

# Department of Homeland Security Office of Inspector General

## FEMA's Response to the Disaster in Galena, Alaska





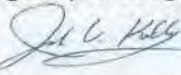
## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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

JUN 17 2014

MEMORANDUM FOR: Joseph Nimmich  
Associate Administrator  
Office of Response and Recovery  
Federal Emergency Management Agency

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

SUBJECT: *FEMA's Response to the Disaster in Galena, Alaska*

Attached for your information is our final letter report, *FEMA's Response to the Disaster in Galena, Alaska*. We incorporated the formal comments from the Federal Emergency Management Agency (FEMA) in the final report.

The report contains four recommendations aimed at improving FEMA's response to disasters in remote areas. FEMA concurred with all recommendations. Based on information provided in the response to the draft report, we consider recommendations #2 and #3 resolved and recommendations #1 and #4 closed. Once FEMA has fully implemented the recommendations, please submit a formal close-out letter to us within 30 days so that we may close the recommendations. The request should be accompanied by evidence of completion of agreed-upon corrective actions.

Please email a signed PDF copy of all responses and closeout requests to Office of Emergency Management Oversight at [OIGEMOFollowup@oig.dhs.gov](mailto:OIGEMOFollowup@oig.dhs.gov).

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; Nigel Gardner, Audit Manager; and Nathaniel Nicholson, 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

Between May 17, and June 11, 2013, a severe flood damaged six Regional Educational Attendance Areas in Alaska. Regional Educational Attendance Areas are political subdivisions within Alaska. On June 25, 2013, the President issued a Major Disaster Declaration for Alaska that authorized FEMA to provide Individual Assistance and Public Assistance to four Regional Educational Attendance Areas. Individual Assistance includes Other Needs Assistance, which provides additional financial aid such as replacement of household items for those uninsured or under-insured survivors who are unable to meet these needs through other means.

Located in the Alaskan interior about 270 air miles from Fairbanks and 329 air miles from Anchorage, Galena is a remote Native Village on the Yukon River. Because of its location and the early onset of winter, Galena has no road and limited air access for transporting goods and services after September. During the Alaska and FEMA-coordinated damage assessment process, FEMA Disaster Housing Assessment Team officials determined that the critical infrastructure, power, healthcare, water, wastewater facilities, and temporary housing resources in Galena, Alaska, sustained minor to severe damage. Pursuant to the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, in response to the need for sheltering and housing in Galena, FEMA decided to construct permanent housing for survivors whose residences could not be repaired. FEMA also approved a temporary support camp for responders to assist disaster survivors who would remain in Galena during the Alaskan winter. In addition, because of the limited housing availability, FEMA temporarily relocated those residents who could not secure lodging outside of Galena.

## Results of Review

FEMA generally responded appropriately and proactively, using a variety of options available under the *Stafford Act*. However, FEMA could improve its response to the unique needs of disaster survivors and communities who have limited cash resources and who reside in remote and inaccessible locations. FEMA quickly decided to provide disaster survivors in Galena with a permanent housing option and responders with a temporary support camp. Those decisions were consistent with the authorities the *Stafford Act* grants to FEMA. However, FEMA experienced delays in implementing changes in its “Other Needs Assistance” policy, which would have assisted disaster survivors in preparation for winter. Specifically, FEMA approved Other Needs Assistance policy changes for Alaska on February 14, 2013, but did not implement them in its business rules until June 28, 2013 (finalized July 9, 2013)—roughly a month after the disaster occurred. Thus, it was not surprising when disaster survivors said they



experienced delays in receiving the Other Needs Assistance, such as hunting and fishing gear, needed to provide food for their families during the winter.

## **FEMA's Response to the Flooding**

### **The *Stafford Act* Provides FEMA the Flexibility To Provide Permanent Housing Construction and Construct a Temporary Responder Support Camp**

The facts and circumstances surrounding the 2013 Yukon flooding in Galena, Alaska, support the need for FEMA to provide permanent housing construction for disaster survivors pursuant to the *Stafford Act* Section 408(c)(4) and a Temporary Responder Support Camp pursuant to the *Stafford Act* Section 403(a)(3).

FEMA prudently granted the Governor of Alaska's request to provide permanent housing construction to survivors whose residences could not be repaired because no other housing resources were available.. FEMA also prudently authorized financial assistance to Alaska to construct a temporary facility to house and feed responders working on mass care and permanent construction for disaster survivors.

