with HUD's requirements, and verify that THA spent housing choice voucher program funds in accordance with HUD's approved budget.

THA is a public housing authority ("PHA") governed by HUD. HUD has instituted a tool that PHAs use across the United States. The tool is called Enterprise Income Verification system ("EIV"). EIV is used to track and report debts that former tenants owe to a PHA for failure to pay charges such as rent, utilities, and other similar charges. The system is meant to be comprehensive to verify other income sources of potential and current housing choice voucher recipients' and tenants' current income, supplemental income, and benefits information. PHAs like THA require housing choice voucher recipients and tenants to disclose their income. THA uses EIV to ensure that both tenants and housing choice voucher recipients report income correctly to determine eligibility to participate in public housing programs.

The EIV system identified 328 households that may need to be reviewed because those households potentially represent \$1.6 million in unreported income. THA uses third-party verification and uploads that into a HUD database. The EIV system verifies income from third-party government programs like the Department of Human Services, Internal Revenue Service, and other third-parties. If there is a discrepancy, it is reported and THA does an investigation to determine the correct income to ensure eligibility for public housing assistance.

Housing choice voucher recipients are not tenants of THA; they have private landlords. Housing choice voucher holders receive vouchers and use them to supplement their rent at private locations that are not owned or operated by THA. This news story discusses Murdock Villa; Murdock Villa houses residents, not housing choice voucher recipients. Murdock Villa was not included in the audit survey because it is an entirely separate program and irrelevant to the audit survey.



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It was reported by Fox23 that 328 household incomes were miscalculated and there was a discrepancy totaling \$1.6 million, when in fact only 25 household income files were selected for review. Of those, 13 needed further verification. THA found that it may have paid too much money, approximately \$41,000, to private landlords in rental assistance. This is less than a tenth of one percent of total assistance THA provided during the subject review period.

OIG has recommended that THA pay \$41,313 back to THA's Section 8 Voucher Rental Assistance Program, not the federal government.

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Link to original FOX 23 News Article:

<http://www.fox23.com/news/fox23-investigates/federal-audit-claims-tulsa-housing-authority-misused-more-than-16-million-in-federal-tax-dollars/600678802>