

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The Substance Abuse and Mental Health Services Administration (SAMHSA) awarded States \$62 million in grant funds for their Projects for Assistance in Transition From Homelessness (PATH) programs during the period September 2016 through August 2017 (grant period). PATH programs are funded to support outreach and other services to homeless individuals with serious mental illnesses (consumers). New York was awarded \$4.2 million in PATH grant funds, one of the largest grants awarded for the grant period. This is the first in a series of audits by OIG to ensure the integrity and proper stewardship of PATH grant funds aiming to reduce homelessness.

Our objective was to determine whether New York complied with PATH program requirements.

How OIG Did This Audit

Our audit covered \$4.2 million in PATH grant funds that New York received during the grant period. We selected a random sample of 50 consumers out of a sampling frame of 4,126 consumers and determined whether they were eligible for the PATH program. We also audited PATH program costs for all 20 providers funded under New York's PATH program.

New York Provided Projects for Assistance in Transition From Homelessness Grant Services to Ineligible Individuals and Did Not Contribute Any Required Non-Federal Funds

What OIG Found

New York did not always comply with PATH program requirements. Specifically, 7 of the 50 consumers we sampled lived in permanent housing settings and documentation in their case files did not indicate that they continued to need PATH services to prevent a recurrence of homelessness. In addition, New York did not meet its funding obligation for non-Federal contributions to its PATH program and did not have written agreements with PATH providers, as required. Also, New York inaccurately reported the number of consumers enrolled in its PATH program and did not timely file its financial report to SAMHSA. Finally, New York has not performed the financial closeout of its PATH program and did not verify that funds were appropriately used by providers or that unused funds were returned to the Federal Government.

On the basis of our sample results, we estimated that 578 consumers (14 percent) were ineligible to receive PATH program services. Also, New York did not meet its funding obligation for non-Federal contributions, which resulted in the entire grant amount of \$4.2 million being unallowable.

What OIG Recommends and New York Comments

We recommend that New York refund the entire grant amount, totaling \$4.2 million, to the Federal Government. We also made two procedural recommendations, including that New York ensure that PATH program services are only provided to eligible consumers.

In written comments on our draft report, New York disagreed with our monetary recommendation but agreed with our procedural recommendations and described steps it plans to take to implement them. New York also stated that six of the seven consumers we determined to be living in permanent housing settings were correctly determined eligible at the time they were admitted to the PATH program.

We maintain that our findings and recommendations are valid. SAMHSA indicated that it does not consider the non-Federal contributions requirement met if these funds were not used towards the PATH program. Also, we did not assess OMH's initial eligibility determinations for the six consumers. Rather, we determined if the consumers maintained eligibility for our grant period.