

HUD Admits Its Staff Never Read Most Grant Applications

On November 11, HUD wrote Senator Richard G. Lugar (R-IN) to respond to concerns about its review and award of \$167 million in grants for lead poisoning prevention and healthy homes [see www.afhh.org/aa/aa_HUD_Lugar_letter.pdf]. HUD's letter makes no response to many concerns, including its \$1.98 million grant to AIMCO. However, in attempting to explain its reliance on contract reviewers, HUD's letter all but admits that agency staff never read the majority of the grant applications. Quoting directly from HUD's response to Senator Lugar: "Application Review Teams (ARPs) comprised of HUD staff conducted quality assurance reviews on a minimum of 30 percent of the contractor evaluations." This statement by HUD raises a number of questions: Were the remaining applications (up to 70 percent) never read or reviewed by any HUD program staff member? What constitutes a "quality assurance review?" Did HUD staff read and evaluate (that small fraction of) the actual grant applications or did HUD staff only review the contract reviewers' comments - or possibly only review brief summaries of their comments?

Just as remarkably, HUD's letter suggests that the ARPs relied on "the rank order list of applications provided by the contractor," rather than exercising judgment in weighing funding decisions. In any event, HUD's letter to Senator Lugar heightens the Alliance's concerns that the Office of Healthy Homes and Lead Hazard Control improperly delegated responsibility to contract reviewers and failed to have agency staff evaluate and rank the grant applications, as called for by the Office's Desk Guide.

To make matters worse, the Alliance has received additional information that confirms our concerns about the reviewers' lack of qualifications, training, and competence to make informed judgments about grant applications. The majority (and quite possibly all) of the contract reviewers had little or no relevant experience. Moreover, the training that HUD provided the contract reviewers was insufficient to prepare them to evaluate the grant applications thoroughly and fairly.

As background, HUD's letter to Senator Lugar also makes the patently false claim that "improprieties" in previous years' award of competitive grants prompted the hire of outside reviewers as a "grants management reform" and "to ensure integrity of the competitive process." This claim is ludicrous. In fact, until it was subverted this year, HUD's competitive process for awarding lead hazard control grants had been above reproach and without criticism or controversy over the past decade. Indeed, this competitive grants program was highlighted and praised as one of HUD's most effective programs.

As previously noted, HUD's Inspector General has opened an investigation of the breakdown in this Office's application review and grant award process. The Alliance fully expects this investigation to document the scope and severity of these failures. The Alliance urges everyone who has information about HUD's process for reviewing and ranking 2004 lead safety and healthy homes grants to forward such information to HUD's Inspector General at www.hud.gov/offices/oig/hotline/index.cfm, as well as to the

Alliance. In particular, additional specifics about the recruitment, qualifications, and training of the contract reviewers would be helpful.

The Alliance is heartened that some individuals whose agencies were awarded grants this year have joined in group letters calling on HUD Secretary Jackson to investigate these failures, hold those responsible accountable, and take corrective measures to guard against future breakdowns [see www.afhh.org/aa/aa_HUD_Sign-on_1.pdf and www.afhh.org/aa/aa_HUD_Sign-on_2.pdf]. Restoring the foundation and credibility of HUD's application review process will serve the interests of the entire lead poisoning prevention and healthy homes community by ensuring that competitive grants are awarded based on merit and performance.

Since Congress is making final decisions on HUD's FY2005 budget this week, the Alliance urges all HUD grantees to contact your elected representatives to urge them to support full funding of HUD's lead safety and healthy homes grants. Both the need for these grants to protect children at high risk and the capacity to put these funds to good use have never been greater.

Finally, the Alliance urges all unsuccessful applicants to take full advantage of your right to a "debriefing" to better understand HUD's assessment of the strengths and weaknesses of your applications, learn how your responses were scored, and receive answers to any questions you may have to satisfy yourself about the quality of HUD's review. Requests for such a debriefing should be made in writing to the Office of Healthy Homes and Lead Hazard Control.

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Founded in 1990 as the Alliance To End Childhood Lead Poisoning, we have expanded our work on lead poisoning prevention to address other housing-related health hazards.