

Management Directive No.:	MC30
Management Directive Name:	Misrepresentation
Date Approved by CEO or Designated Person:	February 2010
Date revision approved by CEO or Designated Person:	December 5, 2018
Related SOP, Management Directive, Board Policy, Forms	

Policy Statement and Rationale:

The KLH Housing Corp. strives to provide residents with safe and affordable accommodations to suit their needs. Residents are housed through the centralized waiting list administered by the City of Kawartha Lakes in accordance with the *Housing Services Act, 2011*.

Misrepresentation occurs when an RGI household intentionally does not disclose the correct income and/or household composition when either requested by the corporation during an annual review or as soon as a change occurs. The responsibility to accurately report this information is detailed in the KLH Housing Corp. lease and its schedules in accordance with the *Housing Services Act, 2011*.

KLH Housing Corp. will not tolerate *intentional* misrepresentation of income or family composition by households in receipt of RGI assistance. All reports of potential misrepresentation shall be investigated to the best ability of the Corporation to determine their validity. If misrepresentation by an RGI household is confirmed the Corporation shall take appropriate action according to this policy.

Communication of Misrepresentation Policy to KLH Housing Corp. Households:

The Corporation shall inform all RGI households of the obligations and remedies under this policy through:

- Verbal explanation of the obligations to report changes in household income and occupancy at the lease signing;
- Written notification in the lease documents;
- Written statements of obligations to report changes in household income or occupancy in annual review letters and forms; and
- Written reminders of obligations in other related correspondence.

Investigation Process:

Reports of Potential Misrepresentation

All reports of potential misrepresentation received by KLH Housing Corp. shall be reported to the Program Supervisor-KLH who shall make the preliminary decision to proceed with an investigation. If the report relates to a market household or if the information has already been received and processed, no further investigation occurs. If the report relates to an RGI household and the information differs from the information contained in that household's file then further investigation will occur.

Sources

Potential misrepresentation can be brought to the attention of the Corporation through many different sources including but not limited to:

- The Annual Income Review Process
- Other tenants
- Anonymous tips
- Staff/tenant discussions
- Staff working with Ontario Works staff, including Eligibility Review Officers

Verification of Information

KLH Housing Corp. staff shall attempt to verify the reported information by making inquiries with the following sources:

- Follow up with the tenant directly, both verbally and in writing
- Employers
- Social assistance caseworkers
- Eligibility Review Officers
- Any other person who has knowledge of the matter

The process for verifying information depends on whether the misrepresentation relates to *unreported occupancy* or *unreported income*.

Unreported Occupancy

The information regarding unreported occupancy is most often communicated to the Corporation by other tenants or an anonymous source. The Program Supervisor-KLH and/or the Tenant Placement Property Management Clerk will attempt to call the

household to discuss the information received, send a letter to the household requesting updated household information or contact the Caseworker if the household is in receipt of Ontario Works or Ontario Disability Support Program. If the household does not respond or there is reasonable doubt the case may be referred by the Program Supervisor-KLH to the Eligibility Review Officer.

If the tenant denies the unreported person(s) and the Corporation has reasonable doubt it shall either

- request an affidavit from that household to confirm the occupancy of that person(s) elsewhere (including a copy of a driver's license and rent receipt to confirm the permanent residence); or
- engage the Eligibility Review Officer

Once the above information has been received and the occupancy elsewhere has been confirmed no further action takes place. Documents provided by the tenant or the ERO are to be placed in the tenants file.

Unreported Income

Unreported household income is often discovered through the Annual Income Review Process. Income verification documents submitted by households occasionally reveal that they have not properly reported changes in their income (e.g., – a member of the household commenced employment at a much earlier date than what was reported to the Corporation). Employment information, including a start date can easily be obtained by contacting the employer. If information regarding unreported income is received from an outside source, the Program Supervisor-KLH and/or the Tenant Placement Property Management Clerk will investigate the report. This would include requesting documents from the household involved or contacting the employer.

Referral to the Eligibility Review Officer

For either unreported occupancy or unreported income, upon completion of the investigation, the Program Supervisor-KLH will make the determination of whether or not a referral for investigation by the Eligibility Review Officer is warranted. The Eligibility Review Officer will gather information and prepare a report summarizing any evidence and recommendations.

Remedies of Intentional Misrepresentation

In accordance with the *Housing Services Act, 2011, Residential Tenancies Act, 2007* and the KLH Housing Corp. lease, the Corporation may take action up to and including removal or reduction of an RGI household's subsidy (increase their rent to maximum or

market rent), and additionally may proceed with an eviction. Actions to be taken will be determined on a case by case basis and consideration will be given to both the severity and impact of the misrepresentation.

Unreported Occupancy

If the tenant agrees or further investigation confirms that another person is living in the unit, the additional person(s) shall be added to the lease in accordance with Policy M.C. 20 – Guest Policy (Additions to an RGI household). The household's eligibility for a subsidy shall be reviewed according to the new information and a retroactive rent amount (if applicable) shall be calculated.

Unreported Income

Remedies of unreported income may include:

- retroactive rents charged to the household;
- an agreement to correct the problem (repayment of amounts owing in full or establish payment plans);
- eviction through the Landlord and Tenant Board
- criminal fraud charges reported to the police

Retroactive Rent Charge

All households that do not report changes in their income or composition within 30 days of the change shall be held responsible for any retroactive rent amount calculated by the Corporation. Retroactive rent is defined as the difference between the rent paid by a household for a period of time and the correct rent based on actual household income or composition.

When calculating retroactive rent for households receiving subsidy the rent is increased on the first day of the second month following the month in which the household income or composition increased. For example if the household's income increased due to employment in January, the increase would take effect March 1st.

The established correct income information and secured appropriate documentation is used to calculate the retroactive rent amount. The household is sent notices and a letter providing details of the retroactive rent calculation and the household's new rent amount.

The tenant will be provided with a decision letter and a Request for Review Form in accordance with the City's policy System for Dealing with Reviews as RGI eligibility and RGI payable are reviewable decisions under the *Housing Services Act, 2011*.

Repayment

The tenant will be given the opportunity to repay the outstanding amount in full or to enter into a repayment agreement with the Corporation.

If the tenant does not pay as arranged, KLH Housing Corp. shall take necessary legal action to evict the tenant through the Landlord and Tenant Board. After the household is evicted, the Corporation shall take all legal action necessary to collect the monies owed. The misrepresentation and the money owed will be reported to the Provincial Arrears Database which is used to assess any future eligibility for social housing across the province.

Landlord and Tenant Board

The Corporation may choose to evict the household if an agreement to repay retroactive rent is not fulfilled or if it is determined that the misrepresentation was intentional. This can be accomplished under the Residential Tenancies Act for non payment of rent or misrepresentation of income in subsidized housing.

Criminal Charges

The Eligibility Review Officer may determine evidence of a fraud. The Program Supervisor-KLH may elect to pursue a Fraud Prosecution. The Eligibility Review Officer will prepare a fraud referral that will be forwarded to the appropriate police department and/or the Crown. The Eligibility Review Officer will prepare the referral and present the case in a court of law.

Request for Review

The tenant will be provided with a decision letter and a Request for Review Form in accordance with the City's policy System for Dealing with Reviews as RGI eligibility and RGI payable are reviewable decisions under the *Housing Services Act, 2011*.

The Manager of Housing will respond to questions concerning this policy.

Revision History:**Proposed Date of Review:** December 2020

Revision	Date	Description of changes	Requested By
v1	February 2010	Initial Release	
v2	March 2012		
v3	Dec 2018	New template format	CEO