

## RESPONSE STATEMENT FROM SHELTERING ARMS TO MEDIA REPORTS CONCERNING STIMULUS-FUNDED WEATHERIZATION PROGRAM

Recent media reports about the Sheltering Arms weatherization program have focused on five general areas. Much of the coverage has been incomplete or out of context, and we want to set the record straight.

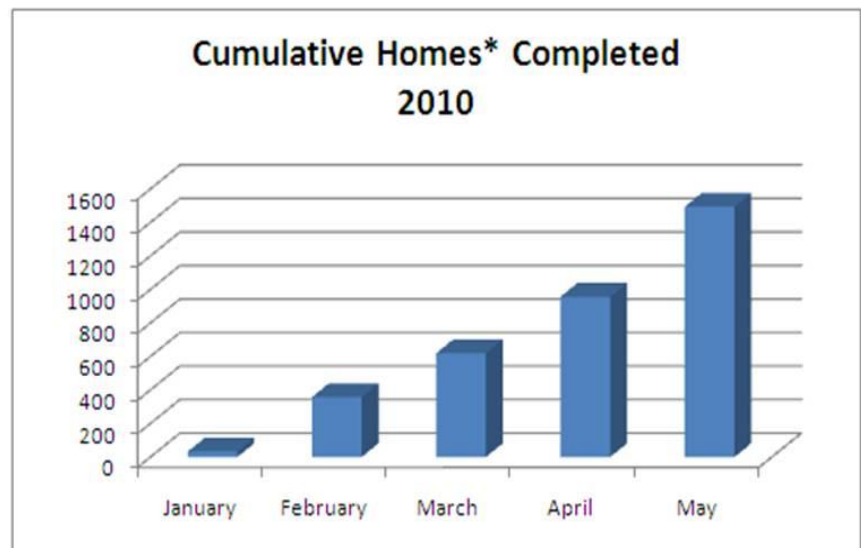
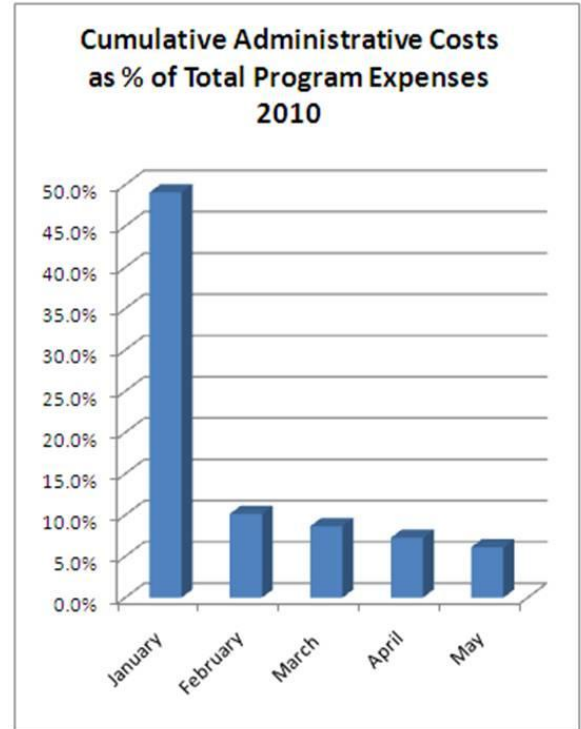
### 1. Capacity and Commitment

For more than 115 years, Sheltering Arms has been providing programs and services to Houston's elderly population. Our excellent track record includes providing quality weatherization services through the Texas Department of Housing and Community Affairs (TDHCA), and other agencies for the past 25 years. We are a mission-based, nonprofit agency and our capacity and commitment to provide services, support and solutions are unmatched and unrivaled.

### 2. Administrative Costs

As Sheltering Arms has emphasized the monitoring report in question is preliminary. It represents only a snapshot in time at the beginning of the program when the bulk of start-up costs typically build up as subcontractors and employees are trained. By the end of the weatherization program, all costs must be in line with government guidelines or we will not be reimbursed. We will meet all obligations for the program on time, in compliance and on budget.

In January, these front-loaded program costs totaled \$133,829 of which \$65,676 were administrative



\*Single and Multi-Unit

expenses representing slightly more than 49% of the budget. As of May 21, our program-to-date administrative expenses had declined to 6.1% of the budget and we are managing the program so that the final number will be at or below the 5% government requirement.

### **3. Workmanship Questions**

We strive to be perfect, but in any construction project, whether building a home or undertaking a major weatherization project, the contractor often will have to go back to make “punch list” repairs. Most of the items requiring repair cited in the TDHCA monitoring report were minor in nature, such as tightening a door latch or caulking around a window or bathtub. Sheltering Arms has completed all punch-list items cited in the report.

Sheltering Arms uses this type of monitoring report to further enhance its training methods. We strongly believe in continuously improving our efficiencies and processes in a commitment to providing superior quality in all aspects of the weatherization program.

### **4. Client names and addresses**

Our clients include the elderly and disabled who are especially vulnerable to fraud. Therefore, it is Sheltering Arms’ longstanding policy not to release the names and addresses of the people we serve. We have offered to check with a number of our weatherization clients to determine if they wish to participate in news interviews, but we will not release names and addresses without our clients’ permission.

The United Way of Greater Houston supports our position of protecting the names and addresses of our clients. TDHCA, the state agency with funding responsibility for the program has access to client names and addresses at any time.

### **5. Oversight**

Agency fiduciary responsibility is managed by the all-volunteer Sheltering Arms Board of Directors. We provide the Board progress and compliance reports on the weatherization program. Further internal monitoring and oversight is directed by the Board/Executive, Finance and Program committees.

Additional oversight of the Sheltering Arms weatherization program involves numerous organizations and governmental bodies, including: the General Accounting Office (GAO), Department of Energy (DOE), TDHCA, and our independent auditor, Blazek & Vetterling - Certified Public Accountants, as required by law.

In addition, each year United Way of Greater Houston reviews the agency audit, agency financial controls, financial status and governance oversight.

As a 501(c)(3) nonprofit agency, Sheltering Arms Senior Services is committed to rigorous stewardship of any funding it is fortunate enough to receive. We are good stewards of weatherization funds just as we are good stewards of grants funding and numerous other sources of financial support we depend upon to fulfill our mission of serving seniors in the Houston area.

## **6. Conclusion**

Sheltering Arms will not stand idly by when our reputation is being questioned. We recognize that federal stimulus funding is highly controversial in a highly charged political environment, and therefore subject to intense scrutiny. Our commitment is to get the job done right, on time, within budget and at no additional cost to taxpayers.

We are proud of our longstanding record of service and will meet our obligations to everyone involved in the weatherization program.

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May 28, 2010