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INSPECTOR GENERAL

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*Office of the Inspector General*

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May 5, 2011

Jane McLeod  
Program Director  
Regional Lead Abatement Program  
City of Lowell, Department of Planning and Development  
50 Arcand Drive  
Lowell, MA 01852

Dear Ms. McLeod:

As you know, the Massachusetts Office of the Inspector General (OIG) has been reviewing the American Recovery and Reinvestment Act (ARRA) funded U.S. Department of Housing and Urban Development (HUD) Lead-Based Paint Hazard Control Program (LHC) grants in Massachusetts. These grants have totaled \$8,624,565 of which your agency has received \$2,984,565.

The OIG is reviewing ARRA-related grants to identify potential vulnerabilities for fraud, waste, and abuse and other risks that could negatively impact the accountability, transparency, and anti-fraud mandates contained in the statutory language and interpretive guidance of ARRA. This should not be construed as an investigation of the program or a comprehensive programmatic review. Rather, this review is to assist the recipient in identifying risks and providing recommendations to address these risks.

The City of Lowell's Lead Paint Program (LLPP) has conducted lead inspections and abatement work for many years and is a previous recipient of the LHC grant. LLPP offers deleading work to those eligible in 24 cities and towns within the Merrimack Valley Region. Under the current ARRA grant, the LLPP plans to perform lead abatement services on 117 units.

LLPP has incorporated a number of subgrantees under this grant to provide education and outreach. The subgrantees are the Lowell Health Department (LHD), Greater Lawrence Community Action Council (GLCAC), and the Merrimack Valley Housing Partnership (MVHP). LHD performs lead safe education and outreach mostly in the Lowell area. The GLCAC subgrant funds one community health educator. MVHP provides lead safe practices seminars for first time homebuyers and refers potential applicants to the LLPP.

The OIG focused its review on verifying the internal controls and policies as well as the procurement practices used in your grant program and did not identify any

significant findings. The OIG has also issued an advisory of risks that have been identified after a review of all Massachusetts grantees. These risks and the OIG recommendations to mitigate these risks should be reviewed by your agency for their applicability to your grant program. In addition, the OIG has identified the following issues that are specific to your agency and as such are not included in the attached advisory:

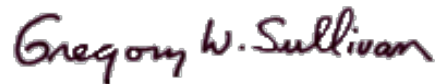
### **Anti-Fraud Program**

The OIG believes that anti-fraud programs are important for accountability, transparency, and maintenance of a robust control environment. The OIG recommends that LLPP develop and implement an anti-fraud program. Anti-fraud policies, as part of the overall program, should be distributed to all employees, and the LLPP should provide regular training in, review of, and enforcement of these policies. The language included in the anti-fraud and code of conduct policies should refer to the specific employee actions and behaviors that could have repercussions for the employee. The language in the material should directly state that the LLPP has a “zero tolerance” policy for fraud, abuse and other inappropriate conduct and should outline what penalties and/or actions the LLPP management will take in the case of any violations of confidentiality, information and identity theft, or any other fraudulent or unacceptable behavior on the part of LLPP employees. LLPP should provide specific anti-fraud and code of conduct training for employees. The LLPP should also verify that its subgrantees have codes of conduct and anti-fraud and ethics policies or request that the subgrantees adopt the LLPP policies.

For suggestions to develop anti-fraud policies, the Comptroller of the Commonwealth has a “Toolkit” to combat fraud, waste, and abuse on his website, at [www.mass.gov/comptroller](http://www.mass.gov/comptroller) and the OIG’s website has guides for controls, at [www.mass.gov/ig/igpubl\\_guides.htm](http://www.mass.gov/ig/igpubl_guides.htm) that could complement the LLPP’s policies. Please let the OIG know if further assistance is needed in this area.

Please do not hesitate to contact us for further assistance with this or other programs. Our point of contact for your agency is Neil Cohen, Deputy Inspector General. Thank you again for the assistance and cooperation of you and your staff during this review.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive, slightly slanted style.

Gregory W. Sullivan  
Inspector General

ATTACHMENT