



# Department of Homeland Security Office of Inspector General

## Management Advisory Report: FEMA's Disaster Assistance Employee Payroll and Deployment Data





**Homeland  
Security**

JAN 3 2011

MEMORANDUM FOR: David Garratt  
Associate Administrator  
Mission Support  
Federal Emergency Management Agency

FROM: Matt Jadacki   
Assistant Inspector General  
Office of Emergency Management Oversight

SUBJECT: *Management Advisory Report: FEMA's Disaster  
Assistance Employee Payroll and Deployment Data*

The purpose of this memorandum is to advise you of the results of our analysis of the Federal Emergency Management Agency's (FEMA) deployment and payroll databases, and to identify areas of management control you may wish to incorporate as you move forward with plans to replace the legacy Automated Deployment Database (ADD).

Some of the issues discussed in this report are well known to FEMA; the information herein measures their extent. In summary, about 7% of the records we reviewed contained discrepancies between the number of individuals deployed to disasters and the corresponding payroll entries for those individuals.

We recommend that FEMA take actions to improve the accuracy of its record systems.

We conducted our review under the authority of the *Inspector General Act of 1978*, as amended, and according to the Quality Standards for Inspections adopted by the Council of the Inspectors General on Integrity and Efficiency.

## **Background**

During declared disasters, FEMA increases its staffing levels with intermittent employees who are deployed to assist in response and recovery operations. These reserve employees augment the agency's regular workforce and are a critical element of FEMA's operations. FEMA tracks all deployable employees, including full-time staff, the cadres of on-call response/recovery employees (CORE), and disaster assistance employees (DAE), using the ADD system, which lists items such as deployment availability and status, skill levels, and salary levels.

We conducted this review as part of our oversight responsibilities in order to determine (1) the number and characteristics of the payroll and deployment records for individuals deployed during disasters; (2) the number of DAE payroll records for which there were no corresponding deployment records; (3) whether the payroll and deployment information was consistent; and (4) whether there is evidence of duplicate payments.

This project is a follow-on to an earlier review, *FEMA's Management of Disaster Assistance Employee Deployment and Payroll Processes* (OIG -10-115, September 2010), in which we reported (1) inadequate deployment information; (2) duplicative and contradictory time-reporting systems; (3) erroneous cost-code entries; and (4) conflicting agency guidance regarding DAE benefits.

FEMA agreed with the earlier report's findings and acknowledged (1) limitations of the legacy ADD system, and plans to replace it; (2) shortcomings with the current time and attendance processes; (3) the need to improve timekeeping procedures and enhance related training; and (4) the need to eliminate conflicting and inconsistent policies and their implementation.

For the current review, FEMA provided databases containing payroll and deployment records for January 1, 2005 through September 30, 2009. The databases included about 1.3 million payroll transaction elements and more than 160,000 deployment/assignment record entries for more than 30,000<sup>1</sup> employees during those 57 months.

The results of our review are described below. The mismatched records we describe are not necessarily evidence of improper payments, but they do indicate insufficient management control that could result in overpayments and underpayments.

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<sup>1</sup> This figure represents all categories of deployed FEMA employees on agency records, with distinct Social Security numbers, during the 57-month period January 1, 2005, through September 30, 2009.

## **Results of Review**

### **Payroll Records Not Always Linked to Deployment Records**

Notwithstanding *OMB Circular A-130*, which requires agencies to maintain information systems in order to ensure the adequate management and accountability of agency programs, there are discrepancies in FEMA's payroll and deployment information systems that raise questions as to whether improper payments were made. Furthermore, employees either received benefits to which they were not entitled or were denied benefits they should have received.

Our comparison of the two databases revealed that the vast majority of the records had no discrepancies; in fact, 93% of the DAE payroll records matched the agency's ADD deployment records. However, the remaining 7%, which represented thousands of records, did not correspond to any ADD deployments. The non-corresponding payroll records amounted to more than \$64 million paid out to about 4,200 individuals. Almost 11%, or 473, of those individuals received pay for 26 or more pay periods without a corresponding deployment record; one was paid for 97 pay periods. The most pay received by a single individual whose payroll records did not match deployments was \$274,000 during the 57-month period.

