

**FEMA's Management of  
Mission Assignments to  
Other Federal Agencies  
Needs Improvement**





**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

September 29, 2022

MEMORANDUM FOR: The Honorable Deanne Criswell  
Administrator  
Federal Emergency Management Agency

FROM: Joseph V. Cuffari, Ph.D. **JOSEPH V**  
Inspector General **CUFFARI**

SUBJECT: *FEMA's Management of Mission Assignments to Other  
Federal Agencies Needs Improvement*

Digitally signed by  
JOSEPH V CUFFARI  
Date: 2022.09.29  
09:06:43 -04'00'

Attached for your action is our final report, *FEMA's Management of Mission Assignments to Other Federal Agencies Needs Improvement*. We incorporated the formal comments provided by your office.

The report contains four recommendations aimed at improving the program's overall effectiveness. Your office concurred with all four recommendations. Based on information provided in your response to the draft report, we consider recommendations 1, 2, and 3 open and resolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of the corrective actions. We consider recommendation 4 open and unresolved. As prescribed by the Department of Homeland Security Directive 077-01, *Follow-Up and Resolutions for the Office of Inspector General Report Recommendations*, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include contact information for responsible parties and any other supporting documentation necessary to inform us about the status of the recommendation. Please send your response or closure request to [OIGAuditsFollowup@oig.dhs.gov](mailto:OIGAuditsFollowup@oig.dhs.gov).

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 Bruce Miller, Deputy Inspector General for Audits, at (202) 981-6000.

Attachment



# DHS OIG HIGHLIGHTS

## ***FEMA's Management of Mission Assignments to Other Federal Agencies Needs Improvement***

September 29, 2022

### **Why We Did This Audit**

FEMA used mission assignments (MA) — work orders to complete specific tasks — to provide pandemic funding to Federal agencies in support of the national COVID-19 response. As of March 9, 2022, FEMA approved 1,756 MAs, obligating more than \$8.3 billion in funding. Our audit objective was to determine the extent to which FEMA developed and oversaw mission assignments for COVID-19 in accordance with its policies and procedures.

### **What We Recommend**

We made four recommendations to improve the effectiveness and oversight of FEMA's MAs.

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

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

### **What We Found**

Although the Federal Emergency Management Agency (FEMA) processed and obligated funds timely to other Federal agencies (OFA), it did not provide sufficient oversight to ensure OFAs used pandemic funding as required. Specifically, FEMA did not develop detailed cost estimates when initially establishing MAs, validate unliquidated and open obligations throughout the MA lifecycle, and verify cost eligibility against Public Assistance guidance before closing the MA.

Two key factors contributed to FEMA's inability to ensure OFAs used pandemic funding as required. First, FEMA officials followed unofficial processes rather than FEMA's *Mission Assignment Guide*, which contains required oversight procedures. Second, FEMA's Closeout Team did not have sufficient staffing to follow up when OFAs did not provide required unliquidated and open obligation data.

As a result, FEMA does not have adequate visibility into how OFAs ultimately used more than \$8.3 billion in obligated funds for COVID-19 MAs and we are questioning as unsupported more than \$103 million FEMA reimbursed to OFAs without sufficient documentation to determine eligibility.

### **FEMA Response**

FEMA concurred with all four recommendations.



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**Abbreviations**

C.F.R.	Code of Federal Regulations
COT	Closeout Team
DLA	Defense Logistics Agency
DoD	Department of Defense
eCAPS	Enterprise Coordination and Approvals Processing System
FEMA	Federal Emergency Management Agency
FFC	FEMA Finance Center
HHS	U.S. Department of Health and Human Services
IFMIS	Integrated Financial Management Information System
IPAC	Intra-governmental Payment and Collection



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MA	mission assignment
OFA	other Federal agency
PA	Public Assistance
PAPPG	Public Assistance Program and Policy Guide
ULO	unliquidated obligation
USACE	U.S. Army Corps of Engineers
U.S.C.	United States Code
VA	Department of Veterans Affairs



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### Background

On March 20, 2020, the President declared the ongoing COVID-19 pandemic of sufficient severity and magnitude to warrant a nationwide emergency declaration.<sup>1</sup> Following this declaration, every state and territory, the District of Columbia, and three tribes requested and received major disaster declarations,<sup>2</sup> pursuant to the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Stafford Act).<sup>3</sup> The Stafford Act authorizes the President to direct any Federal agency to use its authorities and the resources granted to it under Federal law in support of state and local response efforts for emergencies and state and local response and recovery efforts for major disasters.<sup>4</sup> This tasking authority, delegated to the Federal Emergency Management Agency (FEMA) Administrator, is carried out through a mission assignment (MA). An MA is a work order issued to a Federal agency, known as an other Federal agency (OFA), directing the OFA to complete a specific task. The MA includes the funding amount, managerial controls, and relevant guidance for the requested assistance. The OFA can be either a Department of Homeland Security or non-DHS agency.

There are two types of MAs that allow for deployment, employment, and assistance from the full range of Federal resources to support disaster needs — Federal Operations Support and Direct Federal Assistance. FEMA uses Federal Operations Support MAs to task Federal agencies to provide Federal-to-Federal mission support, such as tasking the Department of Defense (DoD) or U.S. Army Corps of Engineers (USACE) with transporting COVID-19 patients to medical care sites.

