

FEMA Provided an Effective Response to the Napa, California, Earthquake





DHS OIG HIGHLIGHTS

FEMA Provided an Effective Response to the Napa, California Earthquake

May 13, 2015

Why We Did This

In August 2014, a magnitude 6.0 earthquake struck the northern San Francisco, California, area. Following a major disaster, FEMA officials must take decisive actions responding to the event and initiating recovery efforts. However, FEMA's actions must also protect taxpayer dollars. To assist FEMA in this challenge, we deploy staff to disasters to evaluate FEMA's operations and to help prevent fraud, waste, and abuse of Federal funds.

What We Recommend

We discussed our findings and observations with FEMA, but made no formal recommendations.

For Further Information:

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

What We Found

The Federal Emergency Management Agency (FEMA) responded effectively to the Napa, California, earthquake. FEMA (1) effectively coordinated activities in the heaviest affected communities before the September 11, 2014, declaration; (2) successfully executed the National Response Plan's *Incident Action Planning Guide* to overcome or mitigate operational challenges; and (3) effectively coordinated resources with Federal, California, and local partners while using methods to save costs in several areas. FEMA realized savings because it avoided paying for office space and other operational costs that generally total more than a million dollars for disasters similar in size as the 2014 Napa California earthquake. By February 4, 2015, FEMA had obligated \$3.4 million for the Public Assistance Grant Program and more than \$10.9 million for the Individual Assistance Program.

In addition, 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 funds.

FEMA's Response

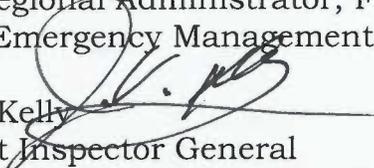
FEMA officials agreed with our findings and observations. Because we are making no recommendations, we consider this report closed.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

MAY 13 2015

MEMORANDUM FOR: Karen Armes
Acting Regional Administrator, FEMA Region IX
Federal Emergency Management Agency

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

SUBJECT: *FEMA Provided an Effective Response
to the Napa, California, Earthquake*
Audit Report Number OIG-15-92-D

We audited the Federal Emergency Management Agency's (FEMA) initial response to an earthquake that occurred August 2014, in Napa, California. Following any major disaster, FEMA officials must take decisive actions providing essential government resources in response to the event and initiating recovery efforts. Each disaster presents unique challenges requiring FEMA to both adhere to Federal law yet be flexible enough to solve critical problems. FEMA risks making mistakes or poor decisions in this environment that could cost millions and affect the recovery efforts for years.

To enhance accountability and transparency for the use of disaster relief funds, we deployed to the disaster site to assess independently FEMA's response, focusing on FEMA's activities just before and after the major disaster declaration. 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.

Background

On August 24, 2014, a magnitude 6.0 earthquake, as measured on the Richter magnitude scale, struck the northern San Francisco, California, area. It was the largest earthquake to affect the area in nearly 25 years. The southern Napa region received the most seismic activity; and the surrounding communities of Napa, Solano, and Sonoma counties suffered the most significant damages. For days following the earthquake, the area continued to experience aftershocks of



1 to 4 magnitudes.¹ The disaster damaged 1,988 structures, and destroyed 18 structures. More than 280 people sustained injuries.

The President signed a major disaster declaration (DR-4193-CA) on September 11, 2014, to provide California and local recovery efforts in the affected Napa and Solano counties during the incident period of August 24, to September 7, 2014. The declaration authorized Federal assistance for Public Assistance in the designated areas and Hazard Mitigation throughout California. On October 27, 2014, the declaration expanded to include the Individual Assistance Program.

Results of Audit

FEMA responded effectively to the Napa, California, earthquake. In evaluating FEMA's response to this disaster, 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?

FEMA did not face significant challenges in most of these areas because this was a small disaster relative to most. In addition, the California Governor's Office of Emergency Services (California) was almost 3 weeks into its response before the President declared the earthquake a Federal disaster. However, FEMA effectively coordinated activities in the heaviest affected communities before the September 11, 2014, declaration. Subsequently, FEMA successfully executed the National Response Plan's Incident Action Planning Guide to overcome or mitigate operational challenges. According to FEMA officials, they did not have any significant resource shortfalls during the disaster response and, therefore, did not have to make any significant disaster-sourcing decisions. By February 4, 2015, FEMA had obligated \$3.4 million for the Public Assistance Grant Program and more than \$10.9 million for the Individual Assistance Program.

