

FEMA's Initial Response to the 2015 Texas Spring Severe Storms and Flooding





DHS OIG HIGHLIGHTS

FEMA's Initial Response to the 2015 Texas Spring Severe Storms and Flooding

May 9, 2016

Why We Did This Audit

On May 29, 2015, the President declared a major disaster in Texas for severe weather, tornadoes, and flooding. We deployed to the disaster to evaluate the Federal Emergency Management Agency's (FEMA) actions just before and after the declaration. Our visibility and availability to FEMA, State and local officials, and others affected by disasters provide a strong deterrent to potential fraud, waste, and abuse.

What We Recommend

This report contains no recommendations. We will address systemic Joint Field Office leasing issues in a separate report.

For Further Information:

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

What We Found

FEMA's response to the severe storms and floods in Texas appeared effective. FEMA faced several significant challenges and resource shortages which include disaster reservist equipment shortage; availability and training; and timeliness of leasing the Joint Field Office. FEMA coordinated with State, local and other Federal agencies to provide disaster services.

By December 15, 2015, FEMA—

- obligated \$197 million dollars, including more than \$66 million in Individual Assistance and approximately \$37 million for Public Assistance programs;
- completed 29,036 housing inspections, 110 applicant briefings, and 394 kickoff meetings; and
- opened 53 centers throughout the State to assist disaster survivors.

In addition, by planning and deploying to the disaster within 9 days of the declaration, we proactively provided FEMA and State officials, along with potential Public Assistance applicants, relevant and accurate information on Federal regulations and our frequent audit findings. In coordination with our Office of Investigations, we also briefed local government officials and individual homeowners on the risks of contractor fraud related to debris removal and emergency services.

FEMA Response

DHS Office of Inspector General auditors and FEMA Region VI officials worked together to reconcile our audit results. This report contains no recommendations; therefore, we do not require a written response from FEMA.



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Department of Homeland Security

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

05-09-2016

MEMORANDUM FOR: George A. Robinson
Regional Administrator, Region VI
Federal Emergency Management Agency


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

SUBJECT: FEMA's Initial Response to the 2015 Texas Spring
Severe Storms and Flooding
Audit Report Number OIG-16-85-D

We audited the Federal Emergency Management Agency's (FEMA) initial response to severe storms and flooding in Texas. 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. These challenges, if not met successfully, could expose FEMA to financial, programmatic, and internal controls risks costing millions of dollars and affecting recovery efforts for years.

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 assist FEMA to educate State and local officials about the Federal regulations and FEMA guidelines that they should follow.

We identified a systemic challenge with the timeliness of FEMA in establishing a Joint Field Office. This challenge is not specific to this disaster. We will address our concerns in a separate report addressed to the Associate Administrator for Response and Recovery.



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Background

On May 29, 2015, the President approved a major disaster declaration for severe weather, tornadoes, and flooding that occurred in Texas. These severe storms ended a 13-year drought in Texas. The rains that began on May 4, 2015, brought most rivers and lakes to major flood stage. During May alone, 30 tornadoes occurred, more than 37 trillion gallons of rain fell, and at least 23 lives were lost. An example of the disaster impact occurred when the Blanco River crested at 43 feet above flood stage. It flowed at a rate of 223,000 cubic feet per second—2.5 times the flow of Niagara Falls. Figure 1 shows bridge damage from the Blanco River surge.

As weather events continued, FEMA amended the declaration 12 times. The final declaration included a 50-day incident period.¹ FEMA provided Individual Assistance² to 47 counties, Public Assistance³ in 110 counties, and Hazard Mitigation to all 254 counties in the State.

¹ The incident period was from May 4, 2015, through June 22, 2015.

² The Individual Assistance program is short for the Individual and Household Program. The Federal Emergency Management Agency's Individual and Household Program provides financial help or direct services to those who have necessary expense and serious needs if they are unable to meet the needs through other means. The program includes the following form of assistance: Housing Assistance (including Temporary Housing, Repair, Replacement, and Semi-permanent or Permanent Housing Construction) and Other Needs Assistance (including personal property and other items).