FEMA uses Direct Federal Assistance MAs to provide goods and services for eligible emergency work when a state, tribe, or territory has exhausted its own capabilities. For instance, when a state requests FEMA's assistance to staff or construct an alternate medical care facility, FEMA may task USACE. See Figure 1 for an example of an alternate medical care facility staffed using an MA.

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<sup>1</sup> President Trump declared a nationwide emergency declaration under Section 501(b) of the Stafford Act (42 United States Code (U.S.C.) § 5191(b)).

<sup>2</sup> Major disaster means any natural catastrophe that the President determines causes damage of sufficient severity and magnitude to warrant major disaster assistance under the Stafford Act to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby. 42 U.S.C. § 5122(2).

<sup>3</sup> See 42 U.S.C. § 5170.

<sup>4</sup> 42 U.S.C. § 5192(a)(1); 42 U.S.C. § 5170a.



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**Figure 1. Alternate Care Facility**

*Source: FEMA*

FEMA, the U.S. Department of Health and Human Services (HHS), the state of New York, and USACE work to complete the construction of an alternate care facility at the Jacob K. Javits Convention Center in New York City, March 26, 2020.

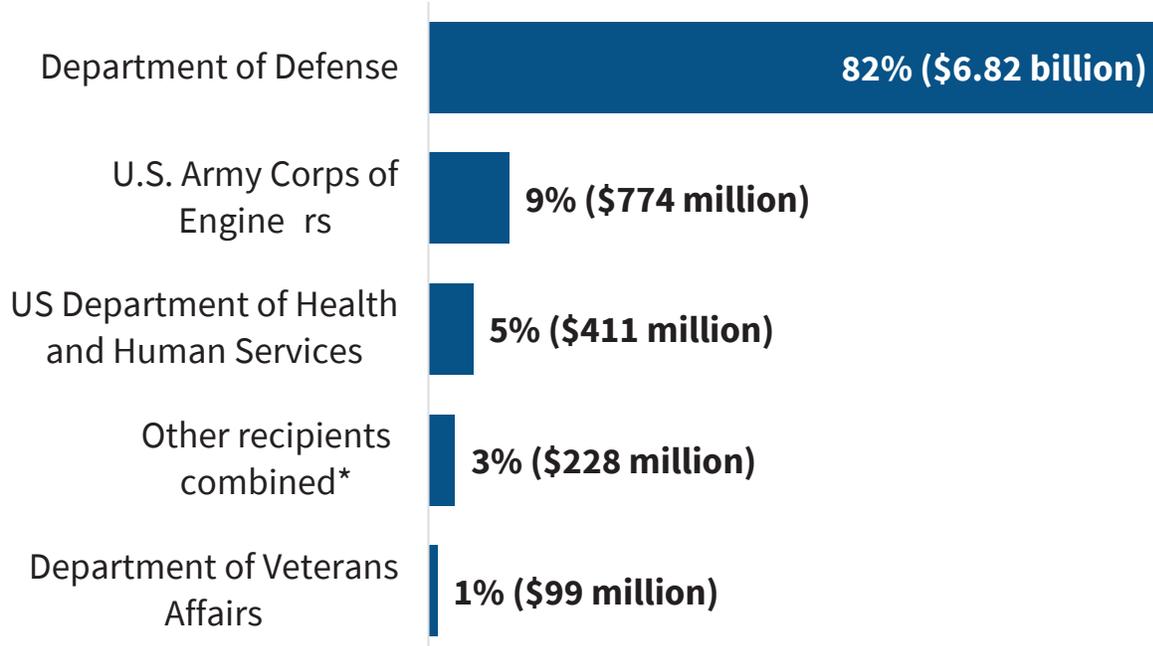
Federal Operations Support MAs can be issued before or after a declaration and are 100 percent federally funded with no state, territorial, or tribal cost share. The Stafford Act requires state, tribal, and territorial governments to share the costs associated with Direct Federal Assistance MAs pursuant to the terms provided in the President's declaration. For the COVID-19 response, the President waived the cost share for all emergency work, including Direct Federal Assistance MAs; therefore, these MAs were also 100 percent federally funded for the pandemic. FEMA has used both types of MAs in response to the pandemic.

As of March 9, 2022, FEMA approved 1,756 MAs, totaling \$8.3 billion, for medical staffing support and services; procuring and delivering personal protective equipment; and standing up medical facilities, among other needs, in support of the COVID-19 response (see Figure 2).



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**Figure 2. FEMA COVID-19 Mission Assignments Obligations for Federal Agencies as of March 9, 2022**

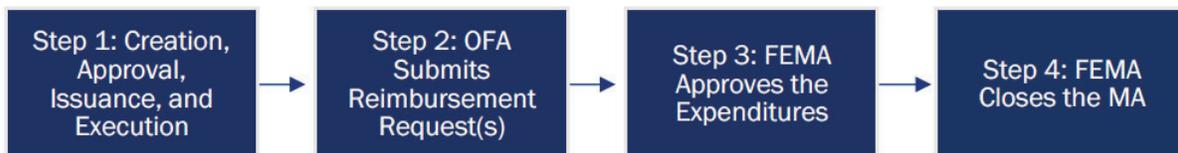


Source: DHS Office of Inspector General analysis of FEMA Financial Information Tool Report

**FEMA’s Mission Assignment Lifecycle**

FEMA’s MA lifecycle includes the following four steps: (1) formulation and execution, (2) reimbursement requests, (3) expenditure review, and (4) closeout (see Figure 3).

