



U.S. DEPARTMENT OF ENERGY

Office of Inspector General

DOE-OIG-26-07

January 14, 2026

Additional Actions Would Strengthen Georgia's Internal Controls for Implementing the Home Energy Rebates Programs



INSPECTION REPORT



Department of Energy
Washington, DC 20585

January 14, 2026

MEMORANDUM FOR THE DIRECTOR, OFFICE OF STATE AND COMMUNITY
ENERGY PROGRAMS

SUBJECT: Inspection Report: *Additional Actions Would Strengthen Georgia's Internal Controls
for Implementing the Home Energy Rebates Programs*

The attached report discusses our inspection of Georgia's implementation of the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*. This report contains one recommendation that, if fully implemented, should help ensure that the Georgia Environmental Finance Authority's internal controls are adequate to implement the Home Energy Rebates programs. Management fully concurred with our recommendations.

We conducted this inspection from January 2025 through August 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (December 2020). We appreciated the cooperation and assistance received during this inspection.

A handwritten signature in blue ink, reading "Sarah Nelson", is positioned above the typed name.

Sarah Nelson
Assistant Inspector General
for Management
Performing the Duties of the Inspector General
Office of Inspector General

cc: Deputy Secretary
Chief of Staff

DOE OIG HIGHLIGHTS

Additional Actions Would Strengthen Georgia's Internal Controls for Implementing the Home Energy Rebates Programs

Why We Performed This Inspection

The *Inflation Reduction Act of 2022* allocated \$8.8 billion to the Department of Energy for issuing grants to states, U.S. territories, and Indian Tribes for distribution to the public in the form of home energy rebates. The Department's Office of State and Community Energy Programs is responsible for the oversight and guidance of \$218.8 million in grants awarded to Georgia. The Georgia Environmental Finance Authority (GEFA) administers Georgia's Home Energy Rebates programs.

We initiated this inspection to assess GEFA's internal controls to administer the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*.

What We Found

We determined that not all GEFA's controls were adequate to administer the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*. Specifically, GEFA did not have a written policy for monitoring and assessing contractor and implementer performance for its oversight of two Home Energy Rebates programs. It is crucial that GEFA have a monitoring policy that includes clear objectives, methodologies, and responsibilities for assessing contractor performance. To its credit, and in response to our inquiry, GEFA developed a monitoring policy to address our finding.

A formal monitoring policy will help GEFA identify, assess, and respond to program risks and remediate deficiencies to ensure proper stewardship of taxpayer dollars.

What We Recommend

To address the issue identified in this report, we made one recommendation that, if fully executed, should help ensure that GEFA's internal controls are adequate to implement the Home Energy Rebates programs.

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Background and Objective

The *Inflation Reduction Act of 2022* (IRA) allocated \$8.8 billion to the Department of Energy for issuing grants to states, U.S. territories, and Indian Tribes for distribution to the public in the form of home energy rebates. IRA funding expires on September 30, 2031, and rebates are issued through two distinct Home Energy Rebates programs:

- IRA Section 50121 allocated \$4.3 billion for the Home Owner Managing Energy Savings (HOMES) Program for performance-based, whole-house rebates. Under HOMES, authorized contractors conduct an initial energy evaluation of the property, followed by an energy-efficient installation or upgrade. After a follow-up energy evaluation is conducted of the property, the property owner receives a rebate based on energy savings achieved. The rebate's amount is determined by the property owner's income.
- IRA Section 50122 allocated \$4.5 billion for the High Efficiency Electric Home Rebates (HEEHR) Program, which offers rebates for the purchase and installation of approved appliances and energy upgrades, such as insulation or wiring. The amount of the rebate is determined by the product type and income level of the recipient, similar to the HOMES Program. Rebates are available for both single-family and multifamily properties.

The Department's Office of State and Community Energy Programs awards and oversees the grants to Georgia, and the Georgia Environmental Finance Authority (GEFA) administers Georgia's Home Energy Rebates programs. Georgia received \$109.6 million for HOMES and \$109.2 million for HEEHR. GEFA initially launched the HOMES and HEEHR pilot rebate programs for single-family households in November 2024 but transitioned to full launch at the end of the first quarter of 2025. GEFA launched a limited pilot for select multifamily buildings on May 30, 2025.

GEFA contracted with multiple companies to implement and manage the HOMES and HEEHR programs. Implementing companies are responsible for program design and delivery as well as meeting program goals. They additionally develop and maintain the website for program application creation, processing, and management. GEFA also contracted with other companies for pre- and post-home inspections, marketing services, and processing payments.

As of August 2025, GEFA had issued 110 HOMES rebates totaling \$1,090,000 and 343 HEEHR rebates totaling \$3,070,000 as listed in the table below.

