

Exhibit 13-2

Allegations, Family Errors, and Misrepresentation

AHFC accepts and investigates allegations of program violations and possible misrepresentation in all rental assistance programs. This policy sets forth AHFC's allegation acceptance and investigation process, determination of family errors or misrepresentation, and file audit process.

HUD Regulation 24 CFR 5.659(b)

Family obligation to supply information.

- (4) Any information supplied by the family must be true and complete.

HUD Regulation 24 CFR 880.607

(b) Entitlement of Families to occupancy

(1) Grounds. The owner may not terminate any tenancy except upon the following grounds:

- (i) Material noncompliance with the lease;
- (3) Material noncompliance.
 - (ii) Failure of the family to timely submit all required information on family income and composition, including failure to submit required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5), failure to disclose and verify Social Security Numbers (as provided by 24 CFR part 5), failure to sign and submit consent forms (as provided by 24 CFR part 5), or knowingly providing incomplete or inaccurate information, shall constitute a substantial violation of the lease.

HUD Regulation 24 CFR 960.259(a)

Family obligation to supply information.

- (4) Any information supplied by the family must be true and complete.

HUD Regulation 24 CFR 982.551(b)

Supplying required information

- (4) Any information supplied by the family must be true and complete.

1. Allegations

AHFC protects the privacy of families and their income information in accordance with the Privacy Act (Overall Approach chapter) and the Information Requests exhibit.

1.A Complaint Process

AHFC accepts complaints of program violations from various sources including members of the public, partner agencies, U.S. Department of Housing and Urban Development investigative agencies, and State of Alaska departments.

- If a complaint cannot be investigated due to a lack of information, it will be kept in a file separate from the family's file.
- Any complaints that have been investigated and discussed with the family will be kept in the family's file.

1.B Investigative Process

The investigative process seeks to either verify or dismiss a complainant's allegations. AHFC will use the methods below (not an exhaustive list) to substantiate a complaint:

- Sending verifications to confirm unreported income;
- Checking public record databases to confirm property ownership or business registrations or persons using the residence address;
- Scheduling an inspection to determine if unauthorized persons are in the household;
- Interviewing a family or owner regarding a complaint, etc.

1.C File Audit Process

A file audit may be conducted for program violations that result in overpaid or underpaid subsidy. A written file audit report is sent to families, and families have the right to grieve the results.

1.D Family Interview

Once all documentation has been gathered, AHFC will set an appointment to discuss the allegation and documentation with the family.

2. Determination of Misrepresentation

HUD Regulation 24 CFR 880.607(b)

Entitlement of Families to occupancy.

(1) Grounds. The owner may not terminate any tenancy except upon the following grounds:

(i) Material noncompliance with the lease;

(3) Material noncompliance.

(i) Material noncompliance with the lease includes:

(A) One or more substantial violations of the lease;

(ii) Failure of the family ... or knowingly providing incomplete or inaccurate information, shall constitute a substantial violation of the lease.

HUD Regulation 24 CFR 966.4(l)

(2) Grounds for termination of tenancy. The PHA may terminate the tenancy only for:

(iii) Other good cause. Other good cause includes, but is not limited to, the following:

(B) Discovery after admission of facts that made the tenant ineligible;

(C) Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with reexamination of income;

HUD Regulation 24 CFR 982.306(c)

In its administrative discretion, the PHA may deny approval of an assisted tenancy for any of the following reasons:

(2) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

HUD Regulation 24 CFR 982.316(b)

At any time, the PHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval, if:

(1) The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

HUD Regulation 24 CFR 982.453(a)

Any of the following actions by the owner (including a principal or other interested party) is a breach of the HAP contract by the owner:

(3) If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

HUD Regulation 24 CFR 982.551(k)

Fraud and other program violation. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.

HUD Regulation 24 CFR 982.552(c)

Authority to deny admission or terminate assistance

(1) Grounds for denial or termination of assistance. The PHA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following grounds:

(iv) If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.

Based on the information gathered during the investigative process, AHFC will determine if a family's or owner's action was an error or misunderstanding of program rules or an intentional program violation.

- Families/Owners will be required to repay any overpaid subsidy as a result of the investigation.
- Families/Owners determined to have committed an unintentional mistake or error will be counseled and allowed to continue rental assistance.
- Families/Owners determined to have committed an intentional program violation may be terminated. When appropriate, these cases may be referred for further prosecution.

3. Definitions

3.A Allegation

1. Allegation¹ means a positive assertion, especially of misconduct.
2. An assertion unsupported and by implication regarded as unsupportable.

3.B Error

1. Error¹ means an act involving an unintentional deviation from truth or accuracy.
2. An act that through ignorance, deficiency, or accident departs from or fails to achieve what should be done.
3. Something produced by mistake.

3.C Fraud

Fraud² is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act on it to his or her injury.

3.D Misrepresent

Misrepresent¹ means to give a false or misleading representation of, usually with an intent to deceive or be unfair.

3.E Mistake

1. Mistake¹ means to misunderstand the meaning or intention of; misinterpret.
2. A wrong judgment or a wrong action or statement proceeding from faulty judgment, inadequate knowledge, or inattention.

¹ Merriam-Webster Dictionary, accessed March 12, 2020.

² U.S. Department of Housing and Urban Development, Office of Inspector General Office of Investigation. "Detecting, Preventing, and Reporting Fraud."

3.F Unintentional

Unintentional¹ means not done by intention or design.

Numbered Memo

20-38 Exhibits 13-2, 13-3, and 13-4