

**Success of Future
Disaster Response and
Recovery Efforts Depends on
FEMA Addressing Current
Vulnerabilities**





OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

March 3, 2021

MEMORANDUM FOR: Robert J. Fenton Jr.
Senior Official Performing the Duties of the
Administrator
Federal Emergency Management Agency

FROM: Joseph V. Cuffari, Ph.D.
Inspector General

SUBJECT: *Success of Future Disaster Response and Recovery
Efforts Depends on FEMA Addressing Current
Vulnerabilities*

For your information is our final report, *Success of Future Disaster Response and Recovery Efforts Depends on FEMA Addressing Current Vulnerabilities*. This report highlights information and actions the OIG previously reported that the Federal Emergency Management Agency can take to enhance the overall effectiveness of its response and recovery efforts. We incorporated the formal comments provided by your office. This report contains no recommendations and, as such, we consider this review closed.

Consistent with our responsibility under the *Inspector General Act of 1978, as amended*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Thomas Kait, Acting Assistant Inspector General for Audits, at (202) 981-6000.



DHS OIG HIGHLIGHTS

Success of Future Disaster Response and Recovery Efforts Depends on FEMA Addressing Current Vulnerabilities

March 3, 2021

Why We Did This Summary Report

Multiple hurricanes in 2017 exposed weaknesses in Federal, state, and local governments' capabilities to respond to concurrent disasters. We previously published more than two dozen reports resulting in 115 recommendations to improve Federal disaster response. This report provides a summary of our previous findings and recommendations, which may inform future disaster response efforts. FEMA should share this report with its PA grant recipients and subrecipients to promote their awareness and improvement in the systemic areas identified.

Recommendations

This report contains no recommendations.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Based on our prior work, we identified a pattern of internal control vulnerabilities that negatively affect both disaster survivors and disaster program effectiveness. These vulnerabilities may hinder future response efforts by the Federal Emergency Management Agency (FEMA) and its state and local Public Assistance (PA) grant recipients. The following systemic vulnerabilities negatively affected disaster survivors:

- shortcomings in acquisition and contracting controls that hindered prompt provision of supplies and increased the risk of questionable sheltering options for survivors;
- interagency coordination challenges that reduced Federal volunteers' usefulness in affected areas; and
- inadequate staffing and training, as well as insufficient privacy safeguards, increased fraud exposure and risk to survivors' personally identifiable information.

In addition, systemic vulnerabilities reduced disaster program effectiveness because FEMA did not adequately:

- oversee disaster grant recipients and subrecipients, putting millions of Federal dollars at risk of fraud, waste, or abuse;
- manage disaster assistance funds to ensure financial accountability and safeguarding of funds; and
- oversee its information technology (IT) environment to support response and recovery efforts effectively.

As of September 30, 2020, FEMA had not implemented 98 of the 115 recommendations we made, of which 74 of the 98 were issued within 6 months of this date and 8 were unresolved. Swift corrective action will help FEMA better prepare for future disasters and improve the Nation's response and recovery.

FEMA Response

This report contains no recommendations, so we consider the report closed. FEMA provided written comments, which we have included in Appendix A.



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Background

Within 30 days in 2017, three unprecedented, catastrophic hurricanes devastated areas of the United States and its territories, causing significant destruction. On August 25, 2017, Hurricane Harvey made landfall along the Texas coast as a Category 4 hurricane causing disastrous flooding and widespread damage. In some locations, storm-related rainfall exceeded 60 inches with wind speeds of 130 mph, resulting in approximately 200,000 homes damaged or destroyed.

Nearly 2 weeks later, Hurricane Irma devastated the Caribbean region as a Category 5 hurricane before making landfall in Florida as a Category 4 hurricane and moving into Georgia as a tropical storm. Soon after, Hurricane Maria hit the same Caribbean region as a Category 4 hurricane. Maria was the strongest hurricane to make landfall in Puerto Rico since 1928. The hurricane's powerful winds and heavy rainfall damaged communication and power grids, destroyed homes, and downed trees, leaving Puerto Rico's 3.7 million residents without power, communication, and clean drinking water. Figure 1 shows blue tarps the Federal Emergency Management Agency (FEMA) provided for temporary roof repairs after Hurricane Maria's destruction in Puerto Rico. Figure 2 shows storm debris in Harris County, Texas, due to Hurricane Harvey.



Figures 1 and 2. Destruction in Puerto Rico and Texas

Source: Figure 1, [OIG-19-38](#); Figure 2, [OIG-20-27](#)

According to the FEMA *2017 Hurricane Season After-Action Report*, damages from these hurricanes totaled \$265 billion. Additionally, media outlets reported more than 260 individuals lost their lives and more than a million residents were displaced from their homes due to these three disasters.



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Federal Authority, Requirements, and Guidelines

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Stafford Act), as amended, authorizes the Federal Government to provide necessary relief and assistance prior to and during a natural disaster.¹ Following a major Presidential disaster declaration, the Stafford Act authorizes FEMA to provide disaster assistance to state, local, and tribal governments and to certain non-profit organizations.