**Figure 3. Mission Assignment Lifecycle**



Source: FEMA Mission Assignment Guide, September 2017

These steps are completed by three or more operating components within FEMA, including FEMA Headquarters, Regions, and FEMA Finance Center (FFC) under the Office of the Chief Financial Officer. Appendix C provides additional information on the activities performed within each of the mission lifecycle steps.

We performed this audit in response to the COVID-19 pandemic to determine the extent to which FEMA developed and oversaw MAs for COVID-19 in accordance with its policies and procedures.



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### Results of Audit

Although FEMA processed and obligated funds timely to OFAs, it did not provide sufficient oversight to ensure OFAs used pandemic funding as required. Specifically, FEMA did not develop detailed cost estimates when initially establishing MAs, validate unliquidated and open obligations throughout the MA lifecycle, and verify cost eligibility before closing the MA.

Two key factors contributed to FEMA's inability to ensure OFAs used pandemic funding as required. First, FEMA officials followed unofficial processes rather than FEMA's *Mission Assignment Guide*,<sup>5</sup> which contains required oversight procedures. Second, FEMA's Closeout Team (COT) did not have sufficient staffing to follow up when OFAs did not provide required unliquidated and open obligation data.

As a result, FEMA does not have adequate visibility into how OFAs ultimately used more than \$8.3 billion of obligated funds for COVID-19 MAs. We are questioning as unsupported more than \$103 million FEMA reimbursed to OFAs without sufficient documentation to determine eligibility.

### **FEMA Did Not Develop Comprehensive Cost Estimates When Initially Establishing Mission Assignments**

According to FEMA's *Mission Assignment Guide*, FEMA must develop a comprehensive estimate for the expected cost when establishing an MA. The MA document (Form 010-0-8) captures the formal agreement between FEMA and the OFA and the items FEMA officials must include in the MA prior to obligation. This form requires a statement of work, a detailed budget outlining personnel, equipment, contract, sub-tasked agency, travel, and other costs. These cost estimates provide the initial funding amounts that FEMA should not exceed unless it approves MA amendments. Per the *Mission Assignment Guide*, FEMA expects the OFAs to actively manage their costs and not spend more than the amount authorized in the MA.

Contrary to FEMA requirements, FEMA approved MAs and provided funding to OFAs without detailed cost estimates. We judgmentally selected and reviewed 11 MAs (10 Direct Federal Assistance and 1 Federal Operation Support) issued to 5 OFAs, valued up to \$1.4 billion. For 9 of those 11 MAs, totaling \$1.3 billion, the estimates did not include detailed budget information for the OFAs' expected costs to complete the statements of work. Instead, the MA files included unsupported, summary amounts. For instance, FEMA provided \$200 million for MA #5 to support and address medical facility shortages, but the

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<sup>5</sup> *Mission Assignment Guide*, September 2017.  
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OFA did not provide an estimated breakdown of the \$200 million and ultimately only spent \$29 million for the construction. After a prior deobligation of \$4 million, approximately 13 months later, FEMA deobligated \$167 million (or 85 percent) of funding that was not needed to complete the statement of work.

In contrast, for MA #6, also to support and address medical facility shortages, the cost estimate included items such as cost per hospital bed and duration of expected construction. The MA estimated the cost for this facility at \$55 million, and approximately 5 months later, the facility was completed at a cost of \$32 million (or 42 percent less). Using more detailed cost estimates may result in a better estimate for actual costs incurred. See Appendix D for additional information for each MA we sampled.

### **FEMA Did Not Validate Unliquidated and Open Obligations**

According to FEMA guidance,<sup>6</sup> to maintain appropriate internal controls, officials must review and certify that open obligations are accurate, active, and substantiated by sufficient supporting documentation. Also, a review of open obligations is required to confirm the validity of all open obligations. FEMA's COT is responsible for reviewing MA-related obligations. FEMA creates a template in MAX.gov<sup>7</sup> on a quarterly basis that lists the MAs for each OFA and provides fields for the OFA to complete. The OFAs are then required to complete the fields with current, accurate information, which FEMA then validates. FEMA conducts quarterly reviews of open obligation balances that OFAs report in MAX.gov to validate the MAs financial information. This includes information such as total obligation, cost to complete, amounts not yet billed, and amounts to deobligate. FEMA uses the information that OFAs report in MAX.gov to develop the unliquidated obligation (ULO) reports for Federal reporting to the U.S. Treasury and ultimately Congress.

The information in the ULO reports was insufficient for FEMA officials to determine whether obligation balances were accurate, properly recorded, and adequately supported. Based on our review of 11 MAs, we identified six Quarterly Consolidated (ULO reports) missing one or more required items. Specifically, we determined that the six ULO reports, dated between January 1, 2020, and June 30, 2021, were missing one or more of the following required items for our selected MAs: total obligations, completion date, costs incurred to date, cost incurred not yet billed, costs reimbursements billed, projected costs to complete, and amounts for FEMA to deobligate. The missing information represented more than half of the required data fields. Additionally, we

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<sup>6</sup> FEMA Directive #125-3 Rev.2: *Review and Certification of Open Obligations* – 2020.

<sup>7</sup> MAX.gov is a government-wide suite of advanced collaboration, information sharing, data collection, publishing, business intelligence, and authentication tools and services used to facilitate cross-government collaboration and knowledge management.