³ The mission of the Federal Emergency Management Agency's Public Assistance (PA) Grant Program is to provide assistance to State, Tribal, and local governments, and certain types of private nonprofit organizations so that communities can quickly respond to and recover from major disaster or emergencies declared by the President.



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Figure 1: Bridge Collapse on Blanco River



Source: FEMA

Office of Inspector General's (OIG) Deployment Activities

By planning and deploying to the disaster within 9 days of the declaration, we proactively provided FEMA and State officials, along with potential Public Assistance applicants, relevant and accurate information on Federal regulations and our frequent audit findings. Traditional audits assess an organization's financial and operational activities after they happen. Our efforts to deploy staff that assesses FEMA's disaster response and recovery activities as they happen better position us to identify potential problems before they occur. 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.

Results of Audit

FEMA's disaster response to the severe storms and flooding in Texas appeared effective. The long incident period and the geographically large disaster area presented challenges in responding to this disaster. FEMA faced and overcame these and other challenges including resource shortages. FEMA also coordinated



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with State and local entities and other Federal agencies to provide disaster services.

By December 15, 2015, FEMA received over 35,000 Individual Assistance registrations and obligated more than \$197 million, including more than \$66 million for Individual Assistance and approximately \$37 million for Public Assistance programs. FEMA also completed 29,036 housing inspections, 110 applicant briefings, and 394 kickoff meetings; issued 11 mission assignments to other Federal agencies; and opened 53 centers throughout the State to assist disaster survivors. In addition, the Small Business Administration, as outlined in the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*⁴ and the *Small Business Act*,⁵ approved over 1,850 Disaster Home and Personal Property loans, totaling more than \$76 million.

FEMA's Pre-disaster Declaration Activities

On May 11, 2015, the State of Texas issued a State of Emergency for the severe storms that occurred. On May 12, 2015, FEMA Region VI sent an Incident Management Assistance Team to Austin, Texas, to assist the State of Texas, Department of Public Safety, and Division of Emergency Management by providing incident management assistance and programmatic services. After additional severe storms occurred in Texas, the President issued a major disaster declaration on May 29, 2015. Since FEMA worked closely with Texas with the deployment of the Region VI Incident Management Assistance Team, we concluded that FEMA had an opportunity to better plan for the Presidential Disaster Declaration.

FEMA's Major Challenges

The geographic size, scope, and complexity of the disaster challenged FEMA's response. The incident period began on May 4, 2015, and continued until June 22, 2015. It included 30 tornadoes and widespread flooding. FEMA and Texas collaborated and developed an operational strategy to manage the size and scope of this disaster. The strategy included operating from a centralized Joint Field Office in Austin, four mobile branch units, and two operational branches in Denton and Houston.

As of December 15, 2015, FEMA and Texas completed 110 applicant briefings and 394 kickoff meetings, received 394 eligible Requests for Public Assistance, and prepared project worksheets for 2,127 planned Public Assistance projects with

⁴ 42 U.S.C. 5174

⁵ 15 U.S.C. 636(b), (d), and (f); and 15 U.S.C. 657(n)



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estimated Federal cost share of more than \$142 million.⁶ Figure 2 illustrates the widespread geographical scope of this disaster. Approximately, 104,000 square miles were declared for DR-4223. This disaster area is about 14,000 miles smaller than FEMA regions 1 and 2 combined—which include Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Puerto Rico, U.S. Virgin Islands, and New Jersey.

