Management Alert - FEMA's COVID-19 Funeral Assistance Operating Procedures Are Inconsistent with Previous Interpretation of Long-Standing Regulations for Eligible Funeral Expenses
MEMORANDUM FOR: The Honorable Deanne Criswell  
Administrator  
Federal Emergency Management Agency  

FROM: Glenn Sklar  
Principal Deputy Inspector General  

SUBJECT: Management Alert – FEMA’s COVID-19 Funeral Assistance Operating Procedures Are Inconsistent with Previous Interpretation of Long-Standing Regulations for Eligible Funeral Expenses  

Attached is our final management alert, Management Alert – FEMA’s COVID-19 Funeral Assistance Operating Procedures Are Inconsistent with Previous Interpretation of Long-Standing Regulations for Eligible Funeral Expenses, the purpose of which is to notify you of an urgent issue that requires immediate attention and action. Specifically, the Federal Emergency Management Agency (FEMA) should modify COVID-19 Funeral Assistance Program operating procedures to conform to long-standing interpretation of funeral assistance regulations in FEMA’s Individual Assistance Program and Policy Guide and FEMA’s COVID-19-specific funeral assistance policy (FEMA Policy 104-21-0001).

As appropriate, we have incorporated the technical comments provided by your office on the draft management alert. We have also appended your office’s management response verbatim to the final alert. Your office nonconcurred with the recommendation we made to issue modified COVID-19 Funeral Assistance Program operating procedures that align with the Individual Assistance Program and Policy Guide provisions on ineligible funeral assistance expenses.

Based on information provided in your response to the draft management alert, we consider the recommendation unresolved and open. 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 any updates on your nonconcurrence and any planned corrective actions with target completion dates, or any completed corrective actions. Also, please include information on responsible parties and any other supporting  

www.oig.dhs.gov
documentation necessary to inform us about the current status of the recommendation.

Please send your response or closure request to OIGAuditsFollowup@oig.dhs.gov.

Consistent with our responsibility under the Inspector General Act of 1978, as amended, we will provide copies of our alert to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will also post the alert on our website for public dissemination.

Please call me with questions, or your staff may contact Bruce Miller, Deputy Inspector General for Audits, at (202) 981-6000.
Summary of Issues

We are issuing this management alert to advise the Federal Emergency Management Agency (FEMA) that its Coronavirus disease 2019 (COVID-19) Funeral Assistance Program operating procedures are inconsistent with FEMA’s previous interpretation of long-standing regulations for ineligible funeral expenses established in FEMA’s Individual Assistance Program and Policy Guide1 (IAPPG). This interpretation of regulations for ineligible funeral expenses remains unchanged in FEMA Policy 104-21-00012 (COVID-19-specific policy).

During our ongoing audit of the COVID-19 Funeral Assistance Program, we determined, and verified through analyzing a sample of completed program applications, that FEMA regularly reimburses3 applicants for expenses expressly excluded from funeral assistance in the IAPPG. Due to the unprecedented size of this program and the uncertainty surrounding the duration of the COVID-19 pandemic, FEMA must take action to curb reimbursement of ineligible expenses to avoid further waste and abuse of taxpayer dollars.

Background

According to Section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121 et seq. (Stafford Act), the President may provide financial assistance and, if necessary, direct services to individuals and households who, as a direct result of a major disaster, have necessary expenses and serious needs (emphasis added), including funeral expenses.4

Funeral assistance is typically available when the President authorizes the Individual and Households Program pursuant to a declaration of emergency or major disaster under the Stafford Act. In December 2020, Congress

