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TEA PARTY AMERICA: What is the Tea Party? A growing state of mind

Feds wasted millions in utilities program for poor

Buzz up!

By KELLI KENNEDY, Associated Press Writer – Thu Jul 1, 12:52 pm ET

MIAMI – A federal program designed to help impoverished families heat and cool their homes wasted more than \$100 million paying the electric bills of thousands of applicants who were dead, in prison or living in million-dollar mansions, according to a government investigation.

The U.S. Department of Health and Human Services spent \$5 billion through the Low-Income Home Energy Assistance Program in 2009, doling out money to states with little oversight of the program. Some states don't verify applicants' identities or income. For example, the program helped pay the electric bill of a woman who lives in a \$2 million home in a wealthy Chicago suburb and drives a Mercedes, according to the yet-to-be released report obtained by The Associated Press.

The Government Accountability Office studied the program after a 2007 investigation by Pennsylvania's state auditor found 429 applicants received more than \$162,000 using the Social Security numbers of dead people.

The GAO investigated Illinois, Maryland, Michigan, New Jersey, New York, Ohio, and Virginia, which represented about one-third of the program's funding in 2009. The agency found improper payments in about 9 percent of households receiving benefits in those states, totaling \$116 million.

The report comes after a dramatic increase in the size of the assistance checks as fuel oil costs soared in 2008 and 2009.

"LIHEAP is supposed to be for poor people, not for cheats who pose as something or someone they're not and get their paperwork rubber-stamped by gullible government officials," said U.S. Rep. Joe Barton, R-Texas, the ranking GOP member of the House Energy and Commerce Committee, which requested the investigation.

The program gives low-income residents checks made out to "Your Heating Supplier." The checks are marked with specific instructions to the bank that they are only to be deposited by the supplier.

Although individual states are primarily responsible for preventing the fraud, the study found lax oversight by HHS and little guidance on how to do so. Illinois, New Jersey, New York, Ohio, and West Virginia said they had trouble finding records to validate Social Security numbers and verify income.

Several state officials said they typically don't investigate or prosecute fraud in the program because the amount of money paid to each resident is so low.

The investigation found HHS paid thousands of dollars to people who were obviously ineligible for the program.

- HHS paid \$3.9 million to 11,000 applicants who used the identities of dead people.
- HHS paid \$370,000 to 725 applicants who were in prison.
- HHS paid \$671,000 to about 1,100 people who made more than the maximum income to qualify for the program.

Illinois paid \$840 toward energy bills for a U.S. Postal Service employee who fraudulently reported zero income even though she earned about \$80,000 per year. "Times are tough and I needed the money," she told investigators.

New Jersey paid \$3,200 to a nursing home on behalf of eight patients after the home's director applied for assistance. The patients' nursing home care was already paid by Medicaid.

Virginia provided three payments totaling \$2,400 to three separate applicants at the same address, according to the report.

GAO employees in a sting operation also applied for benefits in Maryland and West Virginia, using counterfeit documents, fake addresses and fictitious companies. "All fraudulent claims were processed and the energy assistance payments were issued to our bogus landlords and company," according to the report.

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HHS Secretary Kathleen Sebelius said she was "very disturbed" by the investigation.

"Public resources are limited, and a dollar spent on ineligible families is one less dollar available for those who genuinely need help," she said in a statement.

HHS now encourages states to require applicants to provide Social Security numbers to verify identities and check them against state databases that would show whether someone is dead, in prison or a nursing home. The agency also required all states to submit a detailed fraud prevention plan along with their funding requests.

A Pennsylvania woman who was an administrator for the program pleaded guilty in February to falsifying documents so she and five family members could receive about \$24,000 in assistance, even though they were not eligible.

A New Jersey administrator was indicted in May for writing three applications to the program and then keeping the checks for himself.

The owner of a New Jersey oil company was sentenced to four years in prison last month after he admitted taking nearly \$400,000 from the program by offering residents cash for their government-issued checks.

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Norm1000 Sat Jul 03, 2010 04:15 pm PDT | [Report Abuse](#) 1 0
 Even if the money had gone to those it was intended for its wrong! Its forced charity, its the gov. reaching into one man's pocket and taking from him to give to someone else.
 Hey Robin Hood was a thief!

AZ VETERAN Sat Jul 03, 2010 01:17 pm PDT | [Report Abuse](#) 3 0
 ENOUGH WITH THE "NEEDY" CRAP,,THEY ARE CAREER AFRICANMEXICAN SCAMMERS...ENOUGH IS ENOUGH, QUIT PUMPING OUT WELFARE BABIES AND GET A JOB, WE ARE SICK OF PAYING FOR YOU DEAD BEAT PARASITES,,GET A JOB YOU FREAKING BUMS

Robert T Fri Jul 02, 2010 12:31 pm PDT | [Report Abuse](#) 0 0
 Let's see a show of hands on all of you out there that are shocked that the G has wasted our tax dollars.

RAILROADMAN Fri Jul 02, 2010 12:29 pm PDT | [Report Abuse](#) 2 0
 The USA is going down hill.

John Fri Jul 02, 2010 11:48 am PDT | [Report Abuse](#) 3 0
 The key to at least reducing this reprehensible fraud lies in reversing the reality behind the following quote from this article.
 "Several state officials said they typically don't investigate or prosecute fraud in the program because the amount of money paid to each resident is so low."
 It is always about money and amounts. A bunch of nonsense. It is even worse from a moral standpoint, for those who do have some money to fraudulantly and knowingly even apply for this money. Tax payer-raped money. The government should be held responsible to force those involved to repay the money they received in triple just like bad check-writing laws...at a minimum. If one guy



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gets four years for this in any amount, then everyone should be imprisoned. This should discourage the practice which is by the way, the tip of the iceberg for overall fraud in this country. We need to wake these politicians that let this stuff go on with no oversight or accountability. They should be fired...period!

Bev Hills 90210 Fri Jul 02, 2010 11:28 am PDT | [Report Abuse](#) 4 0
all pres yomamma's relatives and friends, how do I get on his list for free money

Jim Fri Jul 02, 2010 10:54 am PDT | [Report Abuse](#) 5 0
It is not too late to stop this nonsense. We have an obligation to our children to vote out the old and replace with new reps and senators. Get off your couch and vote!

Robert Byrds Ghost Fri Jul 02, 2010 10:32 am PDT | [Report Abuse](#) 6 0
Anyone that thinks our federal governing system works is a fool.Keep chanting USA USA USA.All the way to the 3rd world.That s what we will be in 20 yrs.The system is completely broken.GREED has killed us.There are U.S.Citizens that have billions, but swindle the poor for more.I wish I had moved to Canada.
We have politicians that are more worried about being reelected than accomplishing anything.They take money from the rich and give more money to the rich.We manufacture nothing,our educational system is failing.Our ability to get health care for everyone is a joke to the world.You can blame Obama or Bush.You Americans should look in the mirror.YOU HAVE BROUGHT THIS ON YOURSELVES.

GG Fri Jul 02, 2010 09:34 am PDT | [Report Abuse](#) 3 0
Does this really surprise anyone?

Deb K Fri Jul 02, 2010 08:09 am PDT | [Report Abuse](#) 1 0
I live in Illinois and I agree with you James.

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