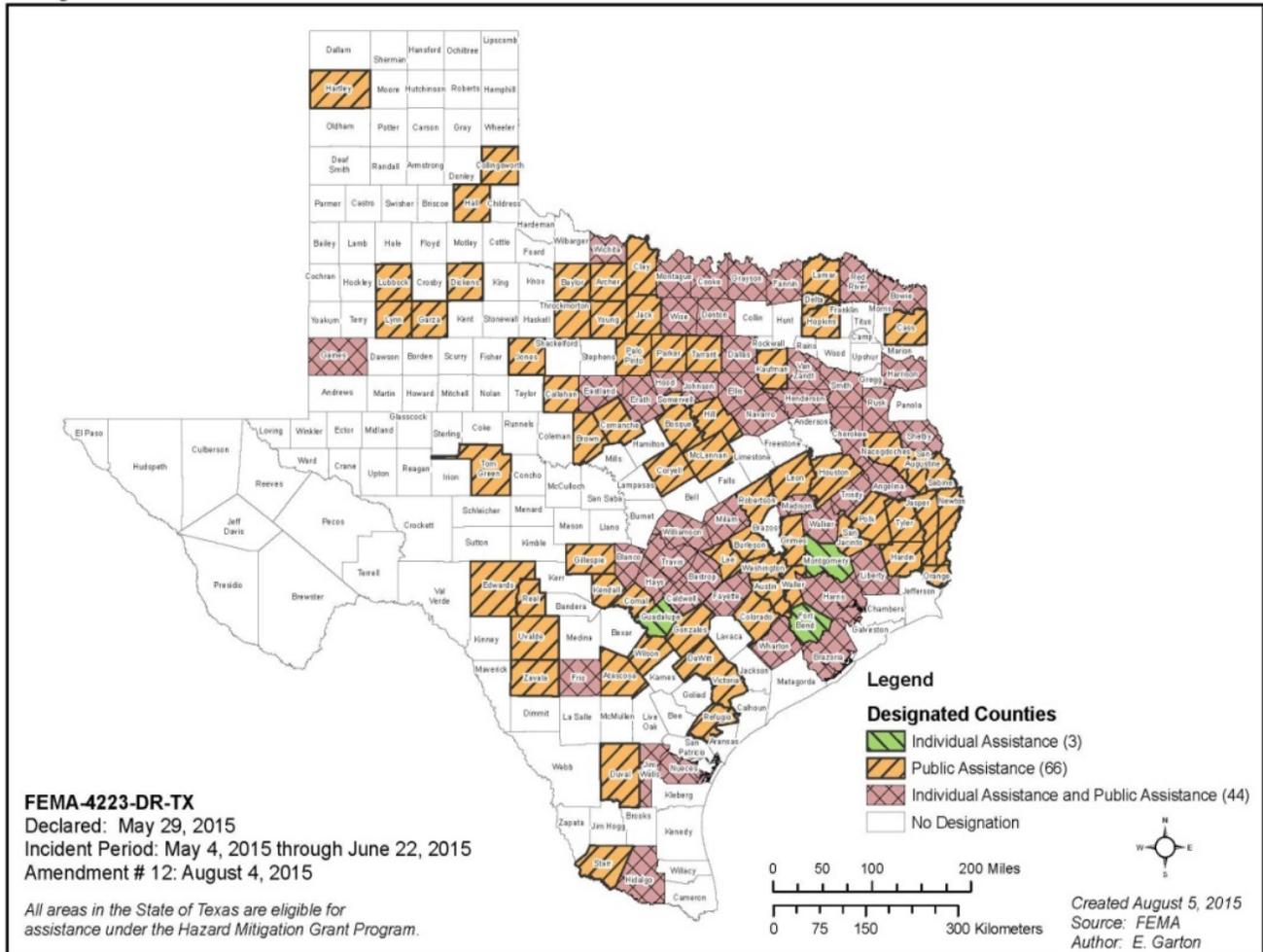
⁶ A project is a logical grouping of work required as a result of the declared major disaster or emergency. FEMA documents the scope of work and cost estimate for each project on a project worksheet (FEMA Form 90-91).



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Figure 2: DR 4223 Incident Map

FEMA-4223-DR-TX - Severe Storms, Tornadoes, Straight-line Winds, and Flooding
Designated Counties



Source: FEMA

Resource Shortfalls

While FEMA overcame a number of unique challenges to provide Texans with disaster assistance, resource shortfalls hampered its efforts in three areas. First, FEMA did not open its Joint Field Office in Austin until 17 days after the disaster declaration, which was more than a month after FEMA and the State started conversations about the possibility of a presidential disaster declaration. FEMA established a small Initial Operating Facility to begin its operations. However, within this small space, FEMA could not provide equipment to disaster personnel in a timely manner. Second, a shortage of disaster reservist personnel hampered FEMA’s efforts to respond efficiently. Finally, many FEMA reservists needed training to become knowledgeable about



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Federal regulations applicable to grant recipients and sub recipients, especially those related to procurement.

