



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR
FOR MANAGEMENT

10-13-2005

MEMORANDUM FOR THE PRESIDENT'S MANAGEMENT COUNCIL

FROM: Clay Johnson III
Deputy Director for Management

SUBJECT: Eligibility Verification Requirements for Delivery of Benefits to Victims of Hurricanes Katrina and Rita

In response to Hurricanes Katrina and Rita, the President has pledged to provide hurricane victims access to streamlined registration and enrollment in Federal benefit programs for which they qualify. This memorandum provides additional guidance for Federal agencies' implementation of this policy to ensure a citizen-centered approach in a cost-effective manner that prevents fraud and abuse.

Streamlining Benefits Delivery. To serve hurricane victims expeditiously, Federal agencies must have procedures in place to speed the delivery of needed assistance while ensuring Federal benefits go only to individuals who need and qualify for assistance. Agencies should:

- (1) waive, as allowable under law and regulation, traditional enrollment criteria such as residency and documentation requirements that would slow the delivery of needed assistance;
- (2) assist individuals in re-acquiring documentation to establish their eligibility for employment or benefits;
- (3) reduce unnecessary burden and redundancy in applying for benefits from multiple programs by allowing applicants to authorize the sharing of their personal information with other Federal agencies, and with State and local benefit specialists and case workers, who are helping individuals regain their self-sufficiency; and
- (4) allow applicants to self-certify the information they provide is accurate, including information needed for eligibility determinations, but to take necessary steps, including working through the corresponding State and local partners, to verify this information.

Eliminating Improper Payments. In light of efforts to speed the delivery of benefits to hurricane victims, and in order to ensure that Federal benefits go only to individuals who

need and qualify for assistance, agencies should be implementing the following additional controls:

(1) All new procedures that relax pre-payment eligibility verification requirements should be time limited. As we complete the initial phase of the Katrina and Rita relief effort (i.e., 30 to 90 days from August 29th, 2005), agencies should reinstitute standard pre-payment procedures and controls to the maximum extent possible. By the end of the second phase of the relief effort (i.e., 90 to 180 days), most standard pre-payment procedures should be reinstated. Any waivers or non-standard pre-payment procedures the agency determines should continue beyond the 180-day time frame require specific approval from the relevant Associate Director of the Office of Management and Budget. For new benefit programs developed as a result of Katrina and Rita (e.g., Transitional Housing Assistance), agencies shall implement appropriately rigorous pre-payment controls beginning with payments made after November 30, 2005.

(2) Consistent with previous OMB memoranda and information requests related to internal controls on Katrina and Rita expenditures, agencies (as well as state and local partners) must apply post-payment verification procedures to compensate for front-end controls that have been limited or waived. These procedures include:

- initiating post-payment reviews as soon after benefits issuance as possible;
- increasing post-payment review/audit activities;
- utilizing unique classification codes when paying benefits under non-standard procedures to facilitate audit and tracking activities;
- offsetting the amount of future payments where overpayments have been identified;
- increasing the number of quality personnel involved in post-payment activities;
- conducting analyses of improper payment trends and the effectiveness of pre-payment and post-payment activities; and
- coordinating Office of Inspector General audits and investigations to ensure the above actions are taken and are preventing waste, fraud, and abuse.

(3) Agencies should work with one another (as well as State and local partners) to identify potential data matches that can be used pre- and post-payment to verify eligibility.

Agencies have been providing information to OMB on streamlining efforts and compensating controls and we will continue to work with you to further develop and refine these plans. This memorandum is to be implemented consistent with applicable law and subject to the availability of appropriations, and this memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity against the United States, its departments, agencies, entities, officers or agents,

or any other person. Questions regarding this memorandum should be directed to Linda Combs at (202) 395-6059 or Robert Shea at (202) 395-4568.