

Department of Homeland Security **Office of Inspector General**

Mitigation Planning Shortfalls Precluded FEMA Hazard Mitigation Grants to Fund Residential Safe Room Construction During the Disaster Recovery Phase



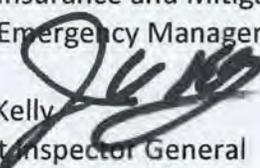


OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

JUN 25 2014

MEMORANDUM FOR: David L. Miller
Associate Administrator
Federal Insurance and Mitigation Administration
Federal Emergency Management Agency

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

SUBJECT: *Mitigation Planning Shortfalls Precluded FEMA Hazard
Mitigation Grants to Fund Residential Safe Room
Construction During the Disaster Recovery Phase*
FEMA Disaster Number 4117-DR-OK
Audit Report Number OIG-14-110-D

Attached for your information is our final letter report, *Mitigation Planning Shortfalls Precluded FEMA Hazard Mitigation Grants to Fund Residential Safe Room Construction During the Disaster Recovery Phase*. This is the second report in a series of three resulting from our audit of *FEMA's Initial Response to the Oklahoma Severe Storms and Tornadoes (4117-DR-OK)*.

The report contains one recommendation aimed at improving the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program. Your office concurred with our recommendation. As prescribed by the *Department of Homeland Security Directive 077-01, Follow-up and Resolution for 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 of the recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until we receive and evaluate your response, we will consider the recommendation open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Major contributors to this report are Christopher Dodd, Acting Director; Moises Dugan, Supervisory Program Analyst; Patricia Epperly, Auditor-In-Charge; David Fox, Senior Auditor; and Heather Hubbard, Auditor.

Please call me with any questions at (202) 254-4100, or your staff may contact Tonda L. Hadley, Deputy Assistant Inspector General for Audit Services, Office of Emergency Management Oversight, at (214) 436-5200.

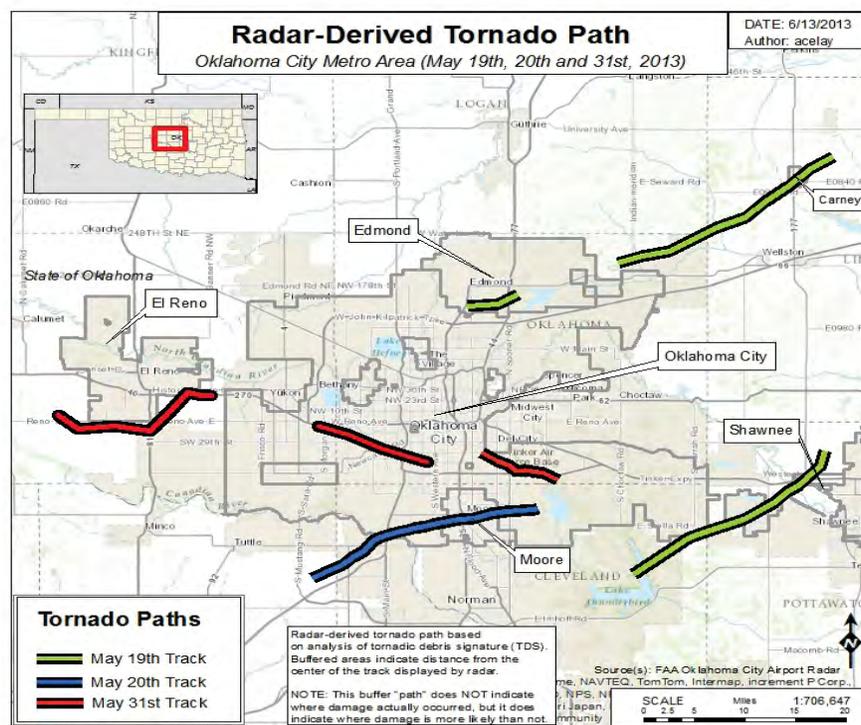
Attachment



Background

The State of Oklahoma (Oklahoma) lies in the heart of “Tornado Alley” and experiences the most tornado disasters nationwide. In a span of 15 days, from May 18 to June 2, 2013, the Oklahoma City area experienced tornadoes, high winds, and floods, resulting in 48 fatalities and more than 508 injuries.¹ On May 20, 2013, the President issued a major disaster declaration for Oklahoma.

Figure 1: Radar-derived tornado path, Oklahoma City area, May 19–31, 2013.



