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NFFN/NLIEC AWARDS LUNCHEON

Thank you for inviting me to be part of this important conference. My congratulations to the organizers—you've put together one of the most comprehensive programs on this subject that I've ever seen.

The topic of energy is always relevant, but recent events have really put it in an uncomfortable spotlight. Given the oil spill in the Gulf, the way we produce and use energy is very much on our minds. It's beyond tragic that a disaster with such wide-ranging effects on the environment and people's livelihoods is unfolding, but I can tell you that everything humanly possible is being done to mitigate it. Perhaps this awful development will give new impetus to something that's long overdue: a total reexamination of our society's thirst for oil and a reinvigorated commitment to more sustainable, greener energy sources.

In any case, I'm not going to take up too much of your time today, because in a few minutes, some very deserving people will be getting some very high honors. But I do want to use this opportunity to focus on something that we at the Department of Health and Human Services are dead serious about: maintaining the integrity of the LIHEAP program.

I knew quite a bit about LIHEAP before I joined the Obama Administration. Part of my job as Commissioner of the New York State Office of Disability and Temporary Assistance was to oversee the state's efforts to help low income people with their energy needs. In that capacity, I gained a great appreciation for how vital this program is. I saw how it can change the daily lives of people with low incomes, by addressing their immediate needs for warmth in the winter and relief from the heat in the summer and by helping them repair and weatherize their homes so they can use energy more efficiently for the long term. I had the good fortune to work with a committed and talented staff who administered the program in New York, under the leadership of Rus Sykes and Phyllis Morris, just as I do at ACF, under the leadership of Yolanda Butler and Nick St. Angelo. And as the economy worsened in 2008 and 2009, I saw what a lifeline the program could be for beleaguered families and seniors, in particular.

At the same time, I learned how complex this program can be to administer. I encountered many of the same challenges that you contend with, including having too few resources to address too many problems. I know that the realities of federal funding levels that can vary from year to year and that often get established late in the game, combined with the need to plan and implement a new state program every year, creates headaches that may be unique to this program.

While it may not always appear so, it is our goal to help you navigate these challenges. And it's the very fact of limited program resources that makes maintaining the integrity of the LIHEAP

program so crucial: as you know, this is not an open-ended entitlement. When benefits are misdirected, it means that eligible children, elderly individuals, those with disabilities, and other vulnerable households are deprived of the assistance they are entitled to. That is simply unacceptable.

HHS has a steadfast commitment to upholding the integrity of all of its programs. Both the President and Secretary Sebelius are intensely aware of the government's clear duty to be a faithful steward of the taxpayers' dollars.

And that's why Secretary Sebelius has just created the first-ever Secretary's Council on Program Integrity. This Council's membership is made up of the heads of every division within HHS. It has several charges: to conduct regular risk assessments of programs that are most vulnerable to waste, fraud and abuse; to bolster existing program integrity efforts or create new ones; to share best practices throughout the Department, and to come up with ways to measure these efforts.

The Council will give the Secretary practical solutions for addressing longstanding program integrity problems in Medicare and Medicaid, where we know many millions are wasted every year. It will also look at programs with emerging challenges, including LIHEAP and Head Start, and will coordinate closely with HHS' Inspector General to follow up on these issues.

Recent information has heightened our concerns about the need to redouble our efforts to ensure the integrity of the LIHEAP program. Our awareness has been bolstered by a recent GAO investigation whose findings we think will be released in the near future. What we know from the preliminary information GAO has provided is that investigators discovered some cases of payments to ineligible clients and inappropriate vendors.

I want to be very clear: we have zero tolerance for fraud, waste and abuse in any program we administer. That's why we're redoubling our support of state efforts to enhance the integrity of their operations and to reduce the potential for these kinds of improprieties to occur.

At ACF, we're also working to change our operations so that people outside the Department will be empowered to report fraud or misuse of funds in ACF programs. We're excited that there will soon be a web-based hotline at the ACF website. This will enable anyone, including employees who see something suspicious, to call and let us know if they believe they have information about the improper use of resources. We are committed to following up on each and every report.

But we'd like to avert the need for such calls to begin with by encouraging states to work even harder on keeping their programs on track.

Last month, we issued an Information Memorandum to states, encouraging them to enhance efforts to validate applicant eligibility by using social security numbers to cross-check other available databases. Last week, OCS issued an Action Transmittal to all LIHEAP grantees and others with a stake in the program. This document explains a new requirement for all LIHEAP grantees to submit a Program Integrity Assessment and Plan. It also supplies a Model Plan outlining the information we need about strategies to ensure program integrity. We want to

know about current fraud prevention systems and the kinds of policies and procedures you will institute to form a comprehensive program integrity and quality control system. We want to learn how you deter, detect and fix irregular practices and how you plan to prosecute instances of abuse that rise to the criminal level. We are equally eager to work with you to identify promising practices you've implemented to prevent and eliminate fraud and abuse and to disseminate those practices so other states can benefit from them.

And we will work closely with you to implement all of this. OCS will soon host a conference call with State grantees to discuss the new guidance, as well as new information on collecting Social Security numbers.

We're here to guide you and to provide clarification, but if we are to be successful in restoring integrity to this program, we need your cooperation, compliance, and expertise.

Since its inception, LIHEAP has been an example of federal-state partnership in action. It just wouldn't work if states didn't have the flexibility to tailor services to the dramatically different climates and fuel utilization patterns across the country. Indeed, if there is any program to which the maxim "One size fits all" does NOT apply, it's this one.

What that partnership means now is that we must join forces to keep LIHEAP strong, to ensure that assistance goes only to households that are eligible for it, and that only qualified vendors deliver services. We recognize that we can't ensure integrity in the expenditure of LIHEAP funds without you, our partners. And as this program enters its third decade, we intend to work with you to help it fulfill its potential as a key component of the social safety net.

Finally, I want to reemphasize my appreciation for everyone who has dedicated his or career to working in community support programs like LIHEAP. The work you have chosen is set apart because you help provide a bridge to a better life for people with low incomes.

While it has become clear that neither the nation's capital, nor any state capital, nor any county seat has all the answers, I am convinced, that by working together and facing each obstacle, sharing knowledge and applying our best, most informed ideas, we will be able to maintain the highest standards of quality in our programs.

Our mission is far too important to settle for less.

Thank you.