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identified instances in which the MAs were not listed in the ULO report at all. Furthermore, FEMA's COT did not provide evidence of corrective actions when OFAs did not provide FEMA with the required ULO information.

FEMA officials acknowledged the missing information and said the quarterly ULO review process is a manually driven data consolidation and that they are continuing to improve and streamline the data processes.

### **FEMA Officials Did Not Verify Cost Eligibility against Public Assistance Guidance, as Required**

The Stafford Act, and the Code of Federal Regulations (C.F.R.) establish FEMA as the Federal agency that reimburses eligible costs of adequately documented damage caused by a declared disaster<sup>8</sup>. These same authorities direct FEMA to determine the eligibility of costs claimed in response to a Stafford Act disaster with program requirements. To determine eligible costs, the *Interim FEMA Policy 104-009-19 Coronavirus (COVID-19) Pandemic: Work Eligible for Public Assistance* notes that assistance is subject to PA program requirements, as defined in Version 3.1 of the *Public Assistance Program and Policy Guide* (PAPPG). Further, the *Mission Assignment Guide* assigns the cost review responsibility to the FEMA MA Manager, MA Unit Leader, and MA Project Manager. Eligible work must meet Public Assistance (PA) guidelines and be related to the MA's approved statement of work.

Financial transactions for MAs are completed by the FFC, which is responsible for transmitting FEMA funds to the OFAs in accordance with the Treasury's Intra-governmental Payment and Collection (IPAC)<sup>9</sup> guidance. The FFC developed the *MA Billing and Reimbursement Checklist* (Checklist) as a reference tool OFAs can use when preparing their MA's reimbursement packets. Internally, FFC personnel also use the Checklist when reviewing MA expense packets for reimbursement to determine whether IPAC minimum requirements have been met prior to transferring funds to the OFAs. Although FEMA processed and reimbursed funds timely to OFAs, FEMA officials did not verify cost eligibility before closing the MAs.

We reviewed six MAs valued at more than \$103 million that FFC officials and project managers indicated as reviewed, approved, reimbursed, and ultimately closed. However, the six reimbursement request packages were missing detailed invoices and documentation to support the OFAs' costs claimed for reimbursement. For example, in two of the six closed MAs, totaling approximately \$59.2 million (MA #6 and #7), the OFA provided summary data including a contract number and the total amount incurred. Although this

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<sup>8</sup> See generally 42 U.S.C. Chapter 68, Subchapter IV; 2 C.F.R. Part 200; 44 C.F.R. Part 206.

<sup>9</sup> IPAC is a way for Federal Program Agencies to transfer funds from one agency to another with standardized descriptive data.



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information may have complied with IPAC requirements, it did not provide sufficient detail for FEMA program officials or us to determine if the contract work supported the MA. For instance, the reimbursement request did not include supporting documents such as a copy of the contract, dates, and location where work was performed as required in the PAPPG. This documentation is necessary for FEMA officials to ensure that only eligible work and costs were reimbursed. As a result, we are questioning as unsupported more than \$103 million that FEMA reimbursed to OFAs without obtaining sufficient documentation to determine cost eligibility.

FEMA officials said that a detailed analysis of claimed costs would hinder their ability to reimburse funds quickly. Nonetheless, FEMA could develop a risk-based process for reviewing documentation that supports MA expenditures to ensure eligibility of claimed costs.

### **Administrative Closeout of MAs**

According to the FEMA *Mission Assignment Guide*, when FEMA reviews reimbursement requests, pays all bills, and/or deobligates funds, the MA is closed. FEMA officials must complete the first three steps in the MA lifecycle before the MA enters the closeout step. Due to the deficiencies identified throughout the MA lifecycle, the audit team did not complete a formal review of the administrative closeout step.

### **FEMA Did Not Follow Its Written Guidance and Had Limited Staff**

To ensure FEMA only reimburses Federal agencies for eligible costs under the PA program, MAs are subject to the eligibility determination requirements of the Stafford Act, FEMA's PA program regulations, and the PAPPG. Yet FEMA did not develop detailed cost estimates, validate unliquidated and open obligations, or verify cost eligibility against PA guidance. We attribute this to FEMA officials not following written guidance and to having limited resources for oversight of MAs.

According to FEMA officials, FEMA did not follow its own guidance requiring comprehensive cost estimates during the MAs' creation, indicating that developing detailed estimates would have caused delays. Additionally, OFAs expected FEMA to formally approve the MAs and provide the funds to them before beginning MA work, otherwise risking delaying Federal assistance. However, according to the Stafford Act,<sup>10</sup> FEMA has the authority to direct any Federal agency, with or without reimbursement, to use authorities and resources granted to it under Federal law in support of state and local assistance response and recovery efforts. FEMA did not document its deviation

<sup>10</sup> 42 U.S.C. § 5192(a)(1); 42 U.S.C. § 5170a.  
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from existing guidance with interim guidance, directives, or memos. Furthermore, a year after the pandemic response began, FEMA continued to approve MAs without the required cost estimates.

FEMA also did not follow its own requirements to review costs for eligibility, stating that FEMA had an unspoken policy or tradition for Federal-to-Federal agreements, such as MAs. Rather than implement a risk-based process for reviewing documentation that supports MA expenditures, FEMA officials only verified that the statement of work during MA formulation met FEMA eligibility requirements. A review of the MA statement of work during the formulation phase of the MA does not guarantee costs claimed will meet eligibility requirements and does not satisfy Federal requirements.

