

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

**Pennsylvania Department of Conservation and Natural
Resources Appropriately Expended \$33.6 Million of
FEMA Public Assistance Funds**





OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

SEP 5 2013

MEMORANDUM FOR: MaryAnn Tierney
Regional Administrator, Region III
Federal Emergency Management Agency

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

SUBJECT: *Pennsylvania Department of Conservation and Natural Resources Appropriately Expended \$33.6 Million of FEMA Public Assistance Funds*
FEMA Disaster Numbers 1557, 1587, and 1649-DR-PA
Audit Report Number DA-13-25

We audited Public Assistance (PA) funds awarded to the Pennsylvania Department of Conservation and Natural Resources (DCNR) (Public Assistance Identification Number 000-UE9RA-00). Our audit objective was to determine whether DCNR accounted for and expended Federal Emergency Management Agency (FEMA) funds according to Federal regulations and FEMA guidelines.

The Pennsylvania Emergency Management Agency (PEMA), a FEMA grantee, awarded DCNR \$33.6 million for damages resulting from three federally-declared disasters:

- Tropical Depression Ivan (1557-DR-PA), which occurred September 17, 2004.
- Severe storms and flooding (1587-DR-PA), which occurred April 2, 2005.
- Severe storms, flooding, and mudslides (1649-DR-PA), which occurred June 23, 2006.

The audit covered the period September 17, 2004, through June 19, 2013, and included a review of 25 large and 3 small projects totaling \$27,690,926 or 82 percent of the total awards (see exhibit).¹ Table 1 provides the specifics of each disaster.

¹ Federal regulations in effect at the time of these disasters set the large project thresholds at: \$54,100 for DR-1557, \$55,500 for DR-1587, and \$57,500 for DR-1649.



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Table 1. Disaster-Specific Information

Disaster	Disaster No.	Amount Awarded (Millions)	Large Projects Awarded	Small Projects Awarded	FEMA Funding
Tropical Depression Ivan	1557	\$12.4	20	118	75%
Severe Storms, Flooding	1587	\$11.2	14	6	75%
Severe Storms, Flooding and Mudslides	1649	\$10.0	10	25	100% first 72 hours, 75% thereafter
Totals		\$33.6	44	149	

We conducted this performance audit between October 2012 and August 2013 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective. To conduct this audit, we applied the statutes, regulations, and FEMA policies and guidelines in effect at the time of each of the disasters.

We interviewed FEMA, PEMA, and DCNR officials; reviewed judgmentally selected project costs (generally based on dollar value); and performed other procedures considered necessary to accomplish our objective. We did not assess the adequacy of the DCNR's internal controls applicable to grant activities because it was not necessary to accomplish our audit objective. We did, however, gain an understanding of the DCNR's method of accounting for disaster-related costs and its policies and procedures.

RESULTS OF AUDIT

DCNR successfully managed FEMA PA grant funds for damages resulting from three separate disasters, DR-1557, DR-1587, and DR-1649. Department officials expended and accounted for PA funds according to Federal grant regulations and FEMA guidelines for the 25 large and 3 small projects we audited under the three disasters.



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DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the results of our audit with DCNR, PEMA, and FEMA officials on August 13, 2013. Because the audit did not identify issues requiring further action from FEMA, at this time, we consider this audit closed.

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.

Major contributors to this report are Kaye McTighe, Director; Trudi Powell, Audit Manager; Ken Valrance, Auditor-in-Charge; Aaron Naas, Program Analyst; and Elizabeth Finn, Program Analyst.

Please call me with any questions at (202) 254-4100, or your staff may contact Kaye McTighe, Director, at (202) 254-4100.



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EXHIBIT

Schedule of Projects Audited

FEMA Disaster Number 1557-DR-PA

Project Number	Award Amount	FEMA Category of Work	Project Scope
1103	\$1,697,039	G	Canal Debris Removal-Easton to Wy-Hit-Tuk Cty Pk
1108	1,403,939	G	Canal Repairs-Easton to Wy-Hit-Tuk County Park
1298	22,400	G	Canal Repairs-Historic Stone River Wall
1302	628,804	G	Canal Repairs-Wy-Hit-Tuk then Downstream
1308	50,250	G	Canal Repairs-'Dry' Hand-Laid Stone Walls
1873	411,986	G	Canal Repairs-New Hope to Washington Crossing
1874	574,022	G	Canal Repairs-Lock 13 to Virginia Forest Rec. Area
1875	704,291	G	Canal Repairs-Lock 13 to Highway 32 Bridge
1887	110,043	G	Repairs-Virginia Forest to Lower Limeport Bridge
2280	2,565,176	G	Canal Repairs-Roosevelt Park to Bridgeton Hill Rd.
5220	165,970	G	Repairs to Delaware State Forest Roads
Total	\$8,333,920		

FEMA Disaster Number 1587-DR-PA

Project Number	Award Amount	FEMA Category of Work	Project Scope
421	\$ 573,373	G	Canal Repairs-Highway 32 Bridge to Lock 13
426	663,368	G	Canal Repairs-New Hope to Washington Crossing
428	555,014	G	Canal Repairs-Washington Crossing to Yardley
445	93,648	G	Repairs-Virginia Forest to Lower Limeport Bridge
534	2,847,420	G	Canal Repairs-Easton to Wy-Hit-Tuk County Park
536	1,065,236	G	Canal Repairs-Wy-Hit-Tuk County Park to Lock 22
538	222,963	G	Canal Repairs-Lock 13 to Virginia Forest Rec. Area
677	582,133	G	Repairs to Rocky Falls Stop and Waste Gates
690	3,608,237	G	Canal Repairs-Roosevelt Park to Bridgeton Hill Rd.
Total	\$10,211,392		



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Schedule of Projects Audited

FEMA Disaster Number 1649-DR-PA

Project Number	Award Amount	FEMA Category of Work	Project Scope
2336	\$2,378,700	G	Canal Repairs-Easton to Wy-Hit-Tuk County Park
2613	50,049	G	Repairs-Virginia Forest to Lower Limeport Bridge
2615	1,548,174	G	Canal Repairs-Wy-Hit-Tuk County Park to Lock 22
2617	557,339	G	Canal Repairs-Highway 32 Bridge
2618	436,705	G	Canal Repairs-Lock 13 to Virginia Forest Rec. Area
2978	1,190,859	G	Canal Repairs-New Hope to Washington Crossing
2989	2,476,878	G	Canal Repairs-Roosevelt Park to Bridgeton Hill Rd.
3000	506,910	G	Canal Repairs-Washington Crossing to Yardley
Total	\$9,145,614		



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