In accordance with the Code of Federal Regulations (C.F.R.), states, as recipients, are responsible for proper administration of disaster grants.² States must ensure local entities (subrecipients) are aware of and comply with Federal regulations to fulfill applicable requirements and achieve performance goals, such as Federal procurement standards. States are also responsible for monitoring the operations of grant and subgrant supported activities.³

States and local entities must also comply with FEMA-issued guidance. FEMA provides guidance specific to each disaster assistance program and outlines eligibility requirements. In the 2017 disaster season, FEMA used the *Individuals and Households Program Unified Guidance* to administer Individuals and Households Program assistance policy, and the *Public Assistance Program and Policy Guide* governed FEMA's Public Assistance (PA) program.

OIG Reports on Response to the 2017 Hurricane Disasters

Based on prior Office of Inspector General (OIG) oversight work, the 2017 hurricanes exposed a number of weaknesses in Federal, state, and local governments' capabilities to respond to the concurrent, complex incidents. In the wake of these disasters, we published 32 reports that evaluated FEMA's response and recovery efforts and issued 115 recommendations for improvement. (Appendix B provides a breakdown of the 32 reports published.)

This report provides a summary of our prior findings and recommendations, which may inform future disaster response efforts. FEMA should share this report with its PA grant recipients and subrecipients to promote their awareness and improvement in the systemic areas identified.

¹ Pub. L. No. 100-707 (1988); amended the *Disaster Relief Act of 1974*, Pub. L. No. 93-288 (1974).

² 2 C.F.R. § 200.331(d).

³ 2 C.F.R. § 200.328(a).



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Summary of Systemic Internal Control Vulnerabilities

FEMA is responsible for providing services to save lives and protect property, such as debris removal, search and rescue, and providing emergency medical care, shelter, food, and water along with other essential needs. However, a pattern of internal control vulnerabilities exposed by FEMA's 2017 hurricane response, affecting disaster survivors as well as program effectiveness, may hinder FEMA's response efforts in future disasters.

Systemic Internal Control Vulnerabilities Negatively Affected Disaster Survivors

We identified systemic internal control vulnerabilities that negatively affected efforts to assist disaster survivors. Specifically, poor controls over acquisitions and contracting and challenges to interagency coordination hindered FEMA's ability to promptly provide needed supplies to survivors. In addition, inadequate staff and training, as well as insufficient privacy safeguards, reduced FEMA's ability to protect survivors and their personal information from exposure to fraud.

Shortcomings in Acquisition and Contracting Controls

In responding to the multiple 2017 hurricanes, FEMA was hindered by poor controls that resulted in FEMA not properly applying contracting laws, regulations, and its own internal policies and procedures. For example, we determined:

- FEMA's inappropriate awarding of two contracts led to delays in delivering roof tarps and plastic sheeting, which impeded survivors' efforts to protect their homes and prevent further damage; and
- insufficient monitoring of the Transitional Sheltering Assistance (TSA) contract resulted in questionable hotel selections. As shown in Figure 3, a local property was permitted to participate in the TSA program although it did not meet the minimum requirements of a lodging property, e.g., it offered rooms without locking doors, furniture, or individual sanitation facilities. FEMA paid more than \$626,000 for 176 disaster survivors to stay 5,524 nights at this property.



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Figure 3. Available “Rooms” at Hotel Included in TSA Program

Source: [OIG-20-58](#)

Because FEMA did not maximize the use of advance contracts and relied on poor contracting practices, it wasted personnel resources, time, and taxpayer money by issuing, canceling, and reissuing contracts for critical supplies. Due to inadequate contractor oversight, FEMA paid for facilities to shelter disaster survivors that may not have met contract requirements.

We made 12 recommendations to help improve FEMA’s acquisition and contracting processes. However, as of September 30, 2020, FEMA had only implemented 4 of the 12 recommendations (3 of which were unresolved).⁴ (Appendix C contains additional details for these and later recommendations in this report.) Until it takes corrective action to address these systemic issues, FEMA will risk not acquiring critical supplies promptly and not obtaining acceptable sheltering options for disaster survivors in the future.

⁴ A recommendation is considered “open” when an agreed-upon corrective action has not been implemented by FEMA. Open recommendations may be unresolved or resolved. “Open and unresolved” recommendations occur when a management decision has not been received by DHS OIG, or, if received, has not been agreed to by DHS OIG. A recommendation is considered “open and resolved” when FEMA officials and DHS OIG agree on (1) the reported findings and recommendations; (2) the corrective actions to be taken; and (3) target completion dates. A recommendation is considered “closed” if a resolved management decision has been implemented. If FEMA disagrees with a recommendation, we label that recommendation “non-concurred-unresolved.”



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Interagency Coordination Challenges

Interagency coordination challenges led to FEMA being unprepared to deploy Surge Capacity Force (SCF) volunteers rapidly and efficiently to help with disaster response. The challenges also resulted in FEMA not having mechanisms to make other Federal agencies aware of the SCF or procedures to readily identify available volunteers.

For example, FEMA did not have a clear commitment from other Federal agencies to participate in the SCF or a roster of volunteers to deploy to help disaster response. The delay in identifying and designating volunteers had a “domino effect,” resulting in FEMA waiving pre-deployment training requirements for non-FEMA volunteers to allow expedited deployment.