Source: FEMA Incident Status Situation Report dated June 25, 2013.

On May 28, 2013, the Office of Inspector General deployed an Emergency Management Oversight Team to the Joint Field Office in Oklahoma City, Oklahoma.² The Emergency Management Oversight Team serves as an independent unit for oversight of disaster response and recovery activities and provides FEMA an additional resource for proactive evaluation to prevent and detect systemic problems in Federal assistance programs.

¹Hereafter we use “May 2013” to refer to this event in this report.

²FEMA establishes Joint Field Offices in or near the disaster-impacted area for use by Federal and State staff as the focal point of disaster recovery operations.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Section 404 of the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, as amended, authorizes the Hazard Mitigation Grant Program. FEMA provides hazard mitigation grants on a cost-shared basis to eligible applicants within a State declared eligible for Federal assistance to implement measures designed to reduce the loss of life and property from natural disasters.³ Hazard Mitigation Grant Program funding is contingent upon three FEMA approved plans: (1) the State All-Hazard Mitigation Plan, (2) the State Hazard Mitigation Grant Program's Administrative Plan, and (3) a local mitigation plan. FEMA's eligibility criteria require that projects be cost effective, comply with environmental and historic preservation requirements, and provide a long-term beneficial impact. Eligible applicants include State and local governments, certain private nonprofit organizations and institutions, and Indian tribes of tribal organizations.

In our report, *FEMA's Initial Response to the Oklahoma Severe Storms and Tornadoes*, we identified local mitigation planning shortfalls that precluded FEMA's approval of funds to implement mitigation measures such as residential safe rooms. However, in that report, we also stated that FEMA moved quickly to address State and local mitigation planning shortfalls in Oklahoma.

A safe room is a hardened structure specifically designed to meet FEMA criteria and provide "near-absolute protection" in extreme weather events, including tornadoes. Individual homeowners and businesses may not apply directly to the FEMA Hazard Mitigation Grant Program; however, an eligible applicant may apply on their behalf. For individual homeowners in Oklahoma, residential safe room funding may be available through local jurisdictions or through Oklahoma, which disburses funds to homeowners through its *Sooner Safe Program*. According to FEMA, residential safe rooms typically cost from \$3,800 to \$4,500.

Results of Audit

Residential safe rooms that FEMA funded after previous disasters provided effective protection against the 2013 Oklahoma tornadoes. However, several local jurisdictions did not have FEMA approved mitigation plans at the time of the disaster. As a result, FEMA could not provide immediate funding to these jurisdictions to implement additional mitigation measures against future disasters. FEMA can provide funding to

³FEMA also provides mitigation funds under Section 406 of the *Stafford Act*, which is limited to mitigating the damaged element of a facility and must reduce risk of future damage from similar events.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

local jurisdictions to develop or renew local mitigation plans, but Federal regulations do not require local jurisdictions to have FEMA-approved mitigation plans in advance of disasters.

FEMA moved quickly to present Oklahoma with several options to accelerate the review and approval of the local mitigation plans and renewals. However, the local mitigation planning process should be proactive, not reactive. Therefore, to help ensure local jurisdiction mitigation plans are ready when disasters strike and to help FEMA maximize its investment in mitigation planning, we recommend FEMA work proactively with grantees to develop a strategy to enhance the timely development and maintenance of FEMA-approved local mitigation plans.

