

**OFFICE OF INSPECTOR GENERAL**

# **FEMA's Initial Response to Severe Storms and Flooding in Michigan**



Homeland  
Security

**June 17, 2015  
OIG-15-105-D**



# DHS OIG HIGHLIGHTS

## *FEMA's Initial Response to Severe Storms and Flooding in Michigan*

**June 17, 2015**

### **Why We Did This**

On September 25, 2014, the President declared a major disaster for Macomb, Oakland, and Wayne counties, Michigan. Because Wayne County includes the bankrupt and blight-ridden City of Detroit, we deployed an Office of Inspector General (OIG) Emergency Management Oversight Team to the disaster to evaluate FEMA's actions just before and after the declaration. Our visibility and availability to FEMA, State and local officials, and others affected by disasters provides a strong deterrent to potential fraud, waste, and abuse.

### **What We Recommend**

The report contains no recommendations.

#### **For Further Information:**

Contact our Office of Public Affairs at (202) 254-4100, or email us at [DHS-IG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-IG.OfficePublicAffairs@oig.dhs.gov)

### **What We Found**

The Federal Emergency Management Agency (FEMA) responded effectively to the 2014 Michigan storms and flooding. FEMA completed all Preliminary Damage Assessments before the declaration; overcame pressing challenges and resource shortfalls; successfully completed resource ordering; and effectively coordinated its activities with Federal, State, and local partners.

In addition, by deploying to the disaster at the time of the declaration, we proactively provided FEMA and State officials, along with potential Public Assistance applicants, relevant and accurate information on our common audit findings. We particularly addressed accounting, procurement, and contracting findings.

Less than 3 weeks after the disaster declaration, FEMA had registered 69,948 disaster survivors under FEMA's Individuals and Households Program, approved \$61.6 million in individual assistance, completed 89 percent of housing inspections, opened 4 Disaster Recovery Centers, and completed 2 Kickoff meetings.

### **FEMA's Response**

FEMA officials generally agreed with our findings. As this report contains no recommendation, no written response to this report is necessary.



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Department of Homeland Security  
Washington, DC 20528

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June 17, 2015

MEMORANDUM FOR: Andrew Velasquez, III  
Regional Administrator, Region V  
Federal Emergency Management Agency  


FROM: John V. Kelly  
Assistant Inspector General  
Office of Emergency Management Oversight

SUBJECT: *FEMA's Initial Response to Severe Storms and  
Flooding in Michigan*  
Report Number OIG-15-105-D

We audited the Federal Emergency Management Agency's (FEMA) initial response to the severe storms and flooding that occurred August 2014 in Michigan. Our assessment of FEMA's response focuses on FEMA's activities just before and after the major disaster declaration. We inquired into FEMA's most pressing challenges, such as staff resource shortfalls; examined how FEMA made disaster-sourcing decisions; and assessed how well FEMA coordinated its activities with Federal, State, and local partners.

To provide the Department, FEMA, and the Congress information on the effectiveness of FEMA's initial disaster response and recovery activities, we deployed an Emergency Management Oversight Team to proactively evaluate FEMA's actions, and help prevent fraud, waste, and abuse. Traditional audits typically assess an organization's financial and operational activities after they happen. By deploying staff to assess FEMA's disaster response and recovery activities while they happen, we better position ourselves to identify potential problems before they occur. It also improves the quality of the recommendations we make in other reports designed to improve the disaster assistance program's integrity by preventing applicants from misspending disaster assistance.

### **Background**

The State of Michigan experienced historic flooding caused by a low pressure storm system that moved across southeastern Michigan August 11-13, 2014. As a result, portions of Macomb, Oakland, and Wayne counties received 4 to 6 inches of rainfall in less than 4 hours causing flash-flooding and widespread sewage backups in many communities including the City of Detroit.



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On September 25, 2014, the President signed a major disaster declaration, which authorized FEMA to provide Individual Assistance and Public Assistance for Macomb, Oakland, and Wayne counties. The declaration provided 75 percent Federal funding.

**Figure 1: Stranded Motorists after Flooding in DR-4195**



Source: FEMA.