We made four recommendations to help FEMA effectively coordinate with its interagency counterparts to designate volunteers and manage the SCF program. However, as of September 30, 2020, FEMA had not yet implemented any of these recommendations (although the recommendations were resolved). Consequently, if FEMA continues to deploy untrained staff to quickly augment its workforce for future disasters, it will likely experience delays in response and recovery efforts, adversely affecting disaster survivors.

Insufficient Fraud Protection

Staffing shortages and inadequately trained staff, as well as insufficient privacy safeguards, reduced FEMA’s ability to detect fraud and protect survivors’ personally identifiable information. According to FEMA, it obligated about \$14.6 billion for major disasters in 2017, but its fraud prevention unit was understaffed while its caseload increased dramatically. This staffing shortage resulted in a backlog of more than 1,850 fraud cases and complaints. Additionally, despite the mandatory requirement in the *Post-Katrina Emergency Management Reform Act of 2006* and FEMA’s own policy,⁵ most of its employees did not complete FEMA’s annual fraud prevention and awareness training. From April 30, 2017 through May 1, 2018, 18,555 of 19,981 (93 percent) of FEMA employees did not complete the mandatory training. FEMA also did not ensure it only provided required data elements to contractors engaged to aid disaster response, which could have prevented FEMA’s unnecessary release of survivors’ sensitive data to its contractor. This privacy incident placed 2.3 million disaster survivors at an increased risk of identity theft and fraud.⁶

⁵ FEMA added IS.38-18 “Fraud Prevention and Awareness Training” to its Mandatory Training Requirements Matrix, and requires all employees to complete this training on an annual basis.

⁶ A privacy incident is defined as the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, or any similar occurrence when (1) a person other than the



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We made seven recommendations to bolster FEMA's efforts to detect and prevent fraud, four of which remained unimplemented (though all of the recommendations were resolved) as of September 30, 2020. Without corrective actions to adequately staff its fraud unit, train its workforce in fraud prevention and awareness, and a continued commitment to safeguard against the exposure of survivors' personally identifiable information, FEMA will likely continue to struggle to detect and prevent fraud.

Systemic Internal Control Vulnerabilities Reduced Program Effectiveness

FEMA's systemic internal control vulnerabilities reduced program effectiveness. Specifically, FEMA's inadequate oversight of disaster grants and weaknesses in managing disaster funds, as well as its ineffective oversight of information technology (IT) infrastructure hindered its ability to effectively manage its disaster assistance programs.

Inadequate Oversight of Disaster Grants

FEMA experienced challenges overseeing recipients' and subrecipients' management of PA disaster funds related to Hurricanes Harvey, Irma, and Maria. We published 21 reports analyzing and highlighting weaknesses in FEMA's program oversight during the 2017 disaster season. We identified recurring issues of FEMA not always:

- providing consistent and clear guidance to recipients and subrecipients;
- ensuring recipients and subrecipients established and implemented policies, procedures, and practices to expend PA grant funds according to Federal regulations and FEMA guidance; and
- reviewing project expenses in accordance with its policies.

As a result, FEMA risked reimbursing PA subrecipients for unsupported and unallowable activities. Our 81 recommendations to improve FEMA's oversight deficiencies all fell under one of the four following categories. We recommended FEMA:

- review costs or require recipients to review costs and disallow and recover ineligible activities;

authorized user accesses or potentially accesses PII [personally identifiable information], or (2) an authorized user accesses or potentially accesses PII for an unauthorized purpose. The term encompasses both suspected and confirmed incidents involving PII, whether intentional or inadvertent, which raises a reasonable risk of harm. The term "privacy incident" can be used synonymously with the term "breach" (DHS Privacy Policy Instruction 047-01-008, *Privacy Incident Handling Guidance*).



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- provide technical assistance or require recipients to provide technical assistance to ensure subrecipients have adequate internal controls;
- develop and implement clear PA guidance and provide technical assistance or require recipients to provide technical assistance to ensure subrecipients develop and implement policies that adhere to Federal regulations and FEMA guidance; and
- conduct training for recipients on roles and responsibilities and on how to provide technical assistance to subrecipients, and require recipients to conduct training for subrecipients on specific requirements of the PA program, including use of FEMA's Grants Portal Tool.⁷

Of the 81 recommendations made in the prior reviews and audits, as of September 30, 2020, FEMA had not implemented 71 recommendations (one of which remained unresolved), or 88 percent. As FEMA moves forward with its recovery efforts, it must hold recipients accountable for proper grant management and must implement effective controls to overcome existing problems with managing and monitoring funds for disaster response and recovery. Without corrective action to increase accountability and institute effective controls, FEMA will face increased risk of fraud, waste, and abuse of taxpayer dollars in future disasters.

Weaknesses in Managing Disaster Assistance Funds

FEMA did not manage its disaster assistance funds to ensure financial accountability and safeguarding of the funds. For example, in response to Hurricane Harvey, FEMA overestimated the number of manufactured housing units it needed by nearly 2,600, which led to increased costs to purchase, transport, and store the units. These issues occurred because FEMA did not emphasize financial accountability or maintain complete documentation on program costs. FEMA could have put an estimated \$182 million to better use had it properly managed its manufactured housing unit program funds. Figure 4 shows a manufactured housing unit provided by FEMA.