Joint Field Office Acquisition

FEMA did not move into a Joint Field Office for 17 days after the disaster declaration. During this time, FEMA operated in at least two interim operating facilities. While at these temporary locations, FEMA started its field operations meeting with other Federal, State, and local officials and determining where FEMA staff should deploy. However, without a Joint Field Office, FEMA could not efficiently provide deployed FEMA staff with sufficient workspace and proper equipment necessary to perform their duties.

FEMA's optimal operational goal is to have a Joint Field Office running within 72 hours of a declaration. Given the long lead time between the Governor's first Emergency Disaster Declaration on May 11, and the President's Major Disaster Declaration on May 29, 2015, FEMA should have identified a potential Joint Field Office. FEMA did not effectively coordinate with the General Services Administration (GSA) before the Federal disaster declaration. Although GSA cannot directly engage in contracting activities before the declaration, GSA personnel can assist the FEMA survey team in conducting feasibility studies and market research. FEMA officials said they consulted with GSA personnel before the disaster declaration. FEMA officials faced challenges implementing a disaster pre-planning strategy to ensure that GSA could quickly lease a suitable location and reduce costs to taxpayers. We plan to review FEMA assertions and issue a separate report on our concerns surrounding FEMA's selection of the Texas Joint Field Office

Shortage of Disaster Personnel

Because the disaster was so widespread, FEMA deployed its staff to the Joint Field Office and two field offices (Houston and Denton). Joint Field Office officials, in Austin, established command and control over human resource activities and processed secondary deployments from the Joint Field Office. However, FEMA encountered a significant shortage of personnel available for deployment. Joint Field Office officials could not obtain a sufficient number of disaster staff through FEMA's Deployment Tracking System.⁷ In addition, FEMA Region VI officials were responding to three other major disasters that were in various stages of the disaster process. In response to the shortage of staff, Joint Field Office officials activated Public Assistance Technical Assistance Contractors and FEMA Corps, and implemented a new method to determine estimates of joint preliminary damage assessments.

⁷ FEMA operates the Deployment Tracking system to assign and track the deployment of disaster response and recovery personnel.



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The Public Assistance Technical Assistance Contractors supplemented FEMA Public Assistance disaster staff by performing the following tasks: Public Assistance Disaster Operations; Project Formulation; Project Management; Hazard Mitigation; Debris and Other Emergency Operations; Appeals; Insurance Considerations; Historical Preservation Compliance; and Special Considerations. FEMA also activated an Interagency Agreement with the Corporation for National and Community Service's AmeriCorps Program to deploy about 80 members of FEMA Corps. FEMA Corps is a FEMA-devoted unit of 1,600 service corps members within AmeriCorps National Civilian Community Corps dedicated to disaster preparedness, response, and recovery. Additionally, FEMA used a formula to accomplish joint preliminary damage assessments for Public Assistance add-on counties without supplementary FEMA staffing. In consultation with FEMA, we will analyze FEMA's risk assessment process—particularly control activities, process efficiencies and data reliability issues surrounding the use of the joint preliminary damage-assessment, risk-based approach—and determine whether a separate report is necessary.

Training FEMA Reservists

Many FEMA reservists were not adequately trained; they need training to become knowledgeable about Federal regulations applicable to grant recipients and sub recipients, especially those related to procurement. FEMA's Deployed Field Counsel proactively coordinated with Joint Field Office officials to arrange for training reservists and other disaster personnel. FEMA's Procurement Disaster Assistance Team provided training to FEMA and Texas disaster personnel at the Joint Field Office. The training focused on the newly issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* codified in 2 Code of Federal Regulations (CFR) Section 200.⁸ In addition, we supplemented FEMA's training with short tutorials on our audit findings, advised FEMA on its responsibility to follow Federal statutes and regulations, policies and guidance, and distributed copies of our *Audit Tips for Managing Disaster-Related Project Costs* (OIG-15-100-D) at State Applicant Briefings and FEMA kickoff meetings.

