

Appendix A
HOME Competition Summary Scoring Report
- Revised -

Grantee	St	Selection Criteria					# 3	Score
		# 1	# 2A	# 2B*	# 2C	# 2D		
ST. PETERSBURG	FL	25	13	10	15	6	0	69
DUPAGE CO CON	IL	22	10	10	15	3	0	60
NEW ORLEANS	LA	1	0	10	15	6	0	32
QUINCY CON	MA	12	5	10	15	9	0	51
MIDDLESEX CO CON	NJ	16	15	10	15	6	0	62
OCEAN CO CON	NJ	14	7	10	15	8	0	54
ALTOONA	PA	21	15	10	15	4	0	65
UTAH	UT	9	11	10	15	4	0	49
BELLINGHAM	WA	23	15	10	15	6	0	69

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 BILLING CODE 4210-29-C

**DEPARTMENT OF HOUSING AND
 URBAN DEVELOPMENT**

[Docket No. FR-4892-N-01]

**OIG Fraud Alert: Bulletin on Detecting
 and Preventing Counterfeiting of
 Housing Authority Checks**

AGENCY: Office of the Inspector General,
 HUD.

ACTION: Notice.

SUMMARY: This **Federal Register** notice provides important information recently issued by HUD's Office of the Inspector General on detecting and preventing counterfeiting of local housing authority checks.

FOR FURTHER INFORMATION CONTACT:

Bryan P. Saddler, Counsel to the Inspector General, Office of Legal Counsel Office of Inspector General, Room 8260, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-4500, telephone (202) 708-1613 (this is not a toll-free number). Persons with hearing

or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

The HUD Office of Inspector General is established by law to provide independent and objective reporting to the Secretary, the Congress, and the American people through its audit and investigative activities. HUD's OIG works to promote the integrity, efficiency and effectiveness of HUD

* _Score for this factor may be reduced based on updates obtained from field offices.

programs and operations to assist the Department in meeting its mission. HUD's OIG is charged specifically with combating waste, fraud, and abuse in the administration of HUD programs and operations.

Consistent with this charge, Section II of this notice presents OIG's recently issued bulletin on detecting and preventing counterfeiting of local housing authority (HA) checks.

II. Fraud Information Bulletin: Detecting and Preventing Counterfeiting of HA Checks Purpose

This Bulletin highlights a recurring problem in the production of counterfeit Housing Authority checks across the country.

Background

OIG's mission is to provide policy direction for HUD and to conduct, supervise, and coordinate audits, investigations, and other activities for the purpose of promoting economy and efficiency in the administration of the programs and operations of HUD and preventing and detecting fraud and abuse in such programs. HUD administers Federal aid to local housing agencies (HAs) that own and operate housing for low-income residents at rents they can afford. During the course of audits and investigations of, and relating to, HAs, OIG has detected numerous bank fraud schemes victimizing HAs across the country. Examples of these schemes follow.

Examples

In Cleveland, OH, fourteen individuals were indicted for conspiracy to defraud local banks, merchants, businesses, and the Cuyahoga Metropolitan Housing Authority (CMHA). These individuals allegedly comprised a loosely connected ring formed to counterfeit payroll and business checks. The ring was led by a felon with a prior uttering conviction. He used "recruiters" who, in turn, would seek out individuals who were willing to provide their identification, and in some cases, their own bank accounts, to deposit counterfeit checks which he made on a personal computer. The felon, the recruiters, and check utterers would then split the proceeds. Counterfeit check amounts ranged from as little as \$300 to more than \$16,000. Six of the defendants were indicted for passing counterfeit checks that displayed either the payroll or Section 8 account numbers of the CMHA. CMHA's loss estimates exceed \$49,500.

In St. Louis, MO, an individual was indicted on two counts of bank fraud for allegedly manufacturing counterfeit

checks drawn on accounts of the City of St. Louis and St. Louis County Housing Authority (SLCHA). The individual engaged in his scheme beginning in October 2002 and continuing until April 2003, and over \$80,000 in fraudulent SLCHA checks were created and uttered in the St. Louis metropolitan area. SLCHA lost over \$28,000 from its Section 8 account.

What Happens

As part of a counterfeiting scheme, bank routing and account numbers of HAs are used to create counterfeit checks. Among other means, counterfeiters obtain the routing and account numbers from: (1) HA employees and vendors who receive payroll checks or other checks from an HA; and (2) HA residents who receive utility or other checks from an HA. Counterfeiters then employ personal computers, commercially available software, and check stock to manufacture bogus checks using the legitimate routing and account numbers. In some cases investigated by OIG, the counterfeit checks were used to buy computer equipment, which in turn was used to manufacture more fictitious checks.