⁷ FEMA's Grants Portal Tool is a web-based, project tracking system used by recipients and subrecipients to develop project worksheets.



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Figure 4. FEMA-provided Manufactured Housing Unit

Source: [OIG-20-15](#)

In its transportation assistance program, FEMA did not adequately document applicants' eligibility for the assistance, potentially overpaid applicants for their damaged vehicles, and did not verify applicants spent disaster assistance funds properly. Due to insufficient safeguarding of transportation assistance funds, FEMA risked improperly spending \$64.6 million.

As of September 30, 2020, FEMA had not implemented any of our seven recommendations (four of which were unresolved) to help improve its control processes. Although FEMA has made some effort to improve oversight of its Individuals and Households Program, without implementation of our recommendations, it will likely experience problems assisting future disaster survivors cost-effectively.

Ineffective Oversight of the Information Technology Environment

FEMA did not implement federally-mandated IT practices essential for effective oversight of its IT environment, thereby impeding response and recovery efforts. The large-scale disasters of 2017 underscored the importance of reliable IT to the mission operations of FEMA's first responders and emergency management personnel. However, FEMA's Chief Information Officer's limited oversight authority and FEMA's decentralized approach of allocating IT funding directly to program offices rather than to support entities such as the Office of the Chief Information Officer, hindered long-term IT budgeting, caused inefficient IT spending, and resulted in inefficient processes that created unnecessary workloads for FEMA personnel. For example:

- FEMA's IT systems do not provide personnel the necessary capability needed to conduct disaster response and recovery activities. FEMA's inability to address longstanding system deficiencies is due to limited IT budget allocations. As a result, FEMA personnel engaged in inefficient,



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time-consuming workarounds, or relied on their personal devices to accomplish urgent tasks. Working in this manner could have caused data errors and exposed FEMA's network and IT infrastructures to security risks while increasing the potential for delayed or duplicative disaster assistance and grants payments.

- FEMA did not have an approved system in place for wireless network access. As a result, IT staff spent several weeks installing more than 80 miles of network cable and wiring approximately 1,200 connections for workstations and other devices following Hurricane Harvey. However, the network configuration was insufficient to support the growing number of disaster surge workforce and other personnel at the Joint Field Office. It also delayed the volunteer onboarding process because mobilization centers responsible for issuing IT equipment did not have adequate guidance on establishing network and systems access for non-DHS personnel.

Figure 5 shows network set-up efforts in Texas.



Figure 5. Joint Field Office Set-Up Following Hurricane Harvey
Source: [OIG-19-58](#)

As of September 30, 2020, FEMA had not yet implemented the four recommendations (though all of the recommendations were resolved) we issued on August 27, 2019. FEMA staff will remain dependent on outdated IT systems, inadequate equipment, and alternative solutions to accomplish future critical disaster response and recovery activities if FEMA does not modernize its IT systems and infrastructure to make those operations more efficient.



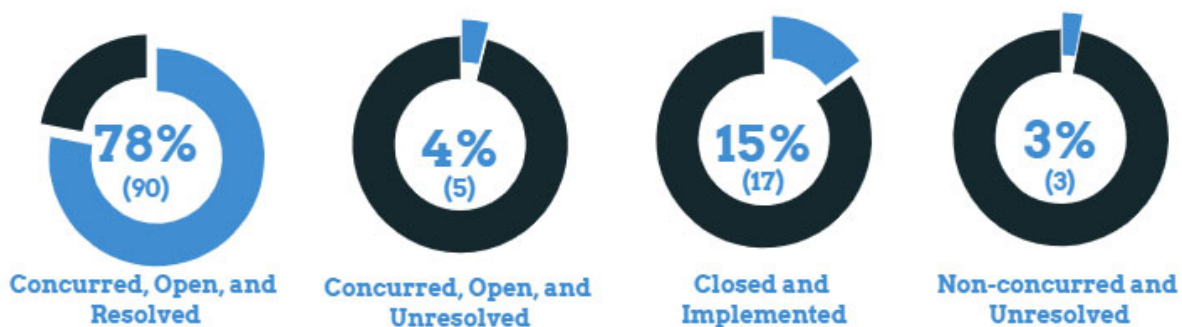
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Addressing the Systemic Vulnerabilities Identified Will Help FEMA Respond More Effectively to Future Disasters

FEMA risks being unprepared to effectively respond to future disasters and faces increased risk of fraud, waste, and abuse of taxpayer dollars. The 32 reports reviewed in this summary report included 115 recommendations that, if implemented, would better prepare FEMA to address future disasters, such as hurricanes and pandemics. However, 98 of the 115 recommendations, or 85 percent, remain open and unimplemented.

Figure 6 shows the status of our recommendations from the 32 reports.⁸ Figure 7 graphs the age of the unimplemented recommendations.