### **FEMA Needs Additional Disaster Guidance for Remote and Insular Areas**

Some Alaskan tribal officials were concerned that FEMA responded very slowly throughout the entire Galena disaster response phase. They perceived FEMA's slow response as adversely affecting Galena's recovery, specifically the stability of the communities and the emotional health of survivors. For example, FEMA approved Other Needs Assistance changes for the Alaska state agreement on February 14, 2013, which would have assisted the disaster survivors' preparation for winter. The flooding began on May 17, 2013, but the President did not issue the Major Disaster Declaration until June 25, 2013—roughly a month later. Because FEMA cannot provide assistance until after a Major Disaster declaration, it could not immediately implement these changes. On June 28, 2013, 3 days after the declaration, FEMA implemented these changes in its information management system. FEMA then revised those changes on July 9, 2013. Thus, we were not surprised when disaster survivors told us they experienced delays in receiving the types of Other Needs Assistance necessary to provide food for their families during the winter. Other Needs Assistance provides financial assistance such as replacement of household and essential personal property items for those uninsured or under-insured survivors who are unable to meet such expenses or needs through other means. In this case, it included items such as



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boats, motors, fishing gear, guns, and other items necessary for the disaster survivors to feed their families and prepare for the winter.

During our visit to the area, Alaskan officials raised the following concerns about this subsistence economy:

- Alaskan officials told us that FEMA’s response to the disaster was very slow. They thought, in the initial stages of the response, that FEMA should have used both airlifting and barges to bring supplies into Galena and the other affected communities. They understood use of barges was a more cost-effective way to transport supplies. However, given the limited amount of time and barge space, they believed FEMA should have absorbed the additional costs. They also said that the barging companies only have enough barges to transport goods to the affected communities under normal conditions. Consequently, the disaster supplies and materials placed on the barges took the space ordinarily used for transporting other items. In turn, local merchants suffered financially. They believe many will go bankrupt.
- Alaskan officials said recycling “waste heat” in towns like Galena can save more money than the cost to install “waste heat” equipment.<sup>1</sup> Alaskan officials said that FEMA did not understand the sense of urgency in installing “waste heat” equipment in time for the winter’s cold weather. Alaskan officials pointed out that if FEMA does not approve grants to install “waste heat” equipment, they will have to import additional fuel, which will further reduce the limited barge space.

However, FEMA does not directly install or complete permanent repairs on damaged equipment. Rather, FEMA provides grant assistance (funding) for the local entity to complete the work. On September 17, 2013, a week after senior headquarters FEMA and OIG officials visited Galena, FEMA obligated \$2,492 for the “waste heat” system. On November 21, 2013, FEMA increased the obligated amount for that project to \$461,851. FEMA developed the scope of the Project

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<sup>1</sup> Waste heat is heat rejected or escaping from furnaces of various types (such as coke ovens, cement kilns, or steel furnaces) after it has served its primary purpose. Waste heat losses occur from both equipment inefficiencies and thermodynamic limitations. Waste heat can be recovered using numerous methods. Once recovered, the waste heat can either be “reused” within the same process or transferred to another process.



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Worksheet, working alongside the State and Alaska Native Tribal Health Council.

- Alaskan officials expressed concern that FEMA had limited experience tailoring disaster assistance to the needs of interior Alaska communities with limited cash or subsistence economies.

While FEMA eventually authorized Other Needs Assistance to pay for guns and fishing gear, Alaskan officials emphasized that, in subsistence societies, people use guns and fishing gear for survival. These officials believed that the delay between the date of the disaster and the date of the Major Disaster Declaration delayed FEMA's ability to authorize the purchase of guns and fishing gear. Consequently, some families lost the opportunity to supply their own food for the winter.

- Alaskan officials said FEMA and the State should use local merchants as intermediaries to deliver supplies to individuals and households affected by the disaster so that merchants in isolated communities do not go bankrupt.

Section 307 of the *Stafford Act* potentially provides FEMA with the authority to award local businesses with disaster contracts to provide their communities with disaster goods and services. Thus, in instances like Galena, FEMA would best serve disaster survivors by working closely with local business to provide disaster goods and services, when feasible. Similarly, FEMA should work with outside contractors to use local residents to assist in their own disaster recovery efforts.

- Alaskan officials believed that FEMA did not effectively use its public assistance programs to repair the senior center. Because the senior center is a not-for-profit center, Alaskan officials did not understand why it did not qualify for FEMA public assistance aid.