In recent years, Detroit has experienced dwindling population, high unemployment, and falling revenues. These issues led to decaying infrastructure, excessive borrowing, mounting crime rates, spreading blight, and a deteriorating quality of life. Although Detroit officials are working to correct these problems, approximately 78,000 abandoned and blighted structures remain in the city. Also, its equipment, especially its streetlights and its technology infrastructure, and much of its fire and police equipment, is obsolete. Consequently, on July 18, 2013, Detroit filed a petition seeking bankruptcy protection under Chapter 9 of the United States Bankruptcy Code.

In light of the storm damage and the financial risks associated with the abandoned buildings and the city's unresolved bankruptcy, we immediately deployed staff to the Joint Field Office in Warren, Michigan.



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## Results of Audit

FEMA's initial response to the Michigan severe storms and flooding was effective. FEMA completed all Preliminary Damage Assessments before the declaration; overcame challenges and resource shortfalls; successfully completed resource ordering; and effectively coordinated activities with its Federal, State, and local partners. In addition, our Emergency Management Oversight Team provided FEMA and State officials and potential Public Assistance applicants relevant and accurate information on Federal regulations, with an emphasis on procurement and contracting requirements.

Less than 3 weeks after the disaster declaration, FEMA had—

- registered 69,948 disaster survivors under FEMA's Individuals and Households Program,<sup>1</sup>
- approved \$61.6 million in Individual Assistance,
- completed 89 percent of housing inspections,
- opened 4 Disaster Recovery Centers with 2,180 visitors,<sup>2</sup> and
- completed 2 Kickoff meetings.

We deployed to the disaster site to assess FEMA's response, focusing on FEMA's activities just before and after the major disaster declaration. To enhance accountability and transparency for the use of disaster relief funds, we also assisted FEMA by attending meetings to inform State and local officials in affected communities about Federal procurement and accounting requirements that come with accepting disaster assistance from FEMA.

### FEMA's Activities before the Disaster Declaration

FEMA effectively coordinated its activities in Michigan before the President declared the disaster. The President signed the major disaster declaration approximately a month and a half after the flooding occurred. This allowed FEMA time to complete its Preliminary Damage Assessments before the declaration.

### FEMA's Most Pressing Challenges

FEMA's most pressing challenges included protecting its disaster assistance personnel from harm while reaching out to citizens in Detroit's diverse communities. Violent crime posed a significant risk to disaster response personnel. During calendar year 2011, the city reported 136,000 crimes. Of these, 15,245 were violent crimes. In 2012, the city's violent crime rate was five

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<sup>1</sup> FEMA's Individuals and Households Program provides money and services to help survivors pay expenses not covered by insurance.

<sup>2</sup> Disaster Recovery Centers provide individuals information about disaster assistance programs and answer questions related to their specific cases.



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times the national average and the highest of any city with a population in excess of 200,000. Typically, Disaster Survivor Assistance staff canvasses neighborhoods door-to-door to register disaster survivors for eligibility under FEMA’s Individuals and Households Program. However, during this disaster, State officials requested that FEMA not allow its Disaster Survivor Assistance staff to walk the neighborhoods because officials were concerned for their safety.

Lower Michigan has many diverse communities, each with its own language, beliefs, and culture. Consequently, FEMA—in conjunction with the State, local emergency managers, and various community and religious leaders—established Recovery Support Sites at mosques, synagogues, churches, and community centers. FEMA also printed its signs in multiple languages, participated in television and radio interviews, and organized meetings in public forums, often accompanied by interpreters.<sup>3</sup>

FEMA also implemented for the first time the Pop-up Pack “PuP” Pilot Program. FEMA designed the PuP Pilot Program as a modular alternative to traditional Disaster Recovery Centers in significantly damaged areas where permanent structures may not be available.<sup>4</sup> Unique to this disaster, FEMA erected a PuP as a Recovery Support Site in an area where applicants had limited English proficiency and staffed it with individuals fluent in many languages. The Individual Assistance Branch Chief said the PuP Pilot Program was successful because it registered more than 180 individuals for disaster survivor assistance. The Branch Chief added that FEMA leadership plans to continue evaluating the effectiveness of the PuP Pilot Program.

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<sup>3</sup> Recovery Support Sites are open for short periods of time to quickly answer potential applicants’ questions about disaster assistance programs.

<sup>4</sup> The PuP is a steel-frame/steel-faced panel structure with many configurations for set-up. PuPs are compliant with the *Americans with Disabilities Act of 1990*, easily transported and stored, and reusable multiple times. They are also weatherproof structures having heating, cooling, and information technology capabilities.



