

EXECUTIVE SUMMARY

BACKGROUND

The Office of the Auditor General's (OAG's) Fraud Investigative Services Team investigated an allegation that Lead Safe Home Principal Unit (LSHPU) employees provided unfair advantages to lead remediation companies, with whom they had conflicts of interest, during the bid letting and contract management processes.

INVESTIGATION CONCLUSIONS

1. We did not substantiate that LSHPU employees provided unfair advantages to lead remediation companies through bid letting or contract management processes.
2. We identified opportunities for LSHPU to strengthen its internal control over bid letting and contract management to ensure it sufficiently addresses employee conflicts of interest.

The issues cited in this report represent opportunities for the Michigan Department of Health and Human Services (MDHHS) to clarify and improve its conflict of interest risk mitigation procedures to help ensure LSHPU consistently follows applicable State, federal, and internal MDHHS bid letting and contract management requirements. MDHHS should continue to enhance its procedures and monitor the activities of LSHPU staff with conflicts. MDHHS's continued efforts will help ensure LSHPU awards and manages lead remediation contracts in a fair, competitive, and transparent manner.

MDHHS's response to the conditions identified in this report is included on page 10.