Finally, FEMA effectively coordinated resources with Federal, California, and local partners and saved costs in several areas. FEMA officials explained that by co-locating response operations, FEMA realized savings because it avoided

¹ "Aftershocks" are smaller earthquakes that occur afterwards in the same place as the mainshock (earthquake). Depending on the size of the mainshock, aftershocks can continue for weeks, months, and even years after the mainshock.



paying for office space and other operational costs that generally total more than a million dollars for similarly sized disasters. While we did not independently verify FEMA's estimate, we did review the assumptions FEMA made and they seemed reasonable.

We deployed to the disaster site to assess FEMA's response. We addressed 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 attended 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 Proactively Prepared for the Major Disaster Declaration

FEMA effectively coordinated activities in the heaviest affected communities including Napa, Solano, and Sonoma counties before the President's major disaster declaration. As early as August 27, 2014, FEMA and California jointly conducted preliminary damage assessments to determine the extent and impact of the earthquake. FEMA and California early deployment teams visited local applicants to view and assess the scope of damages first-hand, and to estimate repair costs. FEMA followed the necessary steps in the declaration process and applied the results of these estimates to certify that the situation exceeded the combined capability of California and local resources. FEMA also validated California's Public Assistance request for Napa and Solano counties. During preliminary damage assessments, FEMA determined that eligible earthquake costs exceeded \$87 million for emergency response measures and repairs to roads, bridges, public buildings, and public utilities.

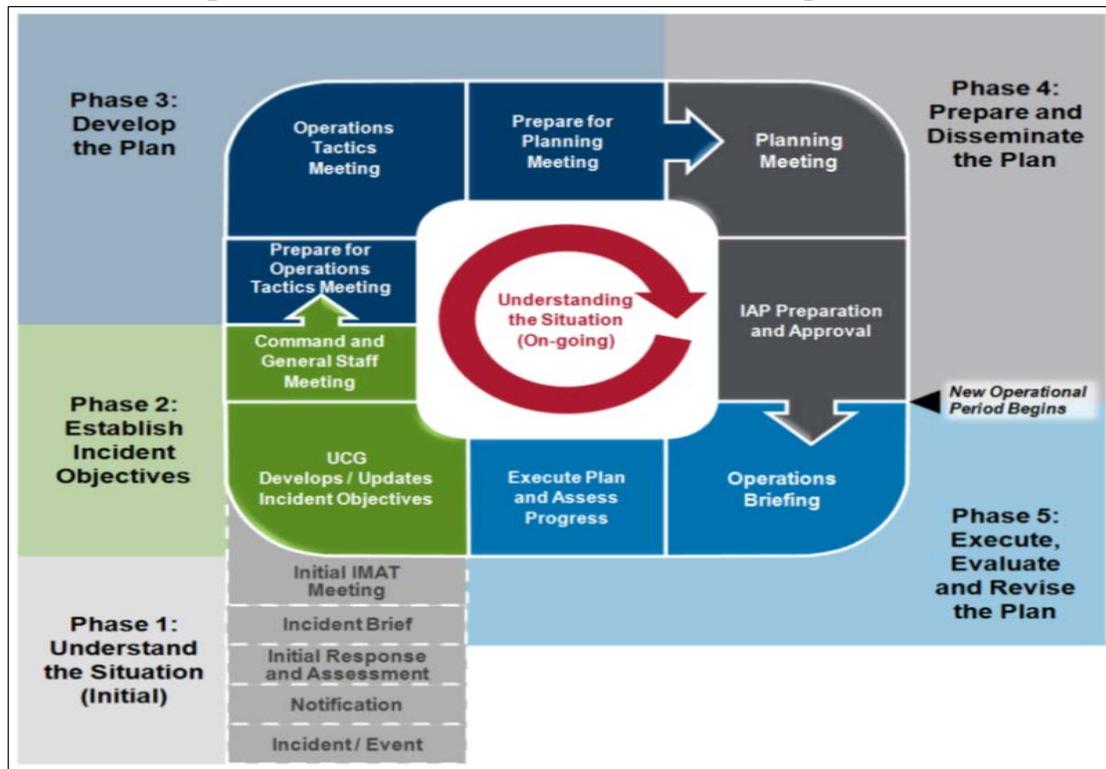
Further, FEMA concluded that the per capita impact to Napa and Solano counties exceeded \$598 and \$11 respectively, both more than the Federal \$3.50 per capita threshold required for Federal assistance.