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**Figure 2: FEMA Erecting a Pop-up Pack “PuP” Recovery Support Site**



Source: FEMA.

By effectively redirecting its Disaster Survivor Assistance staff and establishing Recovery Support Sites, FEMA not only helped ensure their safety, but also registered more than 3,000 disaster survivors at these sites in less than a month.

### **FEMA’s Resource Shortfalls**

FEMA effectively overcame equipment and personnel shortfalls during this disaster. As we have reported after previous deployments to disasters, FEMA’s Logistics, Individual Assistance, and Infrastructure Sections all noted concerns with the FEMA Qualification System, and how some FEMA Reservists were not fully qualified to perform their job assignments.<sup>5</sup>

To address these concerns, one Joint Field Office official interviewed Reservists before their deployment to determine whether they had the training and experience to effectively perform their assigned duties. If a Reservist did not have the necessary skill sets, the official rejected the Reservist and requested a replacement. Other officials said FEMA headquarters advised them to counsel unqualified Reservists when it became apparent they could not adequately perform their assigned FEMA Qualification System position. Overall, Joint Field Office officials felt the issues related to the FEMA Qualification System hindered the disaster recovery process. We have recently started an audit to determine whether the system adequately supports FEMA’s goal of developing a Reservist workforce with the critical skills and competencies required for responding effectively to major disasters.

Joint Field Office officials also expressed concerns because some Reservist computers required lengthy software updates. This occurred because many of the Reservists had not deployed to a disaster in over a year and had not

<sup>5</sup> We have issued three other reports noting issues with FEMA’s Qualification System. See OIG-13-117, issued 09-06-13; OIG-14-111-D, issued 07-01-14; and OIG-14-50-D, issued 03-19-14.



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updated their computers periodically. While FEMA information technology staff updated the software for some Reservists quickly, other Reservists sat idle until FEMA could complete the required updates.

## **FEMA's Disaster Sourcing Decisions**

FEMA effectively managed the modest disaster sourcing decisions needed for this disaster. FEMA addressed the sourcing needs by using (1) mission assignments to other Federal agencies; (2) requisitions for supplies, equipment, services, and personnel; and (3) normal acquisition procedures. Also, the Operations, Logistics, and the Finance and Administration Sections successfully worked together on disaster sourcing decisions.

### Mission Assignments

As of October 15, 2014, FEMA obligated \$163,800 for two mission assignments to other Federal agencies. The mission assignment to the General Services Administration provided the initial rental space for the Joint Field Office; and the mission assignment to the Commission on National and Community Service provided 30 AmeriCorps staff to assist with the “muck-out” of mud from flooded basements.

### Requisitions for Supplies, Equipment, Services, and Personnel

The Logistics and Operations Sections effectively completed requisitions for supplies, equipment, services, and personnel. The Logistics Section also completed resource requests for materials and supplies when available in the Joint Field Office warehouse. Generally, FEMA did not require a written contract if the request was less than \$3,000. However, requests greater than \$3,000 required the Comptroller's approval. The Comptroller approved requisitions digitally using his Personal Identification Verification card—a relatively new innovation for FEMA. This process accelerated FEMA's approval process and eliminated the need to manually circulate paper requests.

### Acquisitions

As of October 14, 2014, FEMA's Administration and Finance Section personnel awarded six contracts totaling \$251,876. They awarded four of the six contracts to local contractors under the Federal Acquisitions Regulations' definition of a local company.

## **FEMA's Coordination with State and Local Officials**

FEMA effectively coordinated with State and local officials during this disaster and timely responded to the State's needs. For example, FEMA shared information with the Small Business Administration, effectively addressed the



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State's need for AmeriCorps staff and other volunteer organizations, and worked with State and local officials and community leaders to establish Disaster Recovery Centers and Recovery Support Sites. Within 24 hours of the State's request, FEMA approved 30 AmeriCorps staff to help "muck-out" basements in disaster-impacted areas, thereby helping reduce additional property damage. FEMA also worked with the State as well as the Small Business Administration and other volunteer organizations to avoid potential duplications of benefits to disaster survivors.