The Problem

Federal funds are at risk, and from an HA's standpoint avoiding victimization can be difficult. First, even tiny HAs have numerous employees and vendors who regularly receive HA checks, and it only takes one such employee or vendor to open an HA to fraud. Second, many HAs issue utility checks directly to residents via the U.S. mail. These residents may participate in a scheme against the HA, or their utility checks could be intercepted from the mail by a third party. Third, check stock and business check software is readily available at local office supplies stores. Fourth, counterfeit checks are usually cashed at local mom/pop stores that don't have check authentication equipment or protocols. Fifth, numerous false identities accompany the counterfeit checks, and local merchants don't necessarily have the will or ability to detect false identifications.

Red Flags

An accounting discrepancy detected by monthly bank reconciliation performed by the HA. A discrepancy in the check stock (e.g., color, design) ordinarily used by the HA. Suspicious endorsements on cancelled checks. Unusual disbursements.

HA Responsibility. What Can Be Done?

Internal Controls

The first step in preventing this type of scheme is for HAs to enhance procedures for preventing and detecting fraud and mismanagement (*i.e.*, to improve internal controls). The most effective internal control concept is separation of duties. An ideal system of internal controls will separate three functions: (1) Authorizing transactions; (2) keeping books; and (3) handling funds. When staff size is too small to permit separation of duties, closer supervision is needed to occasionally check for problems. Other steps that can be taken to improve internal controls include HAs paying for all disbursements by sequentially pre-numbered checks, reconciling accounts receivables to the general ledger on a monthly or more frequent basis, reviewing cancelled checks for suspicious endorsements and unusual disbursements, and requiring timely audits.

External Controls

Positive Pay Agreements. The most effective external control concept is Positive Pay Agreements (a/k/a Check Registries). This form of external control protects the HA from absorbing the loss involved with counterfeit checks if a bank fails to identify a counterfeit check and makes payment. Many banks will enter into a security contract (Positive Pay Agreements) with HAs, whereby the HAs are responsible for submitting electronic registries to the bank indicating checks that have been legitimately drawn of the HA's operating account. Upon receipt of the registry, the bank compares all checks received for payment against the registry. Any check that is not listed on the registry is rejected for payment. The bank makes a copy of the unverified check and forwards it to the HA for appropriate investigation. The bank returns the unpaid check to the original depositor and the HA will not incur a loss on the unverified check. In the event the bank pays a counterfeit check, the HA is not responsible for the amount paid out by the bank. While the registry does not prevent the production of counterfeit HA checks, it does reduce the financial loss to the HA and the Federal Government. Positive Pay Agreements have been an effective tool in the detection and prevention of check fraud. At least one bank fraud scheme that is currently under OIG investigation is the result of a Positive Pay Agreement detection.

Electronic Payment Systems. HAs may also consider converting to an

electronic payment system. By eliminating utility and/or payroll checks HAs will reduce access to routing and account numbers and, thus, the opportunity for counterfeiting. In that regard, conversion to electronic fund transfers for resident utilities and direct deposit of payroll would close off two avenues that OIG investigations have demonstrated allow fraud to occur.

Dated: November 12, 2003.

Kenneth M. Donohue,
Inspector General.

[FR Doc. 03-28667 Filed 11-14-03; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[OR-010-1020-PK; HAG 04-0026]

Meeting Notice for the Southeast Oregon Resource Advisory Council

AGENCY: Bureau of Land Management (BLM), Lakeview District.

SUMMARY: The Southeast Oregon Resource Advisory Council (SEORAC) will hold a meeting for all members from 8 a.m. to 5 p.m. Pacific Time (PT), Monday, December 8, 2003 and 8 a.m. to 2 p.m. (PT) on Tuesday, December 9, 2003 at the BLM, Burns District Office. The meeting is open to the public. Members of the public in the Burns area may attend the meeting in person at the Burns District Office, Conference Room, HC 74-12533, Hwy 20 West, Hines, Oregon 97738.

The meeting topics that may be discussed by the Council include a discussion of issues within Southeast Oregon related to: Welcome new members, Set 2004 meeting dates, Update on National Fire Plan implementation, Healthy Forest Initiative as it relates to Eastern Oregon, Noxious Weeds—update and explanation on national process, Report/Update on Sage Grouse Conservation Plan, Report/Update on Sustainable Working Landscapes, Tour of Burns Wild Horse facility. Update on Steens Mountain Advisory Council activities, Update on Steens/Andrews RMP/EIS, SEORAC Subcommittee meetings and reports, Summary of Rangeland Health Assessment process, Federal Officials' update and other issues that may come before the Council.