FEMA officials said that MAs were less likely to involve fraudulent activity and were not subject to the cost eligibility reviews required by Federal guidance. However, based on our reviews of FEMA's historical unallowable and questioned PA costs, we determined that it is not uncommon for entities, such as state and local governments, to not comply with PA guidelines. We analyzed 33 DHS OIG reports of FEMA PA grants issued since 2017 to determine whether state and local entities complied with applicable Federal and FEMA guidance when requesting reimbursement for disaster response costs. We identified \$312 million of \$3.26 billion (or 9.6 percent) in potentially unallowable or questioned costs. These issues may also apply to Federal agencies conducting PA work.

Officials from FEMA's Office of the Chief Financial Officer also said that, based on the financial management support annex to the National Response Framework, they relied on the OFAs' management controls to provide a detailed review of costs. The officials also strongly opposed requiring additional documentation from OFAs, stating that requiring additional documentation would hinder FEMA's ability to reimburse OFAs in a timely manner. Although OFA management controls may facilitate following general Federal requirements, such as Federal procurement principles, according to the Stafford Act, only FEMA can render eligibility determinations on PA costs.<sup>11</sup> Furthermore, prior reviews of DHS components charged with implementing FEMA-issued MAs related to the 2005 Gulf Coast hurricanes disaster relief efforts identified systemic control weaknesses in their management of MAs and related funding.<sup>12</sup> The report identified five areas of control weaknesses that needed to be addressed:

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<sup>11</sup> See 44 C.F.R. § 206.220–28; FEMA Policy No. 104-009-19, *Coronavirus (COVID-19) Pandemic: Work Eligible for Public Assistance (Interim)* 3 (Sept. 1, 2020) (“All costs are subject to standard PA program eligibility and other federal requirements”); FEMA Policy No. 104-010-2, *FEMA Policy: Mission Assignments 2* (Aug. 17, 2018) (“Direct Federal Assistance MAs ... are subject to the [Public Assistance] eligibility criteria . . .”).

<sup>12</sup> *Consolidated Report on DHS' Management of 2005 Gulf Coast Hurricanes Mission Assignment Funding* (OIG-09-89, July 2009).



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- procurement and contract monitoring standards;
- funds control and accounting for transactions;
- obtaining and retaining appropriate documentation to support expenditures for FEMA reimbursement;
- accountability for property; and
- reimbursement billing processes.

According to the report, “Due to the debilitating impact of disaster response activities on normal agency internal controls, FEMA augmented its supporting documentation requirements to address the increased risk of internal control weaknesses that often occur during the life-saving and life-sustaining rescue and support operations involved with disaster responses. The detailed requirements are on FEMA’s website under the label ‘Mission Assignment Billing and Reimbursement Checklist.’” FEMA still publishes an MA checklist on its website. However, FEMA officials were not consistently following this control.

Additionally, FEMA had limited staffing resources assigned to perform financial oversight of MAs. FEMA COT officials said that at the beginning of the pandemic they had one full-time employee dedicated to the ULO review process to identify OFAs that did not provide the required ULO data. Since January 2021, FEMA increased COT assigned staff to four employees and, according to FEMA, noticed that OFAs have increased their participation in the ULO process.

### Conclusion

FEMA does not have adequate visibility into how OFAs used more than \$8.3 billion of obligated funds for COVID-19 MAs. We identified as unsupported more than \$103 million FEMA reimbursed to OFAs without sufficient documentation to determine eligibility. Furthermore, FEMA’s inadequate oversight provided minimal assurance that OFA’s expenses met Federal reimbursement requirements. As a result, we are questioning more than \$103 million that FEMA reimbursed to OFAs without obtaining sufficient documentation to determine cost eligibility. If FEMA were to review MA costs for eligibility, it could determine that some, none, or all of the costs were unallowable for Federal reimbursement.

### Recommendations

**Recommendation 1:** We recommend the FEMA Associate Administrator for Response and Recovery develop a process to ensure FEMA components comply with FEMA’s *Mission Assignment Guide*, requiring the formulation of



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comprehensive cost estimates during initiation and throughout the performance period for mission assignments.

**Recommendation 2:** We recommend the FEMA Associate Assistant Administrator for Response and Recovery evaluate the resources and other process improvements needed to ensure unliquidated obligations financial data are obtained, reviewed, and reported, as required per FEMA guidance.

**Recommendation 3:** We recommend the FEMA Deputy Administrator develop a risk-based process for reviewing documentation that supports mission assignment expenditures and apply this process to COVID-19 mission assignments to ensure eligibility of claimed costs.

**Recommendation 4:** We recommend the FEMA Associate Administrator for Response and Recovery obtain documentation supporting the more than \$103 million for COVID-19 mission assignments and conduct a review to determine whether the costs comply with Federal and FEMA guidance.

### FEMA Comments and OIG Analysis

The Acting Associate Administrator Office of Policy and Program Analysis provided written comments on a draft of this report, which are included in their entirety in Appendix B. FEMA concurred with all four recommendations and is taking actions to address them. We also received technical comments on the draft report and made revisions as appropriate. We consider recommendations 1, 2, and 3 open and resolved and recommendation 4 open and unresolved. A summary of FEMA's responses and our analysis follows.