FEMA Did Not Incur Operational Challenges

FEMA effectively executed the National Response Plan's *Incident Action Planning Guide* responding to the Napa earthquake. The Guide explains the action planning process and how to implement it during disaster incidents. The plan also defines the specific roles and responsibilities of the various participants, and establishes standards for incident action planning (see figure 1).



Figure 1: The Incident Action Planning Process



Source: FEMA's *Incident Action Planning Guide*, January 2012

The Federal Coordinating Officer said that, by closely following the guide, FEMA did not experience any significant or material disaster related challenges during this event. For instance, FEMA used the guide to continuously refine incident objectives, plan for contingencies, and overcome or mitigate challenges, including problems with the new travel system. The State Coordinating Officer confirmed the Federal Coordinating Officer's assessment.

Establishing Incident Objectives

During the initial response phase of the disaster, FEMA established incident objectives to mitigate potential challenges while implementing the Public Assistance Program. Some of the challenges FEMA may face during recovery include:

- *Documenting earthquake related damages and dimensions to formulate project worksheets.* During the initial recovery period, the U.S. Geological Survey reported tectonic plate slippage in the fault related to the earthquake area, and FEMA found evidence of this slippage after performing temporary repairs. Subsequently, Public Assistance Specialists found it difficult to prepare project worksheets due to



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earthquake aftershocks that continued months after the declaration—as a result, these Specialists could not accurately calculate and map the scope of work for projects with the changing conditions. FEMA believes that evidence of slippage has and will affect the formulation of the project worksheets, as FEMA will need to address the impact of the slippage on required building codes and standards. Consequently, both FEMA and California acknowledged that, during project repairs, hidden damages might exist that FEMA did not include in the original damage description on some of the project worksheets.

- *Acquiring subject matter experts in disaster recovery areas such as evaluation of earthquake insurance, biology/endangered species, environmental planning, archaeology, and flood plain management.* For instance, FEMA and California officials determined that subject matter experts would be needed to analyze alterations to floodplain mapping due to continuous slippage of fault lines.
- *Addressing the significant number of historical facilities damaged by the disaster event.* FEMA determined that many of the damaged facilities were listed on the historical registry.² To ensure proper protection of these facilities, FEMA closely followed its Historic Review Standard Operating Procedures, which provide guidance for integrating historic preservation compliance into the Public Assistance Program
- *Lack of knowledge from earthquake-related events due to the rarity, complexity, and uniqueness of such events.* Northern California’s last major earthquake occurred almost 25 years ago—the 1989 Loma Prieta 6.9 magnitude earthquake—costing an estimated \$10 billion in damages and economic loss. FEMA recognized the challenge that the lack of earthquake experience presented. FEMA mitigated the challenge by coordinating efforts with California to identify past building improvements and assessed how they withstood the latest earthquake. Additionally, to ensure that applicants were well informed, FEMA and California officials met with applicants to both educate them and keep them abreast of the most current disaster recovery information.

Contingency Planning

As FEMA officials effectively responded to the disaster, they also worked on a contingency plan in case the disaster declaration expanded to include the Individual Assistance Program. When FEMA Headquarters determined the

² “Historical registry” refers to the California Register of Historical Resources (California Register) which provides public recognition and protection of buildings, sites, structures, objects and districts with architectural, historical, archeological and cultural significance.



program eligible for this disaster on October 27, 2014, FEMA quickly applied the contingency plan. Within 2 days, FEMA had established a fully operational Local Assistance Center/Disaster Recovery Center in Napa County, and a Disaster Recovery Center in Solano County on the following day.

New Travel Management System

FEMA officials told us that one significant challenge they experienced during this disaster response was using the new travel management system, ConCur. Within the past year, FEMA implemented this travel system and provided training to its staff; however, many FEMA personnel expressed frustrations and concerns with using the new system in this disaster. FEMA officials employed two ConCur trainers to assist personnel in processing their travel authorizations and vouchers. FEMA officials understand that all new systems take time to implement and are hopeful that improvements to the travel system will lessen the problems they encountered.