FEMA officials said that, during the kickoff meeting, they advised the applicant that they considered the senior center a noncritical, private nonprofit organization. Thus, before receiving a disaster assistance grant, the applicant had to first seek and be denied a Small Business Administration loan. In addition, because the applicant participated in the National Flood Insurance Program, FEMA advised the applicant of the potential for duplication of benefits with the flood insurance. In October 2013 (subsequent to our audit field work), the FEMA Public Assistance



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team approved \$542,080 for the senior center. The insurance specialist subsequently reduced the approved amount for anticipated flood insurance proceeds and awarded the senior center \$22,421.

- Alaskan officials expressed concern that FEMA treats the section of Galena on the shore of the Yukon River referred to as “Old Town Galena” differently from other communities flooded in previous years. While we know that FEMA has made efforts to explain why Old Town Galena is different from other communities, FEMA and the State need to communicate those differences more effectively to improve the trust of the Alaskan officials.
- Tanana Chiefs Council officials expressed a desire to assist FEMA and act as an intermediary between FEMA and the local tribes and communities.<sup>2</sup> They pointed out that there are a number of cultural issues that cause miscommunications between the tribe and FEMA. They suggested that, in the future, FEMA should employ organizations such as Tanana Chiefs Council to act as an intermediary to foster good will and assist the tribal members and local residents with needed disaster assistance.

### Other Observations

#### **Disaster Survivor Housing Programs Can Be Vulnerable to Fraud, Waste, and Abuse**

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Since 2000, FEMA has administered 20 major disasters in Alaska; however, FEMA’s experience in providing permanent housing in Alaska is limited. Therefore, the increased inherent risk associated with making improper FEMA contracting decisions and providing duplicate benefits requires increased vigilance to monitor the expenditure of public funds properly.

In response to our concerns, FEMA officials said they consider the construction of permanent housing only after they verify that other forms of temporary housing assistance are not available or not feasible. In executing its proactive housing decision, FEMA was mindful of the cost, complexity, and high visibility of direct temporary housing assistance. As a result, FEMA recently established Direct Housing Assessment Teams. These teams ensure dedicated resources are

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<sup>2</sup> Tanana Chiefs Council is a nonprofit tribal consortium serving 42 communities, including 37 federally recognized tribes primarily located along the Yukon, Tanana, Koyukuk, and Kuskokwim rivers in Interior Alaska



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available to perform credible, objective, and timely evaluations to determine the need for direct temporary housing assistance. The teams also ensure that proper planning promotes a cost-effective program implementation. In the case of Galena, the Governor of Alaska requested a disaster declaration on June 14, 2013, and the Direct Housing Assessment Team completed its assessment regarding temporary housing by July 11, 2013. Because of the severity of winters in the affected areas, FEMA determined that temporary housing was not feasible and permanent housing was the only alternative for those survivors who could not repair their residences. FEMA swiftly approved all permanent housing assistance for those survivors by July 19, 2013.

However, because of the inherent risk associated with permanent housing construction, FEMA should continue to monitor established controls to ensure compliance with proper contracting policies and procedures. FEMA should also monitor compliance with its individual assistance controls to ensure that applicants do not receive duplicate assistance under Section 408 of the *Stafford Act*, such as temporary housing, real property repair or replacement, and other assistance that insurance covers.

#### **Temporary Responder Support Camps Are Vulnerable to Fraud, Waste, and Abuse**

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FEMA acknowledged having no experience providing temporary responder support camps in Alaska, even though Alaska has experienced 20 major disasters since 2000. To mitigate the inherent risk associated with contracting for responder camps, FEMA needs to ensure that Alaska implements good contracting procedures and that it follows its policies and procedures in contracting for the temporary responder support camp. Effective contracting procedures lessen the risks of fraud, waste, and abuse and help ensure that all potential bidders receive fair treatment. The temporary responder camps also have a higher inherent risk of FEMA providing goods and services that contractors receive payment to provide. Thus, FEMA and Alaska also need to continue monitoring their internal controls to prevent duplicate payments. For example, FEMA and Alaska should ensure that organizations and individuals providing assistance to disaster survivors do not receive reimbursement for services that the temporary responder support camp are already receiving reimbursement to provide. Examples of improper reimbursement could include services such as lodging and food that the responder support camp provides.





## Conclusion

FEMA's construction of permanent housing for disaster survivors and a temporary responder support camp is an appropriate use of the Individuals and Households Program's assistance funds. Additionally, considering the early onset of winter, limited transportation options, and the exigent conditions in Galena, doing so may substantially reduce the overall long-term costs associated with providing housing for disaster survivors and sheltering responders. If successful, the program can assist individuals and households unable to meet their housing needs and provide the assistance necessary to temporarily house responders.