FEMA's Disaster Sourcing Decisions

The Operations, Logistics, and Finance and Administration Sections worked together to provide FEMA goods and services needed for disaster response. By December 15, 2015, FEMA obligated more than \$1.9 million for 14 active mission assignments to 11 other Federal agencies.⁹

⁸ The new regulation, 2 CFR 200, became effective on December 26, 2014. It replaces six Office of Management and Budget (OMB) Circulars: A-102, A-110, A-87, A-21, A-122, and A-133. The Uniform Administrative Requirements include procurement standards for Federal grants.

⁹ The full list of the other Federal agencies includes the Army of Corps of Engineers, Corporation of National and Community Services, Department of Commerce, Department of Defense, Environmental



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The Logistics Section completed requisitions for supplies, equipment, and services, using a single point resource ordering system. The Logistics Section also completed resource requests for materials and supplies when available in the Joint Field Office warehouse. By December 15, 2015, of the more than \$197 million dollars obligated by the Finance and Administration Section, 48 percent, or more than \$94 million, included acquisitions and operating expenses, such as Equipment and Supplies; Leased Space; Mission Assignments; and Staff salaries, benefits, and travel expenses.

FEMA's Coordination with Other Federal, State, and Local Officials

FEMA coordinated with State and local officials during this disaster and responded to the State's needs in a timely manner. For example, to ensure sufficient coverage across such a large geographical disaster area, FEMA structured its workload assignments to mirror the Texas organizational structure. This structure covered the capital area in Austin, as well as six regional districts (see figure 3). By staffing multiple operational branches, FEMA maintained representation of Federal interests and hands-on situational awareness across the entire state. The Joint Field Office and Branch offices in Denton and Houston were stable, whereas the other field operations relied on Mobile Communication Office Vehicles, Disaster Recovery Centers, and Mobile Registration Units for temporary housing of task force disaster staffing.

In addition to working with other Federal agencies through mission assignments, FEMA also coordinated activities such as having Small Business Administration Customer Service Representative staffing at its Mobile Recovery Intake Centers. This coordination resulted in the Small Business Administration's approval of 1,993 loans, totaling more than \$95 million.

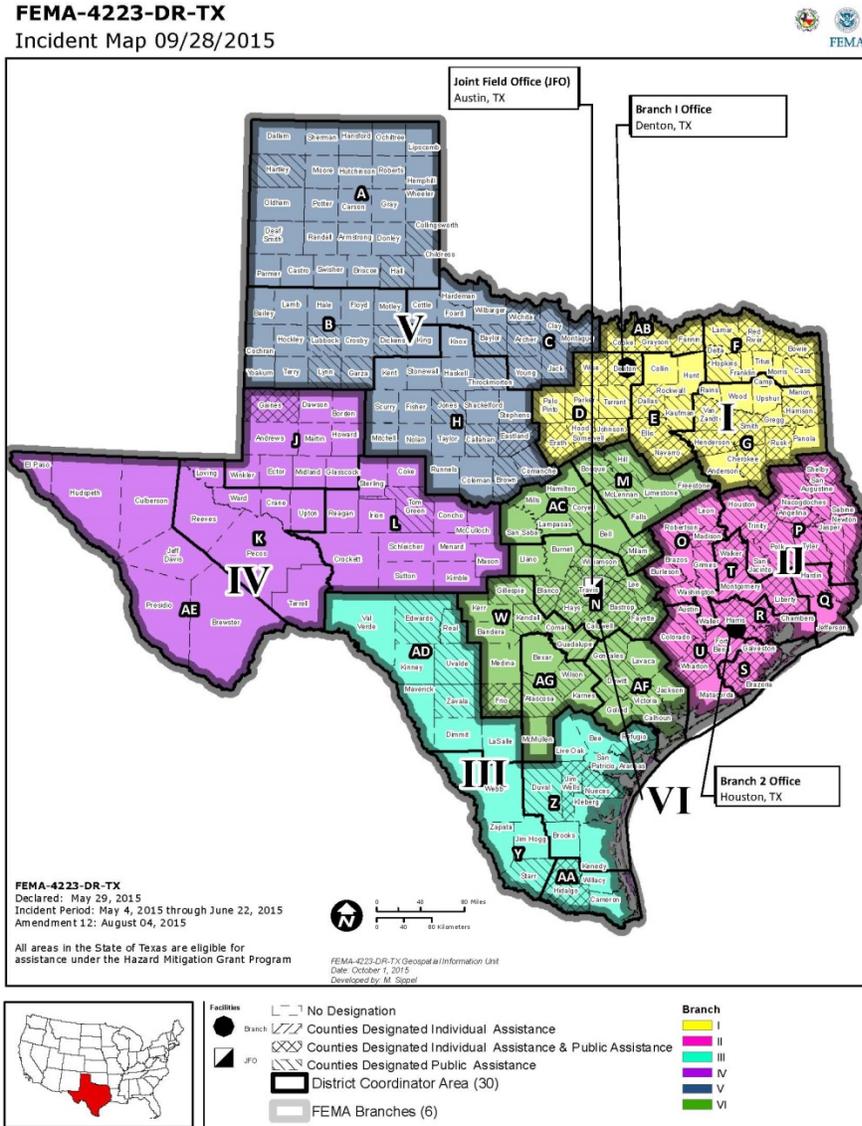
A Texas official said that FEMA's response was good and that the majority of Texas disaster requests were addressed in a timely manner.