Finding A: Safe Room Construction Saves Lives

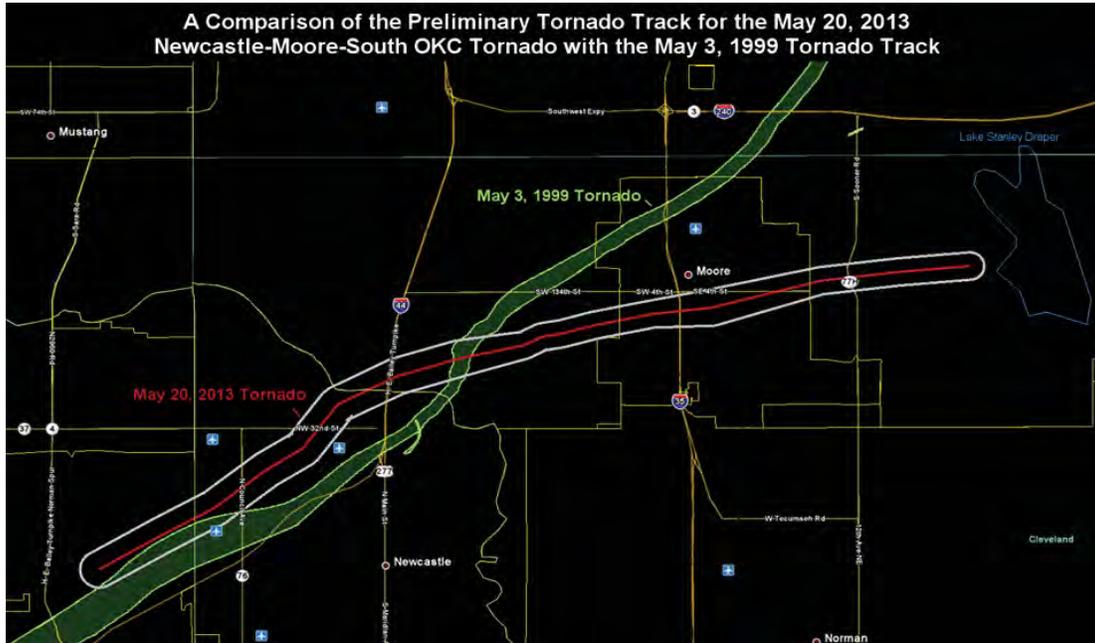
FEMA determined that residential safe rooms withstood the May 2013 tornadoes. The May 2013 tornadoes claimed 26 lives, including 7 children, and injured more than 387.⁴ However, local officials reported no fatalities of safe room occupants. FEMA said the construction of approximately 11,000 FEMA-funded safe rooms since the May 1999 Oklahoma tornado, which killed 40, helped reduce the number of deaths. As figure 2 illustrates, the two tornadoes moved along similar paths.

⁴The Enhanced Fujita scale rates the strength of tornadoes in the United States based on the damage caused. An EF-5 tornado is the highest rating and has wind speeds in excess of 200 miles per hour.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Figure 2: Track comparison of 1999 and 2013 Oklahoma City EF-5 tornadoes



Source: National Weather Service

After the May 2013 tornadoes, FEMA, along with representatives from Texas Tech University, inspected several safe rooms and concluded that they performed well.⁵ FEMA reported on 17 safe rooms within the disaster area, varying in size, construction (prefabricated metal, reinforced concrete, etc.), and location (above and below ground). FEMA noted that, in newer neighborhoods, builders integrated safe rooms in residential construction or provided homeowners cutouts in the garages for future below-ground safe rooms.

⁵The results of the Texas Tech University testing program served as the basis for the safe room design guidelines, construction drawings, and construction material lists presented in FEMA 320 *Taking Shelter from the Storm, Building a Safe Room for your Home or Small Business*, including construction plans and cost estimates.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Figure 3: A safe room standing in a field of debris in Moore, Oklahoma, declaring itself “The Little Room That Did!!”



Source: OIG Emergency Management Oversight Team, May 30, 2013.

FEMA also observed that, although below-ground safe rooms were more prevalent, debris can block the doors and water can flood the rooms. In one case, a family reported 2 feet of water in their below-ground safe room from the heavy rain that accompanied the tornado. Regardless, the 2013 tornadoes demonstrated that safe rooms save lives.

Finding B: Local Planning Shortfalls Precluded FEMA Mitigation Funding

The original major disaster declaration included five counties. Of the five, only one county had a FEMA-approved local mitigation plan at the time of the disaster.⁶ As a result, FEMA could not provide mitigation funding to four of the five counties. According to 44 Code of Federal Regulations (CFR) 201.6(a)(1), a local jurisdiction must have an approved mitigation plan before it receives Hazard Mitigation Grant Program grants

⁶44 CFR 201.6(a)(4) also allows for multijurisdictional plans as long as each jurisdiction has participated in the process and has officially adopted the plan. Because an individual government can submit its own local mitigation plan, it is possible for a city to be eligible for FEMA mitigation funds even though it resides in a county that is ineligible.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

unless FEMA grants an exception.⁷ Additionally, 44 CFR 201.6(d)(3) states that, to remain eligible for mitigation grant funding, a local jurisdiction must review and revise its plan and resubmit it for approval before its approved plan expires. The revisions must reflect changes in development, progress in local mitigation efforts, and changes in priorities. Ironically, the four counties without FEMA-approved plans had received FEMA Hazard Mitigation Grant Program funds to either develop or renew their local mitigation plans.