**FEMA's Response to Recommendation 1:** FEMA officials concurred with recommendation 1 and are updating their Mission Assignment (MA) form, which currently calls for a detailed budget and comprehensive cost estimate for MAs. FEMA Response Operations will coordinate the revision of this form in 2024 to better outline a cost estimate standard, enabling a more effective and sustainable process. FEMA's estimated completion date is December 31, 2024.

**OIG Analysis:** FEMA's actions are responsive to this recommendation, which we consider resolved and open. It will remain open until we receive a copy of the revised guidance, FEMA Form FF-104-FY-21-119, and evidence of FEMA's implementation of its new cost estimating standard.

**FEMA's Response to Recommendation 2:** FEMA officials concurred with recommendation 2. Since January 2021, the FEMA MA Closeout Team (COT) assumed responsibility for the unliquidated obligations (ULO) process to streamline and consolidate efforts with other Federal agency (OFA) partners. FEMA's MA COT increased its workforce from two positions to four positions; conducted trainings and briefings on the ULO to OFA staff between June 2020



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and December 2021; implemented the Quarterly Unliquidated Validation Consolidated Report distributed at the beginning of each quarter to relevant staff within Headquarters and Regions; and enhanced review of OFA validation responses to a more detailed review of all requested ULO information.

**OIG Analysis:** FEMA's actions are responsive to this recommendation, which we consider resolved and open. It will remain open until FEMA provides documentation showing two consecutive Quarterly Unliquidated Validation Consolidated Reports that demonstrate consistent application of FEMA's policies.

**FEMA's Response to Recommendation 3:** FEMA officials concurred with recommendation 3. FEMA's Office of Response and Recovery finalized the *Mission Assignment Project Manager Standard Operating Procedure* (MA PM SOP), June 14, 2022, which outlines specific roles and responsibilities for project managers and highlights the processes in connection with eligibility review, cost estimates, monitoring work performance, financial monitoring, and work completion.

**OIG Analysis:** FEMA's actions are responsive to this recommendation, which we consider resolved and open. We note that FEMA provided OIG with a copy of the MA PM SOP along with its management response. Based on our initial review, the MA PM SOP holds the potential, going forward, to address recommendation 3. Recommendation 3 will remain open until FEMA provides documentation showing application of FEMA's newly implemented MA policies and procedures to ongoing COVID-19 and non-COVID-19 MAs.

**FEMA's Response to Recommendation 4:** FEMA officials concurred with recommendation 4. FEMA's Response Directorate currently obtains and reviews supporting documentation for MAs, which is tracked and monitored throughout the disaster lifecycle. The MA PM SOP further clarifies the roles and responsibilities for the Mission Assignment Manager; Other Federal Agency Action Officer; Federal Approving Official; and the State, Territory, or Tribal Approving Official. Accordingly, the six mission assignments identified in the OIG's draft report have been reviewed by FEMA's Associate Administrator for the Office of Response and Recovery.

**OIG Analysis:** FEMA's actions are partially responsive to this recommendation, which we consider unresolved and open. The six Direct Federal Assistance MAs remain subject to the eligibility criteria contained in 44 C.F.R. Part 206, Subpart H.<sup>13</sup> Although FEMA recently developed the MA PM SOP, it was not in effect when it closed the six MAs. Therefore, this

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<sup>13</sup> See also Memorandum to Regional Administrators, *100% Federal Cost Share for COVID-19 Direct Federal Assistance Mission Assignments*, dated March 29, 2021 ("All costs are subject to standard PA program eligibility and other federal requirements.").



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recommendation will remain unresolved and open until FEMA provides evidence showing its review of source documentation supporting the more than \$103 million reimbursed to OFAs included in this report and its determination of cost eligibility consistent with Public Assistance policies for COVID-19.



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### **Appendix A**

#### **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*.

The objective of this audit was to determine to what extent FEMA developed and oversaw MAs for COVID-19, in accordance with FEMA's policies and procedures.

We conducted interviews with FEMA officials assigned to work on MAs from FEMA Headquarters; Regions 2, 3, 4, 6, and 9; and staff from the Office of Response and Recovery, Office of the Chief Financial Officer, Operation Capabilities Office, and FEMA Finance Center. We also interviewed officials from the Department of Defense Office of Inspector General, HHS, National Guard Bureau, and USACE. We also interviewed United States Coast Guard officials who participated on MAs. We analyzed MA legislation and departmental regulations, policies, procedures, and other guidance. We also reviewed prior U.S. Government Accountability Office (GAO) and DHS OIG reports regarding FEMA's roles and responsibilities in implementing the MA program.

We evaluated a judgmental sample of 11 MAs (10 Direct Federal Assistance and 1 Federal Operation Support), of which 6 were closed. We reviewed internal controls of FEMA's MA creation, execution, and reimbursement processes and the sufficiency of documentation to support MA obligations, amendments, and reimbursement to OFAs. Our limited assessment disclosed control deficiencies within all phases of the MA lifecycle. These weaknesses are discussed in the body of this report. We reviewed the Enterprise Coordination and Approvals Processing System (eCAPS) system data and compared it to FEMA's Integrated Financial Management Information System (IFMIS) system for accuracy. We also selected MAs from the Financial Information Tool (FIT) report and compared system data to source documents contained in eCAPS. We determined that the eCAPS and FIT data was reasonably sufficient and accurate based on our testing. Thus, we consider the data sufficiently reliable for our findings and recommendations.