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Figure 3: DR 4223 Operational Branches



Source: FEMA

Discussion with Management

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 discussed it at an exit conference on January 5, 2016. FEMA officials agreed with our findings and conclusions. On February 8, 2016, we submitted an updated draft report for FEMA’s review. Based on FEMA’s response, we made changes based on FEMA’s response, as needed.



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We appreciate the cooperation FEMA officials provided us during this audit. This report contains no recommendations; therefore, we consider it closed and do not require a formal response from FEMA.

The Office of Emergency Management Oversight major contributors to this report are Paul Wood, Director, National Capitol Regional Office; Kaye McTighe, EMO Operations Director; Nigel R. Gardner, Audit Manager; Judy Martinez, Emergency Management Oversight Team Coordinator; Trudi Powell, Supervisory Auditor; Patricia Epperly, Analyst-in-Charge; Raeshonda Keys, Auditor; Jamie Hooper, Auditor; Katrina Griffith, Auditor; Dwight McClendon, Auditor; Jacob Farias, Program Analyst and Tracey Bryant, Program Analyst.

Please call me with any questions at (202) 254-4100, or your staff may contact Paul Wood, Director, National Capital Regional Office at (202) 254- 4216.



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Appendix A

Objectives, Scope, and Methodology

Our overall audit objective was to determine whether FEMA's response to the Texas 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 field work. 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 (DR-4223-TX):

- Deployed staff to the FEMA Joint Field Office in Austin, Texas; Branch I office in Dallas, Texas; and Branch II office in Houston, Texas.
- Reviewed all disaster-specific initiatives, plans, and reports.
- Interviewed officials within the FEMA Joint Field Office and Texas.
- Visited three Disaster Recovery Centers throughout the State of Texas.
- Met with the Department of Homeland Security (DHS) OIG's Office of Investigations staff to discuss their methods to combat disaster fraud.
- Attended seven State-led Applicant Briefings.
- Attended 13 FEMA-led kickoff meetings. At these meetings, we ensured applicants received accurate information on Federal procurement standards for grants in accordance with 2 CFR, Section 200.
- Attended General Command Staff meetings at the Joint Field Office.
- Visited disaster damaged areas in North, Central, and Southeast Texas.
- Met with State and local government officials to discuss fraud, waste, and abuse and 2 CFR, Section 200.

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 performance audit between June 2015 and January 2016



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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.



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Appendix B

Report Distribution

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Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
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