Figure 6. Status of DHS OIG Recommendations Related to the 2017 Hurricane Season, as of September 30, 2020



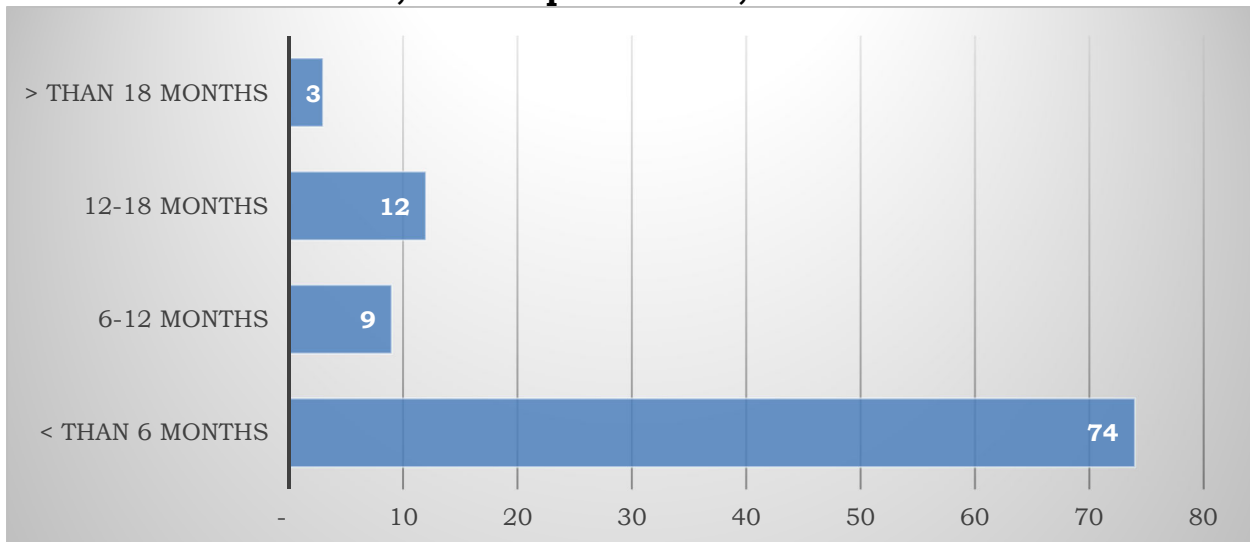
Source: DHS OIG analysis of report recommendations related to the 2017 hurricane season

⁸ A recommendation is considered “open” when an agreed-upon corrective action has not been implemented by FEMA. Open recommendations may be unresolved or resolved. “Open and unresolved” recommendations occur when a management decision has not been received by DHS OIG, or, if received, has not been agreed to by DHS OIG. A recommendation is considered “open and resolved” when FEMA officials and DHS OIG agree on (1) the reported findings and recommendations; (2) the corrective actions to be taken; and (3) target completion dates. A recommendation is considered “closed” if a resolved management decision has been implemented. If FEMA disagrees with a recommendation, we label that recommendation “non-concurred-unresolved.”



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Figure 7. Age of Unimplemented Report Recommendations Related to the 2017 Hurricane Season, as of September 30, 2020



Source: DHS OIG analysis of outstanding report recommendations related to the 2017 hurricane disaster season

Although we recognize that FEMA may have begun to implement our recommendations, we encourage swift corrective action to reduce the likelihood of continued vulnerabilities and deficiencies that could hamper future response and recovery efforts. For instance, poor contracting practices and not putting contracts in place before disasters strike could lead to delays in providing future disaster assistance and increased costs. Further, the current pandemic and hyperactive hurricane season may magnify FEMA’s challenges to provide supplies and adequate shelter for disaster survivors.

Management Comments and DHS OIG Analysis

Although we did not make any new recommendations, FEMA submitted a management response to the draft report. Appendix A contains a copy of FEMA’s response in its entirety. FEMA also provided technical comments and suggested revisions to our report in a separate document. We reviewed the technical comments and made changes to the report where appropriate.

FEMA’s response described the significant impacts the 2017 disaster season had on our Nation and the response it required. FEMA also included actions it has taken to address some of our recommendations and raised concerns about the report’s characterization of the status of some recommendations. A summary of FEMA’s response and our analysis follows.

FEMA Response to the Draft Report: FEMA is concerned that our draft report is misleading in that it notes “as of September 30, 2020, FEMA had not



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implemented 85 percent of the recommendations” we made related to the 2017 hurricane season. Although true, 60 percent of the recommendations highlighted are less than 6 months old, and only 8 of the highlighted recommendations remained unresolved. This means 92 percent of the recommendations referenced in the report are either closed or have a comprehensive action plan we approved that FEMA is in the process of implementing. FEMA plans to meet its obligation to close out these recommendations in a timely fashion and will provide us with periodic updates on its progress.

OIG Analysis: We appreciate and recognize FEMA’s actions to develop comprehensive action plans to address the open recommendations. In an effort to provide a comprehensive summary report useful to FEMA and its stakeholders, we selected September 30, the end of fiscal year 2020, as our reporting date. As FEMA recognized, the information presented as of September 30, 2020, is accurate. To provide accurate context for the data presented, we included Figures 6 and 7, which provide both the status of our recommendations and the age of unimplemented recommendations. In addition, Appendix C provides the status and age of recommendations by report number. Although an audit report is only a snapshot in time, we take great care to present our information accurately and openly, and look forward to future opportunities to report on FEMA’s progress. This report contains no new recommendations, so we consider the report closed.

Objective, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107–296) by amendment to the *Inspector General Act of 1978*.