We conducted this performance audit between January 2021 and April 2022 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



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**Appendix B**  
**FEMA Comments to the Draft Report**

U.S. Department of Homeland Security  
Washington, DC 20472



**FEMA**

September 9, 2022

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

FROM: Paul Judson  
Acting Associate Administrator  
Office of Policy and Program Analysis

**PAUL C**  
**JUDSON** Digitally signed by  
PAUL C JUDSON  
Date: 2022.09.09  
17:48:55 -04'00'

SUBJECT: Management Response to Draft Report: “FEMA’s  
Management of Mission Assignments to Other Federal  
Agencies Needs Improvement”  
(Project No. 21-010-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.

The Department is pleased to note OIG’s positive recognition of the Mission Assignment program and their ability to address organizational changes while concurrently responding to the most complex and widespread incident the United States has ever encountered. COVID-19 placed a significant strain on mission assignments, as the only disaster response mechanism, authorized by law to task other federal agencies with or without reimbursement. The Mission Assignment team grew from four personnel to a team of fourteen, the MA program requires fiscal management of billions in the funding, coordination and collaboration across all Headquarters, all Regions, multiple FEMA Components, all State, tribes, and territories, and Other Federal Agencies. DHS remains committed to delivering excellence.

The draft report contained four recommendations with which FEMA concurs. Enclosed find our detailed response to each recommendation. FEMA previously submitted technical comments addressing several accuracy, contextual and other 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.

Enclosure



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**Enclosure: Management Response to Recommendations  
Contained in 21-010-AUD-FEMA**

OIG recommended the FEMA Associate Administrator for Response and Recovery:

**Recommendation 1:** Develop a process to ensure FEMA components comply with FEMA’s Mission Assignment Guide requiring the formulation of comprehensive cost estimates during initiation and throughout the performance period for mission assignments.

**Response:** Concur. FEMA believes that cost estimates for mission assignments are currently as comprehensive as possible. FEMA also leverages existing Prescribed Mission Assignments (PSMAs) which, are developed in coordination with other federal agencies (OFAs) to establish average cost estimates. The cost estimates are based on standard cost factors and historical operational billing. Accordingly, FEMA Operations Division, Mission Assignment Section relies on OFA subject matter expertise and averages to create cost estimates, enabling an expedited tasking of personnel and resources.

FEMA Form, FF-104-FY-21-119 (formerly Form 010-0-8), “Mission Assignment (MA),”(OMB No. 1660-0047 Expires June 30, 2024) currently calls for a “detailed” budget and “comprehensive” cost estimate for mission assignments, however there are no additional instructions. FEMA Response Operations will coordinate the revision of this form in calendar year 2024 to better outline a cost estimate standard, enabling a more effective and sustainable process.

Estimated Completion Date (ECD): December 31, 2024.

**Recommendation 2:** Evaluate the resources and other process improvements needed to ensure ULO [Unliquidated Obligation] financial data is obtained, reviewed, and reported, as required per FEMA guidance.

**Response:**

Concur. Since January 2021, the FEMA Mission Assignment Closeout Team assumed responsibility for the ULO process to streamline and consolidate efforts with OFA partners, focused primarily on the quarterly ULO process, using the FEMA Policy: Mission Assignments #104-010-2 as the authority to recoup ULO funds back into the Disaster Relief Funds (DRF). Accordingly, FEMA’s Mission Assignment Closeout Team increased its workforce from two positions to four positions. In addition FEMA Mission Assignment Closeout Team took a range of actions to improve ULO processes, including:



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- Conducted trainings and briefings on the ULO process to 60 FEMA and 200 OFA staff between June 2020 and December 2021;
- Implementing the “Quarterly Unliquidated Validation Consolidated Report” distributed at the beginning of each quarter to relevant FEMA Mission Assignment Specialist within Headquarters and Regions. This report reduces the burden of FEMA regional mission assignment managers providing a better tracking and management of ULO de-obligations; and
- Increasing the review of OFA validation responses from a narrow de-obligation perspective to a more detailed review of all requested information and comments.

During the peak of COVID-19 the Agency’s ULO balance was reduced from \$6 billion May 1, 2021 to \$3.1 billion, as of July 1, 2022, which is an exceptional achievement made possible by the collaboration between FEMA Finance Center, the MA Closeout Team, and FEMA regional counterparts.

FEMA requests this recommendation be considered resolved and closed as implemented.

OIG recommended the FEMA Deputy Administrator:

**Recommendation 3:** Develop a risk-based process for reviewing documentation that supports mission assignment expenditures and apply this process to COVID-19 mission assignments to ensure eligibility of claimed costs.

**Response:** Concur. FEMA’s Response Directorate currently has a robust process for mission assignments, which includes summary documentation certified by the Mission Assignment Manager, Project Manager, Federal Approving Official, and State Approving Official. This process requires four separate levels of review for every issuance of a mission assignment and their subsequent amendments.

In addition to maintaining the existing process, which adheres to the regulations outlined in 44 CFR 206.8, the FEMA Office of Response and Recovery finalized the Mission Assignment Project Manager Standard Operating Procedure, (MA PM SOP), June 14, 2022, which outlines specific roles and responsibilities for project managers and highlights the eligibility review process, cost estimates, monitoring work performance, financial monitoring, and work completion. The MA PM SOP also outlines FEMA’s expectations of the OFA Action Officer’s responsibilities, since this is a collaborative effort.

