



Homeland Security

March 28, 2008

MEMORANDUM FOR: Nancy Ward
Regional Administrator
FEMA Region IX

FROM: 
Robert J. Lastrico
Director
Western Regional Office

SUBJECT: *FEMA's Management of the Public Assistance Program for
Two California Disasters
Report Number DS-08-03*

In response to correspondence we received from an official with the California Governor's Office of Emergency Services (OES), we audited the Federal Emergency Management Agency's (FEMA's) management of the Public Assistance (PA) program for two federally-declared California disasters (1577-DR-CA and 1585-DR-CA). The official claimed that FEMA's disaster response and recovery efforts for these disasters were not effective because FEMA did not include grantee or subgrantee officials in decision-making regarding project eligibility and cost. In subsequent correspondence to our office, the OES Deputy Director said the statements made by the OES official did not represent the official position of OES. As part of our ongoing responsibility to independently review DHS operations, we continued our audit to assess FEMA's management of the PA program during those disasters.

We performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to *Government Auditing Standards* issued by the Comptroller General of the United States. The audit included a review of FEMA and OES records, discussions with FEMA Headquarters and Region IX officials, and meetings with OES and local officials, and other auditing procedures considered necessary under the circumstances.

FEMA generally complied with PA program requirements. Although some subgrantees with large federal disaster awards were critical of FEMA's practices for implementing certain aspects of the PA program, collectively, we did not find any material indicators of poor FEMA performance. While we identified opportunities for FEMA to: (1) improve the control and maintenance of records collected during site inspections, (2) improve the review and resolution of appeals, and (3) avoid potential conflicts of interest, your staff informed us and provided us additional documentation that corrective action has been taken. Since the audit did not identify issues requiring further action from FEMA, we consider this audit closed.

The cooperation and courtesies extended to us by you and your staff are greatly appreciated. Should you have any questions concerning this report, please contact me at 510-637-1461. Key contributors to this review were Humberto Melara, Trudi Powell, and Jeff Flynn.

Cc: DHS GAO/OIG Liaison
FEMA Audit Liaison (Job Code P06G-E077)