3 Funeral assistance applicants are not necessarily required to pay for funeral expenses prior to FEMA awarding funeral assistance, but they are required to submit documentation demonstrating that they incurred funeral expenses before FEMA awards funeral assistance. A funeral home contract may satisfy FEMA’s expense documentation requirements if it includes the applicant’s name as the responsible party for the expenses, the total amount of the funeral expenses, the decedent’s name, and the date funeral expenses were incurred. Our review indicates that most funeral assistance issued on applications we reviewed was for funeral service expenses that were paid; i.e., reimbursements. Therefore, this alert refers to funeral assistance payments as reimbursements throughout.
appropriated $2 billion to FEMA’s Disaster Relief Fund to provide financial assistance to individuals and households to reimburse COVID-19-related funeral expenses incurred through December 31, 2020. Both the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the subsequent American Rescue Plan Act of 2021 (ARPA) required FEMA to provide funeral assistance for COVID-19-related deaths at 100 percent Federal cost share. The ARPA appropriation for FEMA expires on September 30, 2025.

In furtherance of the authority granted by Section 408 of the Stafford Act and delegated to FEMA by the President, FEMA promulgated regulations for providing financial assistance for funeral expenses.5 Historically, funeral expenses eligible for reimbursement have been generally limited to funeral services; burial or cremation; and other related funeral expenses.6 Since September 30, 2016, FEMA has provided further guidance in its Individuals and Households Program Unified Guidance, which was superseded by the IAPPG in January 2019. The IAPPG is publicly available and lists eligible funeral assistance expenses. Additionally, the IAPPG expressly excludes certain expenses, such as assistance for obituaries; flowers; printed materials such as banners, programs, or register books; catering services, including food; transportation of the applicant or others to site(s) of funeral services, interment, or reinterment; and gratuities.

In March 2021, FEMA implemented a publicly available COVID-19-specific policy to streamline delivery of funeral assistance granted in connection with the COVID-19 pandemic.7 Although the COVID-19-specific policy does not introduce a new list of eligible expenses, it modifies previous policy by stating “[e]ligible funeral service expenses include, but are not limited to …. “ (emphasis added). According to the COVID-19-specific policy, any provisions set forth in the IAPPG not specifically addressed by the COVID-19-specific policy remain unchanged.

FEMA supplemented its COVID-19-specific policy with disaster-specific operating procedures, which, unlike the IAPPG and COVID-19-specific policy, are not available to the public. These operating procedures provide FEMA employees and contractors guidance on applicants’ assistance eligibility, eligibility of reimbursable funeral expenses, and documentation required for eligibility.

---

5 See 44 C.F.R. § 206.119.

6 44 C.F.R. § 206.119(c)(4)(i)-(iii).

FEMA’s COVID-19 Funeral Assistance Operating Procedures Are Inconsistent with Previous Interpretation of Long-Standing Regulations for Eligible Funeral Expenses

FEMA is putting millions of taxpayer dollars at an elevated risk of waste and abuse by reimbursing funeral expenses identified as ineligible by its own policies. As part of our ongoing audit of the COVID-19 Funeral Assistance Program, we determined that FEMA regularly reimburses for items expressly excluded by the IAPPG such as obituaries; flowers; printed materials, such as programs and register books; catering; transporting applicant or others to site(s) of funeral services; and gratuities. Specifically, during our review, we identified 98 of 166 approved applications (59 percent) that contained expenses identified as ineligible in the IAPPG.

FEMA’s COVID-19-specific policy states, “Eligible funeral service expenses include, but are not limited to: transportation for up to two individuals to identify the decedent; transfer of remains; casket or urn; burial plot or cremation niche; marker or headstone; clergy or officiant services; arrangement of the funeral ceremony; use of funeral home equipment or staff; interment costs; costs associated with producing and certifying multiple death certificates; and additional expenses mandated by any applicable state or local government laws or ordinances.” The COVID-19-specific policy does not include any statement about funeral service expenses for which FEMA will not provide assistance, but it does state, “All ONA Funeral Assistance provisions established in FEMA Policy 104-009-03, Individual Assistance Program and Policy Guide, and not specifically addressed by this Interim Policy remain unchanged.” Per FEMA’s COVID-19 operating procedures, if listed on a funeral receipt, eligible expenses include the following, some of which the IAPPG expressly excludes: “Gratuities; portraits; funeral jewelry for survivors; memory t-shirts/blankets; travel or boat purchases intended to scatter ashes outside of a memorial service; perpetual care of burial grounds; AND [capitalized in the original] items purchased for individuals attending the funeral or service, such as travel costs, clothing, hotel costs.”