FEMA requests this recommendation be considered resolved and closed as implemented.

OIG recommended the FEMA Associate Administrator for Response and Recovery:

3



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**Recommendation 4:** Obtain documentation supporting the over \$103 million for COVID-19 mission assignments and conduct a review to determine whether the costs comply with Federal and FEMA guidance.

**Response:** Concur. FEMA's Response Directorate currently obtains and reviews supporting documentation for MAs, which is tracked and monitored throughout the disaster lifecycle using tools such as the Incident Action Plan and Operational Planning Worksheets (ICS Form 215), as outlined in the Incident Action Planning Guide released July 2015<sup>1</sup>. There are four levels of review for every initiation and amendment of the mission assignment, which ensures validity and eligibility of the work being conducted. The State Approving Official (SAO) also reviews the work being executed under the mission assignment to ensure it is meeting the needs of their initial request. OFAs requesting reimbursement are required, per Title 44, Code of Federal Regulations § 206.8(d)(5), "Reimbursement of other Federal agencies,"<sup>2</sup> to retain all financial records, supporting documents, statistical records, and other records pertinent to the provision of services or use of resources by that agency. The MA PM SOP will further clarify the roles and responsibilities for the Mission Assignment Manager, Other Federal Agency Action Officer, Federal Approving Official, and the State, Territory, or Tribal Approving Official. Accordingly, the six mission assignments identified in the OIG's draft report have been reviewed by FEMA's Associate Administrator for the Office of Response and Recovery.

FEMA requests this recommendation be considered resolved and closed as implemented.

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<sup>1</sup> [https://www.fema.gov/sites/default/files/2020-07/Incident\\_Action\\_Planning\\_Guide\\_Revision1\\_august2015.pdf](https://www.fema.gov/sites/default/files/2020-07/Incident_Action_Planning_Guide_Revision1_august2015.pdf)

<sup>2</sup> <https://www.ecfr.gov/current/title-44/chapter-I/subchapter-D/part-206/subpart-A/section-206.8>



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**Appendix C**  
**Overview of Mission Assignment Roles across Operating Levels**

<b>Action</b>	<b>HQ</b>	<b>Region</b>	<b>FFC</b>
<i>Step 1: Creation, Approval, Issuance, and Execution</i>			
Create, approve, and issue MA in response to resource request	•	•	
Monitor the work performance and costs incurred by the assigned agency	•	•	
<i>Step 2: OFA Submits Reimbursement Request</i>			
Receive bills from OFA that is assigned the MA			•
Create bill file and conduct financial processing			•
<i>Step 3: FEMA Approves the Expenditure</i>			
Review OFA bill packages for completeness and ensure all costs are eligible for reimbursement	•	•	•
Prepare bills for the state, tribe, or territory’s portion of the cost share (Direct Federal Assistance MAs only)			•
<i>Step 4: FEMA Closes the MA</i>			
Receive bill marked “Final” or receive notification from OFA that the billing is complete, and the MA may be closed and all remaining funds deobligated			•
Verify the completion of work	•	•	
Prepare an MA amendment for deobligation of funds	•	•	

Source: DHS OIG analysis of *Orientation to Mission Assignments for FEMA Staff and Interagency Partners*, FEMA’s *Student Manual*, August 2016; and FEMA’s *Mission Assignment Guide*, September 2017



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**Appendix D**  
**Mission Assignments Reviewed**

Sample Number	Other Federal Agency	Mission Assignment Purpose	Obligated Cost (Millions)	MA Expenditure Reviewed (Millions)	Cost Estimates Deficiency	Quarterly ULO Validation Not Complete	Cost Eligibility Determinations Not Performed
1	DoD	Medical Assistance (Planning)	\$ 35.4	N/A	•	•	N/A
2	DoD	Essential Support	\$ 172.7	N/A	•	•	N/A
3	USACE	Temporary Medical Facilities	\$ 784.0	N/A	•	•	N/A
4	HHS	Medical Support	\$ 3.4	N/A	•	•	N/A
5	USACE	Medical Facility Support	\$ 200.0	N/A	•	•	N/A
6	USACE	Medical Facility Support	\$ 55.0	\$ 32.2		•	•
7	USACE	Medical Facility Support	\$ 36.5	\$ 27.0	•	•	•
8	USACE	Medical Facility Support	\$ 31.0	\$ 22.2	•	•	•
9	DoD	Medical Support	\$ 17.7	\$15.3	•	•	•
10	VA	Temporary Medical Facilities	\$ 22.6	\$ 3.4	•	•	•
11	DLA	PPE	\$ 3.1	\$ 3.1		•	•
<b>Overall Total</b>			<b>\$ 1,361.4</b>	<b>\$103.2</b>	<b>9</b>	<b>11</b>	<b>6</b>

Source: Data provided from FEMA HQ and FFC (eCAPS, FIT, IFMIS)

• Control Deficiency Identified

**N/A** - Samples 1-5 were selected from open MAs as of March 15, 2021. Expenditure reviews and cost eligibility determinations are not applicable to these MAs.



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**Appendix E**  
**Potential Monetary Benefits**

<b>Recommendation</b>	<b>Type of Potential Monetary Benefit</b>	<b>Amount</b>
4	Questioned Costs - Unsupported	\$103,140,035.59



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**Appendix F**  
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**Appendix G**  
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