	HOMES	HEEHR	Total
Number of Approved Applications	101	160	261
Total Funds Approved	\$1,300,000	\$1,530,000	\$2,830,000
Number of Paid Applications	110	343	453
Total Funds Paid	\$1,090,000	\$3,070,000	\$4,160,000

GEFA's grant agreement states that the award is subject to requirements contained in Title 2, Code of Federal Regulations, Part 200. According to Section 303, "Internal Controls," the grant recipient "must establish, document, and maintain effective internal control over the Federal award" to ensure all requirements are met. Further, "these internal controls should align with the guidance in *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States or the *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission." These best practices explain the components of internal control and their importance in preventing fraud, waste, and abuse. Further, management must design, implement, and operate the components of internal control together in an integrated manner for an internal control system to be effective.

GEFA's \$218.8 million HOMES and HEEHR programs are in the early stages of implementation, with 6 years remaining to distribute the funds. Therefore, we initiated this inspection to assess GEFA's controls to administer the Home Energy Rebates programs under the IRA.

Results of Review

GEFA ADOPTED CONTROLS BUT ADDITIONAL ACTIONS WOULD HELP SAFEGUARD FUNDS

We determined that not all GEFA's internal controls were adequate to administer the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*. Specifically, GEFA did not have a written policy for monitoring and assessing contractor and implementer performance. A comprehensive monitoring policy, as outlined by best practices, is crucial for ensuring that internal controls remain effective and responsive to changing circumstances. When asked about its monitoring policy, GEFA officials stated they planned to perform invoice reviews, rely on contract terms and conditions as performance measures, and utilize GEFA's internal audit group to complete an annual audit on the rebate programs. However, these activities were not governed by any documented policy.

GEFA is required to establish, document, and maintain effective internal controls. According to best practices, this includes having a monitoring policy with clear objectives, methodologies, and responsibilities for assessing contractor performance. It should also include regular assessments to identify and address any identified deficiencies promptly, ensuring that controls remain relevant and effective despite any contractor performance issues.

To its credit, and in response to our inquiry, GEFA developed and documented a monitoring policy to monitor and assess contractor performance. Its procedures include time-phased monitoring activities that fall into various program elements such as compliance, performance, and corrective actions (e.g., invoice reviews, compilation of escalation reports, completing rebate reviews, and contractor compliance audits).

CONCLUSION

The lack of a documented oversight monitoring policy for contractor and implementer performance increases the risk that: (1) the contractors and implementing company may not comply with program objectives, relevant laws, regulations, and guidance; (2) GEFA may not properly identify, assess, and respond to contractor performance issues; and (3) ineligible recipients could receive rebates. Finally, without well-documented policies and procedures, continuity of operations could be at risk if assigned personnel are unavailable to complete those procedures.

Recommendation

The Department follows Order 224.3A, *Audit Coordination, Resolution, and Follow-up*, to address recommendations made by the Office of Inspector General covering recipients of financial assistance agreements. We discussed this report's finding with management, and it stated it would apply the processes found in Order 224.3A to address our recommendation that the Director, Office of State and Community Energy Programs:

1. Verify that GEFA's monitoring policy aligns with requirements found in 2 Code of Federal Regulations, Part 200.

Management Comments and OIG Response

Management fully concurred with our recommendation and identified responsive corrective actions to address the reported issues. Specifically, the Office of State and Community Energy Programs will ensure GEFA develops a corrective action plan to establish, document, and maintain effective internal controls in alignment with 2 Code of Federal Regulations, Part 200, and will then review the plan and make a management decision on its adequacy, consistent with Order 224.3A.

Additionally, GEFA's comments and proposed corrective actions are responsive to our recommendation. Management's and GEFA's comments are included in Appendix 3.

Objective, Scope, and Methodology

Objective

We conducted this inspection to assess the Georgia Environmental Finance Authority's (GEFA) internal controls to administer the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*.

Scope

The inspection was performed from January 2025 through August 2025 with the Office of State and Community Energy Programs in Washington, DC; and GEFA in Atlanta, Georgia. The scope was limited to the actions taken by GEFA to implement the Home Energy Rebates programs under the *Inflation Reduction Act of 2022*. The inspection was conducted under Office of Inspector General project number S25RL006.

Methodology

To accomplish our audit objective, we:

- Reviewed Federal and Department of Energy regulations, policies, procedures, and guidance;
- Reviewed GEFA policies, procedures, and guidance;
- Interviewed key personnel from the Department's Office of State and Community Energy Programs, GEFA, and GEFA's implementing company and contractor; and
- Evaluated GEFA's Home Owner Managing Savings and High-Efficiency Electric Home Rebate programs for internal control adequacy.

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* (December 2020) as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions.

Management officials waived an exit conference on December 16, 2025.