We conducted this review between December 2019 and October 2020. This report is based on previous reports prepared under generally accepted government auditing standards or *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency. We are issuing this summary report under the *Inspector General Act of 1978*, as amended, Section 2(2), to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, DHS programs and operations.

The objective of the review was to identify systemic issues in FEMA’s disaster preparedness and response activities identified in our reports related to the 2017 hurricane season. We identified systemic internal control vulnerabilities that affect both disaster survivors and program effectiveness. This report discusses these vulnerabilities and the correlating recommendations we



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previously made that, if implemented, would better prepare FEMA to respond to future disasters.

To accomplish our objective, we compiled, reviewed, analyzed, and summarized 32 reports published between September 29, 2017, and August 5, 2020, on FEMA's response to the 2017 hurricane season. (See Appendix B.) We categorized each report's findings by impact area and FEMA vulnerability. We reviewed recommendations and their status as of September 30, 2020. Overall, these reports included 115 recommendations, 98 of which remain unimplemented.

The Office of Audits major contributors to this report are Yesi Starinsky, Director; Doug Campbell, Audit Manager; Lauren Bullis, Auditor; Johnson Joseph, Independent Referencer; Kelly Herberger, Supervisory Communications Analyst; and Thomas Hamlin, Communications Analyst.



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Appendix A
FEMA Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20528



FEMA

December 23, 2020

MEMORANDUM FOR: Joseph V. Cuffari, Ph.D.
Inspector General

FROM: Cynthia Spishak CYNTHIA
Associate Administrator SPISHAK
Office of Policy and Program Analysis

Digitally signed by CYNTHIA
SPISHAK
Date: 2020.12.23 12:57:42
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SUBJECT: Management Response to Draft Report: “Success of Future
Disaster Response and Recovery Efforts Depends on FEMA
Addressing Current Vulnerabilities”
(Project No. 20-014-AUD-FEMA)

Thank you for the opportunity to comment on this draft report. The Federal Emergency Management Agency (FEMA) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

FEMA is appreciative of the OIG’s comprehensive summary of the 2017 hurricane season performance audits. FEMA remains committed to continuous review of its programs, decision-making processes, and responses to ensure that we can improve delivery, minimize errors, and better serve survivors.

The 2017 hurricane season was one of the most significant in U.S. history and presented a true test of the Nation’s ability to respond to and recover from multiple concurrent disasters. The impacts of hurricanes Harvey, Irma, and Maria, in addition to the devastating California wildfires, cannot be overstated – roughly 47 million people (about fifteen percent of the entire U.S. population) were affected by these events. Hurricanes Harvey, Irma, and Maria caused a combined \$265 billion in damages and were individually among the top five costliest hurricanes on record. From August 25, 2017 to November 30, 2017 the President granted 10 Major Disaster declarations and 10 Emergency declarations for communities impacted by these three storms.¹ FEMA moved more than \$2 billion dollars’ worth of commodities while coordinating large deployments of federal personnel, both before and after the storms’ landfalls, to support response and initial recovery efforts across 270,000 square miles. These deployments included more

¹ From 2010-2019, there was an average of 60.7 Major Disaster Declarations and 11.3 Emergency Declarations per year.



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than 17,000 FEMA and federal Surge Capacity Force personnel and nearly 14,000 staff from various offices of the Department of Defense (DoD) operating under DoD's Defense Support of Civil Authorities process.

FEMA understands the importance of timely assistance to disaster survivors, as well as proper document retention and other controls to ensure the agency can achieve its mission of "helping people before, during, and after disasters" in a cost-effective manner. FEMA works diligently to maintain its unwavering focus on promptly providing quality assistance to disaster survivors, while proactively implementing the internal controls needed to identify and mitigate risks, monitor and evaluate performance, and continually improve its programs.

However, FEMA is concerned that OIG's draft report is misleading in that it notes "as of September 30, 2020, FEMA had not implemented 85 percent of the 100 recommendations" made by OIG related to the 2017 hurricane season. While this is true, it is important to recognize that 60 percent of the recommendations highlighted are less than six months old, and that only eight of the highlighted recommendations remain unresolved. This means **92 percent** of the recommendations referenced in the report are either closed or have a comprehensive corrective action plan approved by OIG that FEMA is in the process of implementing. FEMA has every intention of meeting its obligation to close out these recommendations in a timely fashion and providing the OIG periodic updates on progress.

The majority of the recommendations referenced in the report are targeted towards FEMA's oversight of disaster grants. However, as FEMA has previously noted in other management response letters (OIG-18-096 "FEMA Did Not Sufficiently Safeguard Use of Transportation Assistance Funds", e.g), federal laws and regulations, including the Payment Integrity Information Act of 2019 (PIIA),² require FEMA to take steps to identify and recover any disaster funds not used for their intended purpose. FEMA's current procedures ensure that assistance provided is based on verified documentation or on-site inspection. Accordingly, FEMA is complying with applicable federal laws and regulations.

FEMA takes its responsibility as a steward of federal funds seriously. For that reason, FEMA's programs collect documentation and conduct site inspections to validate, quantify, and document reported damage in order to award Public Assistance (PA) grants. When FEMA is made aware of an applicant that has misused funds, FEMA programs follow an established process to recover those funds. FEMA also performs detailed reviews to validate whether costs were reasonable for the type of work performed. If the review finds all or a portion unreasonable, FEMA will generally disallow those as

² PIIA formally revoked the Improper Payments Information Act of 2002, the Improper Payments Elimination and Recovery Act of 2010, and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).