Making the IAPPG and FEMA’s COVID-19-specific policy available to the public suggests that FEMA administers the COVID-19 Funeral Assistance Program in accordance with these policies. The Congressional Research Service (CRS) shares this interpretation. In an overview report of the program issued on June 30, 2021, CRS cited the IAPPG in identifying expenses ineligible for reimbursement to include obituaries, flowers, and printed materials. In contrast to the IAPPG and COVID-19-specific policy, the operating procedures

---

instruct FEMA employees and contractors to accept for reimbursement all verifiable funeral expenses (except for burial society membership dues, late or finance charges, and airfare tickets for an individual transporting remains) listed on expense documents from a funeral home, including receipts, invoices, or signed contracts.

As a result, applicants who submit documentation that they incurred expenses — such as a $1,050 charge for flowers; a $420 charge for printed materials including prayer cards, a leather register book, and portraits; a $1,300 charge for a catered reception provided by the funeral home; or a $3,760 charge for transportation including two lead escort vehicles, a limousine, and a horse and carriage — are all eligible to be reimbursed by FEMA as long as the expenses appear on a funeral home receipt, invoice, or signed contract. These expenses are not eligible for reimbursement under the IAPPG. FEMA’s IAPPG, by listing both eligible and ineligible expenses, aligns with the Stafford Act’s intent to assist those who have necessary expenses and serious needs. The IAPPG demonstrates considered, principled expertise in determining which costs to reimburse in connection with funeral services and burials, in contrast to the lack of safeguards established in FEMA’s COVID-19 operating procedures.

The regulations, IAPPG, and FEMA practice in other disasters all demonstrate that FEMA has consistently interpreted the statutory term “funeral expenses” to exclude obituaries; flowers; printed materials such as banners, programs, or register books; catering services, including food; transportation of the applicant or others to site(s) of funeral services, interment, or reinterment; and gratuities. However, in connection with the COVID-19 pandemic, FEMA is reimbursing funeral expenses that it does not reimburse in other disasters. In a current example, FEMA publicly maintains that it cannot provide assistance for funeral expenses expressly precluded from eligibility in the IAPPG in connection with the June 24, 2021, Florida Surfside building collapse. For the Florida Surfside collapse or other disaster in which FEMA offers funeral assistance, an applicant who incurs funeral expenses is not eligible to receive reimbursement for certain expenses eligible for reimbursement under FEMA’s COVID-19 funeral assistance operating procedures.

According to FEMA officials, the intent of the COVID-19-specific policy and operating procedures is to broaden the list of eligible expenses prescribed by the IAPPG. They explained that the eligible expenses listed in the COVID-19-specific policy are not exhaustive, and the phrase “[e]ligible funeral service expenses include, but are not limited to” gives FEMA the flexibility to reimburse additional funeral expenses — even those specifically excluded in the IAPPG. FEMA officials stated it kept relevant congressional committee staff, a Senator, and a U.S. Representative apprised of its plan to expand the eligible expenses
for reimbursement, including adopting a “higher-level view of line item eligibility than normal to make this process easier.”

However, the evidence FEMA provided does not show it informed lawmakers of its plan to reimburse applicants for expenses expressly precluded from eligibility in the IAPPG,\(^9\) or that FEMA informed Congress of operating procedures that do not limit payments to necessary expenses. Further, according to the COVID-19-specific policy, any provisions set forth by the IAPPG not specifically addressed by the COVID-19-specific policy remain unchanged. FEMA’s COVID-19-specific policy does not modify the IAPPG’s list of ineligible expenses. Therefore, FEMA should use the IAPPG and its own COVID-19-specific policy to determine eligible expenses for reimbursement. Any expenses FEMA is willing to consider for reimbursement that are not listed in FEMA’s own policies must be tied to necessary expenses associated with funeral services and/or burials. Evaluating the necessity of certain expenses by their presence on a funeral receipt does not, alone, provide assurance that funds are being expended consistent with governing authorities.