### **OIG's Deployment Activities**

To provide the Department, FEMA, and the Congress information on the effectiveness of FEMA's initial disaster response and recovery activities, we deployed an Emergency Management Oversight Team to proactively evaluate FEMA's actions, and help prevent fraud, waste and abuse. Traditional audits typically assess an organization's financial and operational activities after they happen. By deploying staff to assess FEMA's disaster response and recovery activities while they happen, we better position ourselves to identify potential problems before they occur. We also help educate State and local officials at applicant briefings and kickoff meetings about typical audit findings and the Federal regulations and FEMA guidelines that they need to follow to avoid improperly spending disaster assistance funds. Our involvement also improves the quality of the recommendations we make in other reports because we experienced the unique challenges that exist early in the disaster response and recovery phase. In addition, our visibility and availability to FEMA, State and local officials, and others affected by disasters provide an effective deterrent to potential fraud, waste, and abuse. Finally, Emergency Management Oversight Team deployments provide opportunities to identify problems that may be systemic and require additional research or audit work.

### **Discussion with Agency and Audit Follow-up**

We discussed the results of our audit with FEMA officials during our audit and included their comments in this report, as appropriate. We provided a draft report to FEMA officials and held an exit conference on April 17, 2015. FEMA officials generally agreed with our findings. Because this report contains no recommendations, we consider it closed and require no further actions.

The Office of Emergency Management Oversight major contributors to this report are Christopher Dodd, Director; David B. Fox, Acting Audit Manager; Heather Hubbard, Auditor-in-Charge; and Jamie Hooper, Auditor.

Please call me with any questions at (202) 254-4100, or your staff may contact Christopher Dodd, Director, Central Regional Office - South at (214) 436-5200.



## Appendix A

### Objective, Scope, and Methodology

Our overall audit objective was to determine whether FEMA's response to the Michigan severe storms and flooding was effective and to evaluate FEMA's actions, resources, and authorities according to Federal regulations and FEMA guidelines in effect at the time of our fieldwork. To accomplish our objective, we focused on answering the following questions:

1. What activities did FEMA perform before the major disaster declaration?
2. What were the most pressing challenges FEMA faced in this disaster?
3. What were the most significant resource shortfalls?
4. How did FEMA make disaster-sourcing decisions?
5. How well did FEMA coordinate its activities with State and local officials?

We performed the following procedures to evaluate FEMA's initial response to this disaster (4195-DR-MI):

- Deployed staff to the FEMA Joint Field Office in Warren, Michigan.
- Reviewed all disaster-specific initiatives, plans, and reports.
- Interviewed officials within the FEMA Joint Field Office and the Michigan State Police/Department of Emergency Management and Homeland Security.
- Visited a Disaster Recovery Center at the Renaissance Unity Church in Warren, Michigan.
- Met with Disaster Survivor Assistance staff at a Resource Recovery Site at the Centerline Recreation Center in Centerline, Michigan.
- Met with the FEMA Office of the Chief Security Officer, Fraud and Internal Investigations Division, as well as the OIG's Office of Investigations, to discuss their methods to combat disaster fraud.
- Attended Applicant Briefings led by the State of Michigan for each of the three affected counties (Macomb, Oakland, and Wayne counties).
- Attended FEMA-led Kickoff meetings for the Cities of Inkster, Dearborn Heights, Detroit, Royal Oak, and Southfield, as well as St. John Providence Health System. At these meetings, we ensured applicants received accurate information on Federal procurement and contracting requirements in accordance with 44 Code of Federal Regulations (CFR), Part 13 and 2 CFR, Part 215.<sup>6</sup>

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<sup>6</sup> 44 CFR Part 13 and 2 CFR Part 215 outline administrative requirements for State/local governments and non-profit organizations, respectively. Effective December 26, 2014, the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* "Super Circular" superseded and streamlined requirements under 44 CFR Part 13 and 2 CFR Part 215 as well as their corresponding cost principles.



## **Appendix A (continued)**

- Attended General Command Staff meetings at the Joint Field Office.
- Participated in a FEMA-led Congressional Briefing.
- Visited the damaged areas of Detroit, Michigan.
- Met with FEMA Office of Chief Counsel Joint Field Office staff to discuss procurement procedures and potential issues related to Detroit's filing for bankruptcy protection.

We also performed other procedures considered necessary to accomplish our objective. We did not assess the adequacy of FEMA's internal controls applicable to disaster response because it was not necessary to accomplish our audit objective.

We conducted this audit between October 2014 and February 2015 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective.



## **Appendix B**

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