FEMA Did Not Have Significant Resource Shortfalls or Require Significant Disaster-Sourcing Decisions

According to FEMA and California officials, the Napa earthquake did not have significant resource shortfalls during the disaster response phase. They said that FEMA had sufficient trained personnel, operating plans and procedures in place, and equipment and systems. As a result, FEMA did not need to make significant disaster-sourcing decisions. FEMA and California provided all the resources they needed through normal channels without the need to employ mission assignments to other Federal agencies.

FEMA Coordinated Effectively with Federal, California, and Local Partners

FEMA effectively coordinated resources with other Federal, California, and local partners and took actions to avoid cost in several instances. FEMA officials said that, in responding to disasters, they strive to minimize their footprint. Measures FEMA implemented to minimize costs and footprint, included:

- Co-locating Joint Field Office operations within California emergency management facilities at no cost to FEMA.³ FEMA officials said that this effort enabled them to realize savings by avoiding additional

³ The Joint Field Office supports the initial establishment of a unified command and provides situational awareness for Federal and California decision makers crucial to determining the level and type of immediate Federal support required. Representatives from both agencies synchronized their efforts to support operations.



administrative expenses for rent, communications, and utilities. While we did not independently verify FEMA's estimate, we did review the assumptions FEMA made and they seemed reasonable.

- Coordinating a License and Use agreement for the Veteran's Administration facility near Napa to open a Public Assistance field office. By using this facility, FEMA provided the service needed and only incurred minimal costs for utilities.
- Using local resources already in place at its Regional office in Oakland, California. This effort saved the unnecessary cost of deploying an entire Incident Management Assistance Team to the disaster site. Instead, FEMA opted to deploy only those Incident Management Assistance Team members that local resources could not fill.⁴
- Following the Directive for FEMA Reservist Program to acquire personnel through the Automated Deployment Database system. FEMA established personnel resource requirements, first factoring in assets already assigned, and then selected reservists to fill the gaps. According to the Deputy Federal Coordinating Officer, reservists cost FEMA approximately \$1,800 per day per person. To save costs, FEMA used available employees before using reservists.

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 to 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

⁴ Initial Management Assistance Teams are full-time, rapid-response teams with dedicated staff able to deploy within 2 hours and arrive at an incident within 12 hours to support the local incident commander.



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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 Management 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 also provided a draft report to FEMA officials on January 23, 2015, and discussed it with them at an exit conference on February 11, 2015. FEMA officials agreed with our findings and observations. Because we are making no recommendations, we consider this report closed.

Major contributors to this report are Humberto Melara, Director; Louis Ochoa, Audit Manager; and Renee Gradin, Auditor-in-Charge.

Please call me with any questions at (202) 254-4100, or your staff may contact Humberto Melara, Director, Western Regional Office, at (510) 637-1463.



Appendix A

Objective, Scope, and Methodology

We conducted this performance audit between September 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. We conducted this audit by applying the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.

The overall objective of this audit was to determine whether FEMA's initial response to the Napa, California, earthquake 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. Our sub-objectives for this audit were to determine: (1) the major activities FEMA performed initially in response to the disaster declaration, (2) the most significant challenges FEMA overcame (or mitigated) throughout the course of the initial response and recovery effort, (3) FEMA's disaster-related sourcing activities, and (4) FEMA's coordination with Federal, State, and local partners. The audit covered FEMA's response activities for Disaster Number 4193-DR-CA for the period September 2014 through February 2015.

To accomplish our objective, we deployed to the disaster sites within 2 weeks of the major disaster declaration. We co-located at the Joint Field Office in Mather, California with FEMA and State officials, and based our operations at that office as practicable.

We interviewed officials within FEMA Senior Leadership (Federal Coordinating Officer, Deputy Federal Coordinating Officer), FEMA Section Leadership (Operations, Logistics, and Finance and Administration), and State of California Office of Emergency Services.

We conducted fieldwork activities at the Joint Field Office; the State of California Emergency Operations Center; applicant briefing for all potential applicants (Napa); and kick-off meetings (California Highway Patrol, City of Napa).



Appendix A (Continued)

We reviewed FEMA reports, including the Initial Action Plans, Situation Reports, Common Operating Pictures, Disaster Executive Summaries, Fact Sheets, and private sector news.

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.



Appendix B

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