We determined it was necessary to issue this management alert because, under FEMA’s current operating procedures, there is no assurance that: (1) funeral assistance funds are being used to reimburse necessary expenses and serious needs; (2) expenses are being checked line-by-line; (3) expenses specifically excluded from payment in other disasters are not being reimbursed in connection with COVID-19 without notice to the public; and (4) FEMA is complying with its own policies.

Currently, publicly available policies (IAPPG and COVID-19-specific policy) suggest FEMA is more restrictive when reimbursing COVID-19 funeral expenses than FEMA’s operating procedures provide. FEMA states that it has authority to deviate from its standing policy in the context of the COVID-19 pandemic but has not articulated a rationale for doing so or otherwise demonstrated any rigor in its evaluation of expenses reimbursable for funeral assistance beyond stating such expenses need to be listed on a funeral receipt. FEMA stated that its Office of Counsel did not review or approve its disaster-specific operating procedures.

**Recommendation**

We recommend that the Federal Emergency Management Agency Administrator immediately issue modified COVID-19 Funeral Assistance operating procedures that align with the *Individual Assistance Program and Policy Guide* provisions

---

\(^9\) OIG requested relevant documentation during a November 16, 2021 meeting with FEMA on this topic.
on ineligible funeral assistance expenses and ensure all future cost reimbursements by FEMA in connection with the COVID-19 Funeral Assistance Program are necessary expenses associated with funeral services and/or burials.

Management Comments and OIG Analysis

We gave FEMA a draft of this management alert on February 25, 2022, for its review and response. FEMA responded on March 10, 2022, nonconcurring with our recommendation and requesting the OIG consider the recommendation resolved and closed. A summary of FEMA’s response and our analysis follow. We include the full response in this alert as Appendix B.

FEMA Comments to Recommendation: FEMA nonconcluded with our recommendation. FEMA asserted that it has broad authority to determine eligible costs for funeral assistance pursuant to 44 C.F.R. § 206.119(c)(4)(iii) and to implement disaster-specific changes to policy through Interim Policy development. FEMA leadership believes the COVID-19-specific policy provides the flexibility and expediency lawmakers intended regarding the extent to which FEMA should provide necessary expenses (emphasis added) associated with COVID-19-related funerals. FEMA also pointed to the unprecedented scale of the COVID-19 Funeral Assistance Program, in comparison to its experience with such applications from a 2017 hurricane. Additionally, FEMA leadership believes that implementing our recommendation would create inequalities to the detriment of future applicants, who would qualify for less assistance for fewer eligible expenses.

OIG Analysis of FEMA’s Response:

As pointed out by FEMA, 44 C.F.R. § 206.119(c)(4)(iii) provides it with the authority to determine eligible costs for Funeral Assistance. FEMA did not, however, consider the impact that key statutory terms necessary expenses and serious needs have on its administration of COVID-19 Funeral Assistance in its response to our draft management alert. Both the Stafford Act and 44 C.F.R. § 206.119 employ these terms when defining FEMA’s authorities to administer funeral assistance. As pointed out in the management alert, FEMA has historically interpreted the regulations governing funeral assistance to mean that it cannot provide assistance for obituaries; flowers; printed materials such as banners, programs, or register books; catering services, including food; transportation of the applicant or others to site(s) of funeral services, interment, or reinterment; and gratuities.

We acknowledge FEMA’s extensive engagement with congressional stakeholders regarding the intent of the laws authorizing FEMA to administer
the COVID-19 Funeral Assistance Program, and we understand the resulting guiding principles of this engagement were speed, empathy, and flexibility. FEMA’s statutory and regulatory requirements to provide funeral assistance for *necessary expenses* and *serious needs* do not preclude it from taking those guiding principles into account as it executes the Funeral Assistance Program. However, FEMA’s issuance of operating procedures that evaluate the eligibility of certain expenses solely by their presence on a funeral receipt subverts those statutory and regulatory requirements.