The responsibility for developing and maintaining a FEMA-approved local mitigation plan rests solely with the local jurisdiction. However, if a jurisdiction receives FEMA funding to develop or renew its local mitigation plan, the State, as the grantee, is responsible for establishing project performance periods, tracking the progress of the approved projects, and ensuring that subgrantees complete the projects and account for approved funds as 44 CFR 206.438(c) and (d) require.

According to a FEMA official, both FEMA and Oklahoma focus on the period of performance of the planning project grant, rather than the expiration date of an active plan. Oklahoma allows a subgrantee 3 years to develop a local mitigation plan and 2 years to renew the plan. A FEMA-approved local mitigation plan expires in 5 years. Therefore, because Oklahoma allows 2 years for a subgrantee to renew its plan, the renewal process needs to begin by the end of the third year to avoid having the existing plan expire. However, FEMA officials said that many jurisdictions wait until the last minute to start the renewal process and therefore do not allow enough time to renew the plans.

Additionally, according to FEMA's *Hazard Mitigation Assistance Unified Guidance* (June 1, 2010), physical work (such as groundbreaking, demolition, or construction of a raised foundation) must not start before final project approval. Therefore, it is critical that local jurisdictions in tornado-prone areas maintain their FEMA-approved local mitigation plans.

FEMA and Oklahoma officials estimated that the May 2013 tornadoes destroyed or heavily damaged over 2,000 homes. As of June 12, 2013, within 30 days of the disaster declaration, FEMA approved more than \$2.3 million in Hazard Mitigation Grant Program

⁷According to 44 CFR 201.6 (a)(3), "Regional Administrators may grant an exception to the plan requirement in extraordinary circumstances, such as a small or impoverished community, when justification is provided. In these cases, a plan will be completed within 12 months of the award of the project grant. If a plan is not provided within this timeframe, the project grant will be terminated, and any costs incurred after notice of the grant's termination will not be reimbursed by FEMA."



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

funds in Oklahoma. Jurisdictions with FEMA-approved mitigation plans expect to receive more than \$1.3 million for the construction of residential safe rooms and more than \$322,000 for equipment such as warning sirens, weather radios, and generators. The remaining \$678,400 is for local mitigation planning. However, because communities did not have, or did not maintain, a FEMA-approved local mitigation plan, and because Oklahoma did not request an exception to this requirement for this disaster, FEMA cannot provide Hazard Mitigation Grant Program funds to them. When FEMA Hazard Mitigation Grant Program funds are available and eligibility requirements are met, Oklahoma can provide some assistance to individual homeowners through its *SoonerSafe – Safe Room Rebate Program*.⁸

Finding C: No Requirements Exist To Maintain an Approved Local Mitigation Plan

FEMA encourages jurisdictions to develop local mitigation plans by requiring FEMA-approved local mitigation plans as a condition of providing hazard mitigation funds. Additionally, FEMA allows jurisdictions to use Hazard Mitigation Grant Program funds to develop and renew local mitigation plans consistent with 44 CFR 201.6. However, FEMA does not impose a nationwide mandate for local jurisdictions to submit local mitigation plans or to maintain them after FEMA approves the plans.

According to 44 CFR 201.6(c)(4)(i), local mitigation plans must contain a section describing the method and scheduling of monitoring, evaluating, and updating the mitigation plan within a 5-year cycle. However, there is no requirement for a jurisdiction to maintain its local mitigation plan as a condition of its plan approval or as a condition of receiving Federal funds to develop or renew the plan. Additionally, FEMA officials do not consider a lapse of a FEMA-funded mitigation plan a violation of the approved local mitigation plan. As a result, plans may expire, thereby preventing FEMA from funding sound mitigation measures beyond the 5 years that a FEMA-approved plan covers.

As noted earlier, four of the five hardest impacted counties did not have FEMA-approved local mitigation plans at the time of the disaster despite having received a FEMA Hazard Mitigation Grant Program grant to develop or renew their plans. Unlike FEMA Public Assistance grants, where FEMA does not require an approved local *recovery* plan to receive Public Assistance funds, the lack of local mitigation planning

⁸The Oklahoma Department of Emergency Management developed the *SoonerSafe - Safe Room Rebate Program* to provide rebates to Oklahoma homeowners who purchase and install safe rooms. Oklahoma uses FEMA Hazard Mitigation Grant Program funds to provide the rebates and intends to offer this program on an annual basis, contingent upon Federal funding it receives after presidentially declared disasters.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

negatively affects a jurisdiction's ability to implement sound mitigation measures. Before this disaster, FEMA obligated over \$8.7 million to Oklahoma for 368 local mitigation planning project grants since May 1999 (an average of nearly \$24,000 per planning grant).