Information to be distributed to the Council members is requested in written format 10 days prior to the Council meeting. Public comment is scheduled for 11:15 a.m. to 11:45 a.m. (PT) on Monday, December 8, 2003.

FOR FURTHER INFORMATION CONTACT:

Additional information concerning the SEORAC conference call may be obtained from Pam Talbott, Contact Representative, Lakeview Interagency Office, 1301 South G Street, Lakeview, OR 97630 (541) 947-6107, or ptalbott@or.blm.gov and/or from the following Web site <<http://www.or.blm.gov/SEOR-RAC>>.

Dated: November 10, 2003.

Steven A. Ellis,
District Manager.

[FR Doc. 03-28601 Filed 11-14-03; 8:45 am]

BILLING CODE 4310-33-P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[WY-920-1310-01; WYW154931]

Notice of Proposed Reinstatement of Terminated Oil and Gas Lease WYW154931

AGENCY: Bureau of Land Management; Interior.

ACTION: Notice of proposed reinstatement of terminated oil and gas lease.

SUMMARY: Pursuant to the provisions of 30 U.S.C. 188(d) and (e), and 43 CFR 3108.2-3(a) and (b)(1), a petition for reinstatement of oil and gas lease WYW154931 for lands in Converse, County, Wyoming, was timely filed and was accompanied by all the required rentals accruing from the date of termination.

FOR FURTHER INFORMATION CONTACT:

Bureau of Land Management, Pamela J. Lewis, Chief, Fluid Minerals Adjudication, at (307) 775-6176.

SUPPLEMENTARY INFORMATION: The lessee has agreed to the amended lease terms for rentals and royalties at rates of \$10.00 per acre, or fraction thereof, per year and 16 $\frac{2}{3}$ percent, respectively. The lessee has paid the required \$500 administrative fee and \$166 to reimburse the Department for the cost of this **Federal Register** notice. The lessee has met all the requirements for reinstatement of the lease as set out in section 31 (d) and (e) of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 188), and the Bureau of Land Management is proposing to reinstate lease WYW154931 effective March 1, 2003, subject to the original terms and conditions of the lease and the increased rental and royalty rates cited above.

Dated: September 26, 2003.

Pamela J. Lewis,

Chief, Fluid Minerals Adjudication.

[FR Doc. 03-28640 Filed 11-14-03; 8:45 am]

BILLING CODE 4310-22-P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[NV-952-04-1420-BJ]

Filing of Plats of Survey; Nevada

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice.

SUMMARY: The purpose of this notice is to inform the public and interested State and local government officials of the filing of Plats of Survey in Nevada.

EFFECTIVE DATES: Filing is effective at 10 a.m. on the dates indicated below.

FOR FURTHER INFORMATION CONTACT:

David J. Clark, Acting Chief, Branch of Geographic Sciences, Bureau of Land Management (BLM), Nevada State Office, 1340 Financial Blvd., P.O. Box 12000, Reno, Nevada 89520, (775) 861-6541.

SUPPLEMENTARY INFORMATION:

1. The Plat of Survey of the following described lands was officially filed at the Nevada State Office, Reno, Nevada, on July 11, 2003:

The plat, in three sheets, representing the dependent resurvey of a portion of the west boundary, a portion of the subdivisional lines and a portion of the subdivision-of-section lines of section 20, the further subdivision of section 20, the subdivision of sections 29 and 30, and metes-and-bounds surveys in sections 19, 20, 29, and 30, Township 23 South, Range 62 East, Mount Diablo Meridian, Nevada, under Group No. 809, was accepted July 10, 2003.

This plat was prepared to meet certain administrative needs of the Bureau of Land Management.

2. The Plat of Survey of the following described lands were officially filed at the Nevada State Office, Reno, Nevada, on September 5, 2003:

The plat, representing the dependent resurvey of a portion of the subdivisional lines, the subdivision of section 6, and a metes-and-bounds survey in section 6, Township 18 North, Range 29 East, Mount Diablo Meridian, Nevada, under Group No. 813, was accepted September 4, 2003.

This survey was executed to meet certain administrative needs of the Bureau of Reclamation.

3. The Supplemental Plat of the following described lands was officially