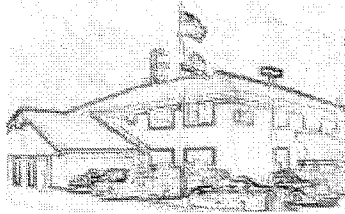


Housing Authority of the County of San Joaquin



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August 8, 2012

Hon. David P. Warner, Presiding Judge
Grand Jury
San Joaquin County Superior Court
222 East Weber Avenue - Room 303
Stockton, California 95202

Re: 2011-12 Case No. 0211-Grand Jury Report

Response to Grand Jury:

The Housing Authority of the County of San Joaquin ("the Authority") has received and reviewed the Grand Jury's report sent to the Authority's Board of Commissioners, Executive Director and General Counsel on June 22, 2012. The Board of Commissioners herein responds to the findings and recommendations as required under Sections 933 and 933.05 of the California Penal Code.

FINDINGS; AND RESPONSE TO FINDINGS AND RECOMMENDATIONS:

Finding F1. Voucher notification letters are unclear and misleading.

Recommendation R1. Review correspondence for clarity and provide a more specific explanation of decision/process/status.

Response to F1 and R1. The Authority disagrees with F1 that the "template" letters were misleading but agrees that letters advising applicants of their status in the application could be made more clear. The Authority has amended the voucher notification letter to better describe the application process. The Authority will continue to review all correspondence for clarity on an as-needed and on-going basis. As the Authority was not made aware of the name of the Complainant nor did the Grand Jury provide the exact nature of the Complainant's concerns until after the issuance of this Report, the Authority was only able to respond to the Complainant after she was made known to the Authority.



Finding F2. Inappropriate preference was given to the Applicant who was related to the employee at the expense of the Complainant and other applicants.

Recommendation R2.1. Follow the Authority's policy and procedures when disbursing public funds and determining eligibility.

Response to F2 and R2.1. The Authority does not agree with F2 because F2 is untrue. While it is agreed that, at the time when the Grand Jury initially examined the Applicant's file, certain items were missing from Applicant's file, subsequently the Authority provided both pertinent documents and witnesses to confirm all necessary information.¹ The absence of the pertinent documents at the time of the Grand Jury's investigation may have been caused by misfiling. Or, the missing material may have been caused by unauthorized tampering by employees and/or ex-employees whose design was to remain anonymous and then conspire to complain to others, including the Grand Jury.

If the Grand Jury had asked the Authority, we would have advised that the *bank statements* mentioned in the Grand Jury's report were for the purpose of asset verification, not income verification. Income was appropriately verified with workplace pay stubs, all done in accordance with HUD regulation.² Suffice it to say that the issue of "income" was not then, nor now, an issue.

Additionally, the Grand Jury inaccurately summarizes the facts surrounding the processing time for the Applicant in question. Specifically, the Report discusses the sixty (60) applicants they "sampled" from the "pull" which took place from the November, 2010, "waiting list." In fact, there were three hundred (300) applicants taken from the November 2010 "pull". Of the 300 applicants scheduled for interviews approximately 130 attended their appointment. Of these 130, only sixty-four (64) were determined to be "eligible" for the program. Their application information, including any preferences, were then verified before issuance of vouchers. The Applicant was processed in the middle of the pack – there was no preference in the processing. Rather, the Authority agrees that the Grand Jury found no explicit or implicit evidence that the Applicant was not processed according to HUD regulations.

The Grand Jury learned that the Complainant, as well as 299 other applicants, were accidentally "pulled" in August of 2010. This accidental pulling occurred months before the matter involving the subject relative Applicant. In short, these 300 applicants were, in error, given additional preference points. Of course, this error was remedied before any vouchers were issued and letters were sent to all, including the Complainant. It is understandable that the Complainant would have wanted to keep the extra preference points that had been assigned – as would the other 299 applicants who were accidentally pulled – but the HUD regulations would prohibit such action.