Prior Report

Office of Inspector General

- Special Report: [*“Using Lessons Learned” From the Pandemic Relief Programs, Which Suffered Substantial Fraud Losses to Protect the \\$4.257 Billion Made Available Under the Inflation Reduction Act’s Home Electrification and Appliance Rebates Program*](#) (DOE-OIG-24-31, September 25, 2024). This special report highlights opportunities identified by the Office of Inspector General that the Department of Energy should take to reduce fraud in the Home Electrification and Appliance Rebates Program authorized by the *Inflation Reduction Act of 2022*. The report identified two areas of concern. First, the Office of State and Community Energy Programs was not using Pandemic Response Accountability Committee best practices to implement an effective fraud prevention program, including collecting basic data, such as social security numbers. Along the same lines, the Office of State and Community Energy Programs was not requiring States to do so. These best practices were recently learned the hard way by Federal agencies that experienced massive fraud during pandemic relief programs. Additionally, the Office of State and Community Energy Programs allows States to rely on Applicant “self-certification” in some circumstances to meet income qualifications.

Management Comments



Department of Energy

Washington, DC 20585

December 04, 2025

MEMORANDUM FOR SARAH NELSON
ASSISTANT INSPECTOR GENERAL FOR MANAGEMENT
OFFICE OF INSPECTOR GENERAL

FROM: MICHAEL LI
PRINCIPAL DEPUTY DIRECTOR LI
DOE OFFICE OF STATE AND COMMUNITY ENERGY
PROGRAMS

SUBJECT: ADDITIONAL ACTIONS WOULD STRENGTHEN
GEORGIA'S INTERNAL CONTROLS FOR IMPLEMENTING
THE HOME ENERGY REBATES PROGRAM (S25RL006)

MICHAEL Digitally signed by
MICHAEL LI
Date: 2025.12.10
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Thank you for the opportunity to review and comment on the subject draft report. The DOE's Office of State and Community Energy Programs (SCEP) appreciates the auditors' audit work and provides the following comments below:

The attachment to this memorandum details actions planned to be taken by SCEP.

If you have any questions regarding this response, please contact myself or Mary Hubbard, Program Manager – Home Energy Rebates Program, SCEP, 202-262-3522.

Enclosure

Enclosure

Management Response
**OIG Draft Report: Additional Actions Would Strengthen Georgia's Internal Controls for
Implementing the Home Energy Rebates Programs (S25RL006)**

Recommendation # 1: The Department follows Order 224.3A, *Audit Coordination, Resolution, and Follow-up*, to address recommendations made by the Office of Inspector General covering recipients of financial assistance agreements. We discussed this report's finding with the Department, and it stated it would apply the processes found in Order 224.3A to address our recommendation that the Director, SCEP:

1. Verify that the GEFA's monitoring policy aligns with requirements found in 2 Code of Federal Regulations, Part 200.

DOE Response: *Concur*

Consistent with the requirements of DOE Order 224.3A, SCEP will ensure that GEFA develops a corrective action plan to establish, document, and maintain effective internal controls aligned with 2 Code of Federal Regulations, Part 200, and address issues identified during the OIG audit. SCEP will review the GEFA developed corrective action plan, and will make a management decision regarding its adequacy.

Estimated Completion Date: July 31, 2026

Georgia Environmental Finance Authority

Brian P. Kemp
Governor

Trey Bennett
Executive Director



December 12, 2025

Mary Hubbard
Program Manager
Home Energy Rebates Program
Office of State and Community Energy Programs (SCEP)
U.S. Department of Energy

Ms. Hubbard:

Thank you for the opportunity for GEFA to review the Draft Inspection Report covering the Home Energy Rebates Programs in Georgia. While we do not object to the findings or recommendations outlined in the Draft Inspection Report, we would like to emphasize that effective monitoring procedures and internal controls have been in place and followed since Georgia's initial program launch in November 2024.

We do recognize the importance of documented policy. As noted in the Draft Inspection Report, GEFA developed a formal monitoring policy that outlines the monitoring processes along with the related timelines and activities specific to Georgia's Home Energy Rebates.

To reinforce our commitment to effective program monitoring, GEFA has been working to update and expand its monitoring policy. The goal of this continuous improvement exercise is to make sure the monitoring policy is comprehensive of all active risk mitigation procedures. In addition, we wanted to make sure that procedures included in the monitoring policy are clear and detailed.

Our next version of the monitoring policy will be finalized by December 31, 2025. GEFA will continue to review monitoring processes and make needed improvements to its monitoring policy throughout the life of the program.

Please reach out to me at kanderson@gefa.ga.gov or 404-584-1031 with any questions.

Sincerely,

Kristofor Anderson
Director of Energy Resources

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Atlanta, GA 30334

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FEEDBACK

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