FEMA should work cooperatively with States to address local mitigation planning shortfalls to assist communities and disaster survivors in implementing mitigation measures before a disaster strikes. To maximize FEMA's investment in mitigation planning, FEMA should explore its options (through statutory or regulatory change, if necessary). These options might include making FEMA's approval of local mitigation plans or planning grants contingent upon the jurisdiction renewing the plan before the 5-year plan expires, or extending the renewal timeframe of a FEMA-approved plan for more than 5 years. While considering these changes, FEMA could use this as an opportunity to explore ways to develop quicker, less expensive, and possibly more effective mitigation plans and renewals.

Conclusion

An effective disaster recovery relies on a strong partnership between the impacted community, the States, and FEMA. Measures taken to prevent or reduce the effects of future events also require close coordination and unity of effort. FEMA recognizes the importance of hazard mitigation and provides funding to implement mitigation measures as well as to develop and renew mitigation plans.

The Hazard Mitigation Grant Program is an effective method of mitigating future damage and, in the case of safe rooms, provides near absolute protection from extreme weather such as tornadoes. However, grants that FEMA awards for local mitigation planning that do not require jurisdictions to maintain these plans beyond the first 5-year cycle do not maximize FEMA's long-term investment in funding mitigation planning. Further, FEMA should judiciously exercise its approval of exceptions to the local mitigation plan requirement so as not to undermine the incentive for local jurisdictions to have a FEMA-approved local hazard mitigation plan in effect when a disaster strikes.



Recommendation

We recommend that the FEMA Associate Administrator, Federal Insurance and Mitigation Administration, work proactively with grantees to develop a strategy to enhance the development and maintenance of local mitigation plans.

Discussions with Management

We provided a draft report in advance to FEMA officials and discussed it at an exit conference on March 20, 2014. FEMA officials fully concurred with finding A and generally concurred with findings B and C. FEMA officials pointed out that FEMA has the authority to grant exceptions to local planning requirements and acknowledged that Oklahoma did not request an exception. Based on FEMA's comments, we amended this report. FEMA officials also concurred with the recommendation.

In its April 18, 2014, response, FEMA stated that existing Federal regulations address our recommendation (Appendix B). However, these regulations did not prevent the shortfalls in local hazard mitigation planning we discuss in this report. In addition, the exception, if Oklahoma requests it, may allow FEMA to fund projects immediately, but it does not remedy or prevent the planning shortfalls from recurring. FEMA's response addresses our recommendation only in part by referring to existing regulations; it does not include a corrective action plan of future activities, or actions taken since this disaster, to address mitigation planning shortfalls.

Further, FEMA stated that the FEMA-approved State of Oklahoma Mitigation Plans (past and present) consistently support and encourage development of local mitigation plans, and that States are required to update its State Mitigation Plan at least every 3 years, including a strategy to assist communities with local mitigation planning. FEMA also said that it provides training, technical assistance, and planning grants through its Hazard Mitigation Assistance programs, to assist States with their strategies.

However, our report specifically identifies shortfalls in the maintenance of active plans, despite the Federal regulations already in place. We agree that regulations address a process to support the development of local mitigation plans, primarily through planning grants. However, as we reported, four of the five counties declared did not have FEMA-approved plans at the time of the disaster despite having received FEMA funds to either develop or renew them. Additionally, we reported that Federal



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

regulations require local plans to contain a section describing the method and scheduling of monitoring, evaluating, and updating the mitigation plan within a 5-year cycle. This is despite the fact that no Federal requirements mandate a local hazard mitigation plan to exist or continue to exist once written. Therefore, FEMA should work proactively with grantees to develop a strategy to prevent or at least minimize active local mitigation plans from expiring.

We provided a draft report to Oklahoma officials and discussed it at an exit conference held on April 8, 2014. Oklahoma officials agreed with the report and concurred with the recommendation.