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ineligible costs. Additionally, FEMA-PA continues to develop and update key resources available to PA applicants and recipients, such as training and guidance documents, to ensure that grant funding is properly managed in compliance with federal cost principles and requirements.

With regard to the other recommendations referenced in this draft report, FEMA is proceeding with its various corrective action plans to implement a broad array of positive initiatives. These initiatives include, but are not limited to:

- revising FEMA's Information Technology (IT) portfolio management framework to better address gaps in enforcing centralized IT investment management;
- ensuring that Contracting Officers and Contracting Officer Representatives certify that contractors comply with required initial and annual DHS Privacy Training;
- finalizing and issuing the "Direct Housing Guide;" and
- updating the "Surge Capacity Force Concept of Operations" while expanding the program's performance measurement framework.

The draft report contained no recommendations. FEMA previously submitted technical comments addressing several accuracy and contextual issues under a separate cover for OIG's consideration.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.



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Appendix B
Reports from Audits and Reviews Included in This Summary Report

Table 1. Reports Discussing Impact on Disaster Survivors

Impact Area	Report Number	Report Title and Issue Date	Standards/ Authority
Shortcomings in Acquisition and Contracting Controls	OIG-19-38	<i>FEMA Should Not Have Awarded Two Contracts to Bronze Star LLC (May 2019)</i>	GAGAS
	OIG-20-20	<i>FEMA’s Advance Contract Strategy for Disasters in Puerto Rico (March 2020)</i>	GAGAS
	OIG-20-58	<i>FEMA Did Not Properly Award and Oversee the Transitional Sheltering Assistance Contract (August 2020)</i>	GAGAS
Interagency Coordination Challenges	OIG-20-32	<i>FEMA Needs to Effectively Designate Volunteers and Manage the Surge Capacity Force (May 2020)</i>	GAGAS
Insufficient Fraud Protection	OIG-17-121-MA	<i>Management Alert - Observations and Concerns with FEMA’s Housing Assistance Program Efforts for Hurricane Harvey in Texas (September 2017)</i>	<i>IG Act of 1978, as amended</i>
	OIG-18-30	<i>Management Alert – FEMA Must Take Steps to Stop Those Attempting to Profit from Disaster Survivors Seeking Assistance in Puerto Rico (December 2017)</i>	<i>IG Act of 1978, as amended</i>
	OIG-19-32	<i>Management Alert – FEMA Did Not Safeguard Disaster Survivors’ Sensitive Personally Identifiable Information (March 2019)</i>	<i>IG Act of 1978, as amended</i>
	OIG-19-55	<i>FEMA Must Take Additional Steps to Demonstrate the Importance of Fraud Prevention and Awareness in FEMA Disaster Assistance Programs (July 2019)</i>	GAGAS

Source: DHS OIG analysis



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Table 2. Reports Discussing Impact on Program Effectiveness

Impact Area	Report Number	Report Title and Issue Date	Standards/ Authority
Inadequate Oversight of Disaster Grants	OIG-18-14	<i>Management Alert – Concerns with Potential Duplicate or Ineligible FEMA Public Assistance Funding for Facilities Damaged by Back-to-Back Disasters (November 2017)</i>	<i>IG Act of 1978, as amended</i>
	OIG-18-33	<i>Management Alert – FEMA Faces Significant Challenges Ensuring Recipients Properly Manage Disaster Funds (December 2017)</i>	<i>IG Act of 1978, as amended</i>
	OIG-18-85	<i>Management Alert - Observations of FEMA's Debris Monitoring Efforts for Hurricane Irma (September 2018)</i>	<i>IG Act of 1978, as amended</i>
	OIG-19-37	<i>Additional Controls Needed to Better Manage FEMA's Transitional Sheltering Assistance Program (March 2019)</i>	<i>IG Act of 1978, as amended</i>
	OIG-19-52	<i>FEMA's Eligibility Determination of Puerto Rico Electric Power Authority's Contract with Cobra Acquisitions LLC (July 2019)</i>	GAGAS
	OIG-20-08	<i>Refugio County, Texas, Has Implemented Adequate Procurement Policies, Procedures, and Business Practices to Manage Its FEMA Grant (December 2019)</i>	Modified GAGAS
	OIG-20-12	<i>Aransas County, Texas, Needs Continued Assistance and Monitoring to Ensure Proper Management of Its FEMA Grant (February 2020)</i>	Modified GAGAS
	OIG-20-22	<i>Capacity Audit of FEMA Grant Funds Awarded to the Puerto Rico Department of Housing (March 2020)</i>	GAGAS
	OIG-20-24	<i>Capacity Audit of FEMA Grant Funds Awarded to The Puerto Rico Aqueduct and Sewer Authority (April 2020)</i>	GAGAS
	OIG-20-25	<i>Capacity Audit of FEMA Grant Funds Awarded to the Puerto Rico Department of Transportation and Public Works (April 2020)</i>	GAGAS
	OIG-20-26	<i>Capacity Audit of FEMA Grant Funds Awarded to the Puerto Rico Department of Education (April 2020)</i>	GAGAS