We acknowledge the volume of COVID-19 funeral assistance applications compared to other more localized disasters. However, for the COVID-19 Funeral Assistance Program, FEMA procured significant contractual assistance to process applications and supplement the efforts of its existing staff at a cost of over $294 million.

Finally, we disagree with FEMA’s assertion that implementing this management alert’s recommendation would create inequality for COVID-19 Funeral Assistance Program applicants, post-implementation. As pointed out in the management alert, FEMA has excluded certain expenses from funeral assistance eligibility in disasters FEMA is responding to concurrently with COVID-19. Thus, by implementing this management alert’s recommendation, FEMA remedies the current inequality in funeral assistance practices and reverts FEMA to the statutory and regulatory interpretation it has operated under while administering funeral assistance in other instances. Implementation of OIG’s recommendation will ensure applicants from different disasters are treated equally and COVID-19 funeral assistance complies with applicable statutory and regulatory provisions.

We therefore consider the recommendation unresolved and open.
Appendix A
Objective, Scope, and Methodology


The objective of our ongoing audit is to determine to what extent FEMA implemented internal controls to provide oversight of its COVID-19 Funeral Assistance Program. Between July 30, 2021 and November 2, 2021, we accessed FEMA’s National Emergency Management Information System to review individual COVID-19 Funeral Assistance Program applications, partially completing a review of a statistical sample. We also held discussions about our review with FEMA program officials on September 14, 2021; November 16, 2021; and February 8, 2022.

Within our scope of review, the Funeral Assistance Program had 170,489 approved cases and 3,915 denied cases, totaling 174,404 cases. Given a universe/population of 174,404 cases, the statistically valid sample size, based on 95 percent confidence level, 5 percent sampling error, and 50 percent population proportion, was 383 cases.

This audit is ongoing; thus, we have not yet analyzed 383 statistically valid samples. To date, we have examined 166 approved cases. Of the 166 approved cases, we identified 98 cases in which an applicant received reimbursement for expenses deemed ineligible by the IAPPG. Fifty-six of these 98 cases would have received a reduced final award had FEMA enforced its own policy on ineligible expenses.10

We also obtained documentary evidence, such as overarching program and policy guidance for FEMA’s Individual Assistance programs prescribed in the Individual Assistance Program and Policy Guide (FP 104-009-03). We obtained FEMA’s disaster-specific policy for COVID-19 funeral assistance (COVID-19 Funeral Assistance Individuals and Households Program Policy (Interim) (Version 2) FEMA Policy #104-21-001 issued June 29, 2021). Finally, we obtained FEMA’s disaster-specific operating procedures (DSOP), COVID-19

---

10 There is a $9,000 limit on COVID-19 Funeral Assistance Program awards, per decedent. Of the 98 cases we identified, 56 would have received a reduced final award had FEMA enforced IAPPG provisions on ineligible expenses. The remaining 42 cases would not have received a reduced final award because the IAPPG-ineligible expenses were less than the difference between the total expenses submitted by the applicant and their full $9,000 award.
Funeral Assistance DSOP, with an effective date of June 29, 2021. We analyzed the requirements within these policies and procedures with respect to the eligible funeral service expenses and obtained a legal opinion based on our OIG Office of Counsel’s interpretation.

We conducted this work pursuant to the Inspector General Act of 1978, as amended, and in connection with an ongoing audit being performed according to generally accepted government auditing standards. Those standards require we plan and perform our audit work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

Additional information or recommendations regarding the issue(s) addressed in this alert may be included in the final audit report from our ongoing work of determining to what extent FEMA implemented internal controls to provide oversight of its COVID-19 Funeral Assistance Program.