Appendix A

Objective, Scope, and Methodology

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107–296) by amendment to the *Inspector General Act of 1978*. This is the second report in a series of three resulting from our audit of *FEMA's Initial Response to the Oklahoma Severe Storms and Tornadoes (4117-DR-OK)*. The objectives in this audit were to determine whether FEMA-funded safe rooms were effective and whether local mitigation planning requirements accelerated the implementation of sound and timely mitigation measures.

We interviewed FEMA officials; attended mitigation briefings at the Joint Field Office in Oklahoma City, Oklahoma; reviewed FEMA safe room assessment reports; collected information from FEMA's Enterprise Data Warehouse; and performed other procedures considered necessary to accomplish our objectives. 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 May 2013 and March 2014, 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 the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix B Management Comments to the Draft Report

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472



FEMA

April 18, 2014

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

FROM:  David Kaufman 
Associate Administrator
Policy, Program Analysis and International Affairs

SUBJECT: FEMA's Response to OIG Draft Report: Planning Shortfalls Precluded
FEMA Hazard Mitigation Grants to Fund Residential Safe Room

Thank you for the opportunity to comment on the OIG Draft Report: Planning Shortfalls Precluded FEMA Hazard Mitigation Grants to Fund Residential Safe Room.

FEMA appreciates the March 20, 2014, meeting where we discussed the draft report and provided comment.

IG Recommendation #1: We recommend that the FEMA Associate Administrator, Federal Insurance and Mitigation Administration, work proactively with grantees to develop a strategy to enhance the development and maintenance of local mitigation plans.

FEMA's Response: Concur. FEMA asserts that actions are already being implemented to accomplish this. Specifically, States are required to have a "strategy to enhance the development and maintenance of local mitigation plans" through their State Mitigation Plans. Specifically, 44 CFR 201.5(c) (4), requires States to describe how they will coordinate local mitigation planning that includes the following:

- (i) A description of the State process to support, through funding and technical assistance, the development of local mitigation plans.
- (ii) A description of the State process and timeframe by which the local plans will be reviewed, coordinated, and linked to the State Mitigation Plan.
- (iii) Criteria for prioritizing communities and local jurisdictions that would receive planning and project grants under available funding programs, which should include consideration for communities with the highest risks, repetitive loss properties, and most intense development pressures.

Each iteration of the State of Oklahoma Mitigation Plan (2005, 2008, 2011 and 2014) included documentation of how the State supports and encourages development of local mitigation plans. States are required to update their State Mitigation Plans at least every three years, including their strategy to assist communities with local mitigation planning. To assist States with their strategy, FEMA provides training, technical assistance and planning grants through its Hazard Mitigation Assistance (HMA) programs.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Overall: Based on the regulatory requirements already in place, FEMA respectfully requests that no corrective action plan is needed and this recommendation be closed.

Thank you again for the opportunity to comment on the draft report.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Appendix C Report Distribution

Department of Homeland Security

Secretary
Chief of Staff
Chief Financial Officer
Under Secretary for Management
Chief Privacy Officer
Audit Liaison, DHS

Federal Emergency Management Agency

Administrator
Chief Counsel
Chief of Staff
Chief Financial Officer
Director, Risk Management and Compliance
Federal Coordinating Officer, FEMA Disaster Number 4117-DR-OK
Regional Administrator, FEMA Region VI
Deputy Regional Administrator, FEMA Region VI
Audit Liaison, FEMA (Job Code G-14-026-EMO-FEMA)
Audit Liaison, FEMA Region VI
Management Analyst, FEMA Region VI

Recovery Accountability and Transparency Board

Director, Investigations, Recovery Accountability and Transparency Board

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Senate Committee on Appropriations, Subcommittee on Homeland Security
Senate Committee on Homeland Security and Governmental Affairs
House Committee on Appropriations, Subcommittee on Homeland Security
House Committee on Homeland Security
House Committee on Oversight and Government Reform
House Committee on Transportation and Infrastructure



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

State

Director, State of Oklahoma Emergency Management
Oklahoma Office of State Auditor and Inspector

ADDITIONAL INFORMATION

To view this and any of our other reports, please visit our website at: www.oig.dhs.gov.

For further information or questions, please contact Office of Inspector General (OIG) Office of Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov, or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).

OIG HOTLINE

To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at www.oig.dhs.gov and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

Should you be unable to access our website, you may submit your complaint in writing to:

Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Office of Investigations Hotline
245 Murray Drive, SW
Washington, DC 20528-0305

You may also call 1(800) 323-8603 or fax the complaint directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.