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Impact Area	Report Number	Report Title and Issue Date	Standards/ Authority
Inadequate Oversight of Disaster Grants	OIG-20-27	<i>Harris County, Texas, Needs Continued Assistance and Monitoring to Ensure Proper Management of Its FEMA Grant (April 2020)</i>	Modified GAGAS
	OIG-20-29	<i>Capacity Audit of FEMA Grant Funds Awarded to the U.S. Virgin Islands Housing and Finance Authority (May 2020)</i>	GAGAS
	OIG-20-30	<i>Capacity Audit of FEMA Grant Funds Awarded to the U.S. Virgin Islands Department of Education (May 2020)</i>	GAGAS
	OIG-20-39	<i>Capacity Audit of FEMA Grant Funds Awarded to the USVI Water and Power Authority (June 2020)</i>	GAGAS
	OIG-20-46	<i>Early Warning Audit of FEMA Public Assistance Grants in Collier County, Florida (July 2020)</i>	GAGAS
	OIG-20-48	<i>Early Warning Audit of FEMA Public Assistance Grants to Lee County, Florida (July 2020)</i>	GAGAS
	OIG-20-49	<i>Houston, Texas Has Adequate Policies, Procedures, and Business Practices to Manage Its FEMA Grant (July 2020)</i>	Modified GAGAS
	OIG-20-50	<i>Early Warning Audit of FEMA Public Assistance Grants to Polk County School Board, Florida (July 2020)</i>	GAGAS
	OIG-20-51	<i>Early Warning Audit of FEMA Public Assistance Grants in Monroe County, Florida (July 2020)</i>	GAGAS
	OIG-20-57	<i>FEMA's Public Assistance Grant to PREPA and PREPA's Contracts with Whitefish and Cobra Did Not Fully Comply with Federal Laws and Program Guidelines (July 2020)</i>	GAGAS
Weaknesses in Managing Disaster Assistance Funds	OIG-19-66	<i>FEMA Did Not Sufficiently Safeguard Use of Transportation Assistance Funds (September 2019)</i>	Quality Standards for Inspection and Evaluation
	OIG-20-15	<i>FEMA Purchased More Manufactured Housing Units Than It Needed in Texas After Hurricane Harvey (February 2020)</i>	GAGAS



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Impact Area	Report Number	Report Title and Issue Date	Standards/ Authority
Ineffective Oversight of IT	OIG-19-58	<i>FEMA's Longstanding IT Deficiencies Hindered 2017 Response and Recovery Operations (August 2019)</i>	GAGAS

Source: DHS OIG analysis



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Appendix C
Status of Recommendations Included in this Summary Report⁹

Table 3. Reports Discussing Impact to Disaster Survivors

Impact Area	Report Number	Recommendation Status as of September 30, 2020				Age of Open (Unimplemented) Recommendations
		Open-Resolved	Open-Unresolved	Non-Concur-Unresolved	Closed	
Acquisition and Contracting	OIG-19-38				2	
	OIG-20-20		3		1	6–12 months
	OIG-20-58	5			1	< than 6 months
Interagency Coordination	OIG-20-32	4				< than 6 months
Fraud Protection	OIG-17-121-MA					
	OIG-18-30					
	OIG-19-32				2	
	OIG-19-55	4			1	12–18 months
Total		13	3	0	7	

Source: DHS OIG analysis

Table 4. Reports Discussing Impact to Program Effectiveness

Impact Area	Report Number	Recommendation Status as of September 30, 2020				Age of Open (Unimplemented) Recommendations
		Open-Resolved	Open-Unresolved	Non-Concur-Unresolved	Closed	
Oversight of Disaster Grants	OIG-18-14					
	OIG-18-33					
	OIG-18-85	3				> than 18 months
	OIG-19-37					
	OIG-19-52	1				12–18 months
	OIG-20-08					
	OIG-20-12				2	
	OIG-20-22	2				6–12 months
	OIG-20-24	1			1	< than 6 months
	OIG-20-25	3				< than 6 months
	OIG-20-26	2				< than 6 months
	OIG-20-27	1			2	< than 6 months
	OIG-20-29	5			2	< than 6 months
	OIG-20-30	4			1	< than 6 months
	OIG-20-39	2			1	< than 6 months
OIG-20-46	4				< than 6 months	

⁹ The data depicted in these tables reflect the status as of the end of fiscal year 2020 in the DHS OIG’s Project Tracking System, our system of record for recommendations.



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Impact Area	Report Number	Recommendation Status as of September 30, 2020				Age of Open (Unimplemented) Recommendations
		Open-Resolved	Open-Unresolved	Non-Concur-Unresolved	Closed	
	OIG-20-48	9				< than 6 months
	OIG-20-49					
	OIG-20-50	13				< than 6 months
	OIG-20-51	18				< than 6 months
	OIG-20-57	2		1	1	< than 6 months
Management of Disaster Assistance Funds	OIG-19-66	1		2		12-18 months
	OIG-20-15	2	2			6-12 months
Information Technology	OIG-19-58	4				12-18 months
Total		77	2	3	10	

Source: DHS OIG analysis



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Appendix D
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