The OIG Office of Audits major contributors to this management alert are Larry Arnold, Director; John Skrmetti, Audit Manager; Christopher Stephens, Auditor-in-Charge; Mary James, Program Analyst; Katrina Griffin, Auditor; Michael Scoffone, Auditor; Thomas Hamlin, Communications Analyst; and Ericka Kristine Odiña, Independent Referencer. The OIG Office of Innovation major contributor to this management alert is Muhammad Islam, Statistician.
Appendix B
FEMA Comments on the Draft Management Alert

March 10, 2022

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

FROM: Cynthia Spishak
Associate Administrator
Office of Policy and Program Analysis

SUBJECT: Management Response to Draft Report: “Management Alert – FEMA’s COVID-19 Funeral Assistance Operating Procedures Contradict Previous Interpretations of Long-Standing Regulations for Eligible Funeral Expenses” (Project No. 21-039-AUD-FEMA(a))

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.

However, FEMA leadership, including FEMA’s Chief Counsel, disagrees with the OIG’s overall conclusion that FEMA’s COVID-19 Funeral Assistance operating procedures contradict previous interpretations of regulations for eligible funeral expenses. Leadership also believes that the OIG’s recommendation would ultimately slow FEMA’s ability to review thousands of pending and additional incoming applications, limit the funds FEMA could provide to current and future eligible applicants, and reduce the effectiveness of FEMA’s assistance in covering applicants’ COVID-19-related costs.

Specifically, FEMA has broad statutory and regulatory authority related to Funeral Assistance, that provided the agency flexibility to expand from its standard disaster policy. As outlined in the regulations found at 44 Code of Federal Regulations § 206.119(c)(4)(iii), “Financial assistance to address other needs.” FEMA has flexibility to determine eligible costs for Funeral Assistance. Further, pursuant to the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021, FEMA provided financial assistance for COVID-19-related funeral expenses incurred on, or after January 20, 2020.

Although FEMA had an existing policy on Funeral Assistance at the time these laws were passed (Policy 104-009-03, “Individual Assistance Program and Policy Guide”
(IAPPG)\(^1\), FEMA nevertheless developed a Funeral Assistance interim policy specific to individuals who died from COVID-19, specifically addressing the scope and magnitude of the mortality experienced during the COVID-19 pandemic and outlining requirements specific to the language of the law. Interim Policy 104-21-0001, “COVID-19 Funeral Assistance Individuals and Households Program Policy” was published on March 23, 2021, and later updated on June 29, 2021.

It is important to note that in developing this interim policy FEMA coordinated extensively with Congressional staff, and the White House, as well as the Centers for Disease Control and Prevention (CDC), tribal leaders, and other stakeholders on the direction and intent of the policy. Although OIG’s draft report states that FEMA did not provide evidence showing the Agency informed lawmakers of its plan to provide financial assistance to applicants for expenses expressly precluded from eligibility in the IAPPG, in actuality, FEMA leadership had extensive engagements with Congressional stakeholders regarding the congressional intent of the law.\(^2\) FEMA’s actions streamlining the review of COVID-19 Funeral Assistance applications to speed awards, and how COVID-19 Funeral Assistance would differ from FEMA Funeral Assistance governed by the IAPPG. Accordingly, during the development of the interim COVID-19 Funeral Assistance policy and FEMA’s implementing procedures, FEMA determined that (1) certain restrictions on eligible costs present in the IAPPG would not meet Congressional intent, and that (2) the broader eligibility established under Interim Policy 104-21-0001 was within FEMA’s statutory and regulatory authority to determine eligible costs for Funeral Assistance.

It is also important to note that, although the FEMA provides Funeral Assistance as a standard form of disaster assistance through the Individuals and Households Program (IHP), FEMA has never before delivered Funeral Assistance on the scale demanded by the response to the COVID-19 pandemic. Historically, FEMA would typically address several hundred funeral assistance applications each year, except for the approximate 2,000 funeral applications reviewed following Hurricane Maria in 2017. In contrast, as of March 1, 2022, FEMA had awarded $1,934,034,091 in Funeral Assistance for funeral expenses for COVID-19 deaths to 297,304 applicants since the beginning of assistance in April 2021.

