

6. Community Action of Minneapolis recently had two grant contracts with the Department: (1) Low Income Home Energy Assistance Program Grant Contract (“LIHEAP Contract”); and (2) Weatherization Assistance Program Grant Contract (“WAP Contract”). (See John Harvanko Affidavit Exhibits A and B.) Based on numbers from Community Action of Minneapolis’ audit report ending June 30, 2013 (state fiscal year 2013) and based on Financial Status Reports that were submitted in e-Heat during that time period, WAP and EAP programs provided about 70% of Community Action of Minneapolis’ overall revenue. (Exhibit B to Janet Streff Affidavit.)
7. The WAP Contract gave Community Action of Minneapolis \$1,328,037 to provide weatherization assistance by installing conservation measures in low-income homes, thereby reducing the amount spent on utility bills and making the homes healthier and safer. The WAP Contract started on July 1, 2014 and was set to end on June 30, 2015.
8. The WAP Contract gave Community Action of Minneapolis a total of \$1,328,037 through a Notice of Funds Available. An NFA must be in place before any work can be done or cash requested. The 9/15/14 NFA reduced the funds available to \$1,278,847 once the previous fiscal year had closed out and carryover figures were finalized. The Department has paid \$305,000 to Community Action of Minneapolis from July 1, 2014 through September 26, 2014. (Exhibit A to Janet Streff Affidavit.)
9. The Department distributed funds to Community Action of Minneapolis on a reimbursement basis. This means that the Department provided funds to Community Action of Minneapolis as the entity incurred costs and sought reimbursement for those costs from the Department.
10. The Department had fiscal and programmatic oversight over the grant funding that Community Action of Minneapolis received under contract. The entity provided information to the Department on a variety of schedules: Financial Status Reports, Cash Requests, Training Reports, Budgets and Production Schedules, including eHEAT budgets, and the upload of Weatherization Assistant Data.
11. Because the funds are distributed on a reimbursement basis, most of the allocation resides at the U.S. Department of Energy until cash is requested. Community Action of Minneapolis last requested cash in three cash requests on September 19, 2014: \$40,000 for WAP DOE, \$40,000 for EAPWX Carryover, and \$4,500 for WAP State. Whether CAM is still in possession of any of this money is unknown.
12. Community Action of Minneapolis purchased a Chevy Tahoe truck in 2005 for \$32,211 with U.S. Department of Energy funds. The truck or the proceeds from the sale of the truck must be returned to the Department. If the truck is sold, permission must be provided by the Department. Community Action of Minneapolis also has disallowed \$21,607.49 related to installation of weatherization measures from Program Year 2012 through its most recent field monitoring report. Examples of disallowed costs include the use of funds for work that did not follow U.S. Department of Energy protocols and rules, overpaying contractors for attic insulation and incorrect modeling resulting in installing

measures that were not cost effective, and therefore not approved by the U.S. Department of Energy. The Department will not know the full extent of disallowed costs until the final audit is completed and the termination is closed out.

13. I am aware of the audit report issued by the Department of Human Services' internal audits office on August 12, 2014, which analyzed Community Action of Minneapolis' activities and expenditures and found numerous deficiencies and problems. (Exhibit A of Gary L. Johnson Affidavit).
14. I am also familiar with the Department's formal written notice of termination for cause, dated September 26, 2014. (Exhibit C of John Harvanko Affidavit).
15. The Department notified Community Action of Minneapolis of its intent to perform an audit of Community Action of Minneapolis' use of funds in the notice of termination dated September 26, 2014. (Exhibit C of John Harvanko Affidavit).
16. On September 26, 2014, the Department collected documents and client files to assist in client transition to new service providers and to assist in the forthcoming audit.
17. Since the Department sent the termination notice, the Department has worked with a successor agency to ensure weatherization services to low-income clients in Minneapolis are not delayed or dropped.

Further your affiant sayeth not.



JANET STREFF

Subscribed and sworn to before me this
14th day of October, 2014



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