### **FEMA's Payroll and Deployment Systems Contain Inconsistent Information**

Another example of inaccurate information within FEMA's information systems was the inconsistent manner in which employees were recorded in the payroll and deployment databases. About 7,000 individuals were listed as either CORE, DAE, or full-time in the payroll database, but the deployment database listed those individuals differently. For example, individuals who were listed as full-time employees in the deployment database were paid as DAEs.

As shown in table 1, in 105,000 instances, 5,700 FEMA employees were paid about \$206 million as DAEs, but were listed in the deployment database as something other than DAEs. That discrepancy could be significant because DAEs do not receive the same types of benefits as CORE or full-time employees. For example, DAEs did not accrue sick or annual leave benefits, and would not have been entitled to paid holidays for some of the time.<sup>2</sup> So it is possible that some of those 5,700 employees did not receive benefits to which they were entitled.

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<sup>2</sup> Prior to October 2008, DAEs were not entitled to paid holidays; DAEs became eligible for paid sick leave in August 2009.

**Table 1: Matching DAE Payroll Records to ADD Employee Type**

Non-DAE Types	Total Employees	Total DAE Payroll Records	Total DAE Pay (in millions)
CORE	1,600	26,000	\$ 53
Full-Time Employee	300	5,000	\$ 13
Other/Blank	3,800	74,000	\$140
<b>Total</b>	<b>5,700</b>	<b>105,000</b>	<b>\$206</b>

In addition to the individuals who were deployed as other types of employee but paid as DAEs, FEMA’s records contained instances of deployed DAEs who were paid as full-time or other type employees. As indicated in table 2, about 1,300 individuals deployed as DAEs, who received about 55,000 salary payments totaling more than \$121 million, were listed as something other than DAEs in the FEMA payroll records. Some of these discrepancies could be explained by system records that were not updated to reflect changes in individuals’ employment status. Nevertheless, some employees likely received benefits to which they were not entitled.

**Table 2: Non-DAE Pay to Individuals Deployed as DAEs**

Pay/Wage Scale	Employees	Total Payroll Records	Total Pay (in millions)
General Schedule	1,300	54,600	\$121
Other	9	400	\$ 0.5
<b>Total</b>	<b>1,309</b>	<b>55,000</b>	<b>\$121.5</b>

### **Potential for Duplicate Pay**

Our review of the databases showed that a small number of individuals received duplicate salary payments. We have shared pertinent data and are tasking FEMA to determine if the duplicate payments were returned and if not, to ensure that restitution occurs.

### **Conclusion**

Discrepancies in FEMA’s payroll and deployment information systems raise questions about whether improper payments were made, and whether employees either received benefits to which they were not entitled or were denied benefits they should have received.

FEMA is aware of many of the shortcomings in its DAE management processes. The agency has acknowledged that its deployment and payroll systems are not integrated and that it needs a comprehensive policy requiring managers to consistently update the ADD

system. FEMA has also announced plans to replace the ADD system. As FEMA moves forward with those plans, it should consider addressing these shortcomings.

## **Recommendations**

We recommend that the Associate Administrator, Mission Support:

**Recommendation 1:** Take appropriate steps to ensure that the replacement system for the Automated Deployment Database incorporates features that will address systems integration and consistent timekeeping policies and procedures.

**Recommendation 2:** Determine whether employees actually received benefits to which they were not entitled, or were denied benefits that they should have received, and take action to correct any such improper payments.

**Recommendation 3:** Determine if the duplicate payments were returned, and if not, ensure that restitution occurs.

Please advise us within 30 days of receipt of this memorandum of actions taken to implement our recommendations. If you have any questions, please call me, or your staff may contact Mark McLachlan, Deputy Assistant Inspector General for Emergency Management Oversight, at (202) 254-4100.

Appendix A  
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