FEMA leadership believes that limiting eligible expenses by applying IAPPG standards towards COVID-19-related deaths—as the OIG recommends—would be unfair to future applicants and violate the intent of Congress for FEMA to be flexible and expedient in providing funeral expenses for applicants. Accordingly, FEMA remains committed to

---

\(^1\) The version of Policy 104-009-03 published in 2019 applies to all COVID-19 disasters as they were declared prior to the updated version of the IAPPG published in 2021.

\(^2\) Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021
the guidance, policies, and standards developed in collaboration with Congress, the CDC, and numerous stakeholders to provide Funeral Assistance.

The draft report contained one recommendation with which FEMA non-concurs. Attached find our detailed response to the 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.

Attachment
Attachment: Management Response to Recommendation Contained in OIG-21-039

OIG recommended the FEMA Administrator:

Recommendation 1: Immediately issue modified COVID-19 Funeral Assistance operating procedures that align with the Individual Assistance Program and Policy Guide provisions on ineligible funeral assistance expenses and ensure all future cost reimbursements by FEMA in connection with the COVID-19 Funeral Assistance Program are necessary expenses associated with funeral services and/or burials.

Response: Non-Concur. Pursuant to 44 CFR §206.119(c)(4)(iii), FEMA has broad authority to determine eligible costs for Funeral Assistance, as well as inform disaster-specific changes necessary for policy through Interim Policy development, so long as the policy goes through the process outlined in FEMA Directive 112-12, “Development and Management of FEMA Policy,” and the review process established by the Office of Management and Budget for policies developed in response to COVID-19, which were followed in the development of Interim Policy 104-21-0001. The eligibility provided for in Interim Policy 104-21-0001 is well within that broad authority.

Further, FEMA leadership believes that Interim Policy 104-21-0001 provides a level of flexibility that aligns with what lawmakers intended regarding the extent to which FEMA should provide necessary expenses associated with funerals to the hundreds of thousands of Americans who lost loved ones to COVID-19. Implementing this recommendation would interfere with that intent by adversely affecting the efficiency and timeliness of COVID-19 Funeral Assistance by significantly slowing the processing of applications, and be directly contrary to Congress’ intent to provide expedient assistance to eligible applicants. As of March 1, 2022, FEMA had 140,565 COVID-19 Funeral Assistance requests to process, with approximately 1,500 new COVID-19 deaths being reported each day to the CDC. FEMA needs the flexibility provided by Interim Policy 104-21-0001 to meet the continued processing demands for this assistance.

It is also important to note that FEMA leadership believes implementing this recommendation would create inequalities in providing Funeral Assistance. Specifically, the recommended change would result in future applicants receiving less assistance for fewer eligible expenses. As COVID-19-related deaths rates have been higher among many underserved populations, such as Tribal Nations, restricting eligible Funeral Assistance costs for applicants who have not yet been paid or may still apply for recent or future COVID-19 funerals would create inequity for these populations. This potential for Funeral Assistance to create further cultural disparities and inequities is in direct contradiction with the January 20, 2021, Executive Order 13985, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” as
well as FEMA’s own commitment to equity as demonstrated in Goal 1 of the Agency’s 2022-2026 Strategic Plan, “Instill Equity as a Foundation of Emergency Management.”

FEMA requests the OIG consider this recommendation resolved and closed.
Appendix C
Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chiefs of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office -Project 21-039-AUD-FEMA
Under Secretary, Office of Strategy, Policy, and Plans
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
FEMA Audit Liaison

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees
The Honorable Mike Braun, United States Senate
The Honorable Chuck Grassley, United States Senate

Pandemic Response Accountability Committee
Additional Information and Copies

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 Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov. Follow us on Twitter at: @dhsoig.

OIG Hotline

To report fraud, waste, or abuse, visit our website at www.oig.dhs.gov and click on the red "Hotline" tab. If you cannot access our website, call our hotline at (800) 323-8603, fax our hotline at (202) 254-4297, or write to us at:

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