¹ The Checklist employed by the Authority and placed in all applicants' files is not a mandated HUD form but merely an internal *guide* used for the processing of the files. Any failure to note the disability form on the Checklist was cross checked with the computer database on the Applicant's file and, together with the photocopy, confirmed proper issuance of the voucher.

² HUD regulations are both voluminous, complicated and place restrictions on disclosure protecting the privacy of applicants and voucher recipients. Thus, although the Grand Jury requested privileged and privacy protected information from Authority staff, at the same time, the name of the Complainant, as well as her relationship to an ex-employee of the Authority, was not made known to the Authority. In short, the Complainant chose to remain anonymous and to seek clarification directly from the Authority until after the Report was issued.

The Authority is acutely aware of the expectation of those seeking housing assistance and we regret any inconvenience caused to the unknown Complainant, but here the Authority complied with HUD regulations and the Authority's policy and procedures when it determined eligibility. The Board of Commissioners is satisfied that the employee had no knowledge of an application being made by an adult family relative.

Recommendation R2.2. All employees attend annual training for "Code of Ethics and Standards of Conduct Policy."

Response to R2.2. As required under current regulations Authority employees have and will continue to attend periodic training, budget permitting, that covers the subject of the Privacy Act, the Enterprise Income Verification regulations, HUD regulations and all related subject. In addition, every employee already executes the Authority's own Code of Ethics and Standards of Conduct agreeing to follow all applicable local, state and federal laws as a condition to employment.

Finding F3. The Housing Authority has been lax in file room security and fire precaution/prevention.

Recommendation R3. Continue with security improvements and fire prevention improvements.

Response to F3 and R3. The Authority disagrees with F3 but agrees to continue to improve its security and fire prevention but only, again, as budget allows. As noted in the Report, the Authority, now having the ability under its budget to update security measures and prevent file tampering, has completed several security upgrades to the Administrative Offices and the file room that include more restrictive access, key code restricted entry to file rooms and Administrative offices, surveillance cameras, the addition of a confidential file clerk, and implementation of a new and more restrictive procedure for file checkout and return.

The Authority wants to also correct any suggestion that the Authority's file room and Administrative Offices do not meet all local building codes and HUD requirements for storage, when the buildings meet or exceed all building codes and the digital file storage is maintained as required by HUD.

As stated above, in the course of the Grand Jury's investigation, the Authority was concurrently investigating and believe that at least one applicant file may have been accessed inappropriately by staff *not related* to the Applicant. This matter will be investigated to determine if any regulations were violated.

Finding F4. The Housing Authority's published policy covering family members of employees who apply for vouchers under the HCVP is in need of augmentation to establish a cross reference to employee disclosure.

Recommendation R.4. Amend the pre-application to provide for voluntary self-disclosure of relationship by applicants of relatives employed by the Housing Authority.

Response. The Authority disagrees with F4 and R4 as the current law does not require applicants to “voluntary self-disclosure.” However, the Authority can, and has, amended its Personnel Policy to require its employees to advise of any relationship with applicants *once they become aware* of the application. In short, the duty to disclose will be placed where the Authority has the most control, upon the current Authority’s employees.

Finding F5. Complaint procedures are not clearly defined and are not posted.


Recommendation R5. Complaint procedures should be clearly defined and posted in a prominent location if requested by applicants.

Response to F5 and R5. The Authority disagrees with this F5 and R5 as these procedures are both posted. All applicants receive instructions in their applications packet and during any subsequent evaluation on how to complain and appeal any adverse decision. However, the Authority agrees to post complaint procedures in *additional* locations.

CONCLUSION

In conclusion, the Authority recognizes the importance of the Grand Jury’s role of oversight for governmental accountability and welcomes the opportunity to review their suggestions to improve this agency. The Board of Commissioners fully supports the administration and its staff in its commendable efforts in serving the affordable housing needs of this community.

Housing Authority of the County of San Joaquin

By: 
Rudy Willey
Chairperson
Board of Commissioners