While FEMA's policies and procedures provide great flexibility in responding to the unique circumstance of a disaster, the 2013 Yukon River ice flooding established new challenges for FEMA in isolated communities. Given the short response time, FEMA appropriately and proactively used all the options available under the *Stafford Act*. However, FEMA experienced delays in implementing its policy changes that would have assisted the disaster survivors to prepare for winter in a remote, inaccessible Alaskan village. In the future, FEMA could improve its operations by continuing to tailor the Individuals and Households Program, Other Needs Assistance, and Public Assistance Program for nontraditional, remote, and inaccessible communities in all vulnerable States.

FEMA should mitigate the inherent risks associated with constructing permanent housing and a temporary responder support camp by closely monitoring compliance with Federal regulations and FEMA guidelines.

## Recommendations

We recommend that the Associate Administrator for-Response and Recovery, FEMA:

**Recommendation 1:** Review its Individuals and Households Program and direct the Regions to work with the States to identify and address the unique needs of nontraditional communities.

**Recommendation 2:** Determine if, under Section 307 of the *Stafford Act* (Use of Local Firms and Individuals (42 U.S.C. 5150)), FEMA can require, to the extent feasible and practicable, grantees and subgrantees to use local geographic preferences in the evaluation of bids and proposals.



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**Recommendation 3:** In accordance with Executive Order 13175—Consultation and Coordination with Indian Tribal Governments—issue a consultation policy to address cultural gaps that exist with Tribes.

**Recommendation 4:** Continue to mitigate the inherent risks associated with constructing permanent housing and a temporary responder support camp by closely monitoring compliance with Federal regulations and FEMA guidelines to prevent fraud, waste, and abuse.

### Management Comments and OIG Analysis

We received and reviewed written comments on the draft report from FEMA's Associate Administrator for Policy, Program Analysis and International Affairs. FEMA concurs with our recommendations.

Based on the information FEMA provided, we consider recommendation #1 closed. FEMA agrees that recovery efforts should account for the unique needs of nontraditional communities when they are impacted by disasters. FEMA's Other Needs Assistance provision of the Individuals and Households Program coordinates with State/Indian Tribal governments to allow for the identification, request, and FEMA approval of assistance to meet the needs of nontraditional communities. To ensure FEMA's administrative files are clear and concise, the State/Indian Tribal Government will review and sign the standard personal property list for that calendar year. This validates their acknowledgement of the Standardized Personal Property List before each calendar year, along with the acknowledgment that they have the option to request or make changes as deemed necessary.

Based on the information FEMA provided, we consider recommendation #2 as resolved and open. FEMA will evaluate the applicability of Section 307 of the *Stafford Act* to the following regulatory provision (44 C.F.R. § 13.36(c)(2)): "Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference." Estimated completion date is July 1, 2014.

Based on the information FEMA provided, we consider recommendation #3 as resolved and open. FEMA has drafted a tribal consultation policy to guide Agency officials on how to work with Indian Tribes and Tribal Officials. The draft policy fosters regular and



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meaningful consultation and collaboration on actions that have tribal implications, including those due to cultural differences. FEMA also has taken two additional actions to ensure the Agency is engaging in real and meaningful ways with Tribes and respecting the cultural and religious traditions. FEMA has established a Faith-based and Neighborhood Partnerships Office and the Tribal Integration Group. Estimated completion date is October 1, 2014.

Based on the information FEMA provided, we consider recommendation #4 closed. FEMA agrees that it is imperative to monitor and mitigate risks of fraud, waste, and abuse. Regarding permanent housing construction and the temporary responder support camp, FEMA has guidelines in place to monitor and mitigate the risk of fraud, waste, and abuse in its Individual Assistance and Public Assistance Programs. FEMA's management comments provide details of the steps FEMA took to provide permanent housing and set up a temporary responder camp.

Appendix B includes a copy of the management comments in their entirety.



## **Appendix A**

### **Objectives, 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 one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

One of our audit objectives was to determine whether FEMA’s decision to provide disaster survivors in Galena, Alaska, with a permanent housing option and responders with a temporary responder support camp is consistent with the authorities granted by the *Stafford Act*. Our other objective was to solicit comments from Alaskan natives on the disaster response. In conducting this audit, we applied the statutes, regulations, and FEMA policies and guidelines in effect at the time of our fieldwork. We interviewed FEMA, State, and local officials; reviewed applicable Federal statutes, regulations, policies and procedures; observed conditions in Galena, Alaska; and performed other procedures considered necessary to accomplish our objective. We did not assess the adequacy of the agency’s internal controls applicable to disaster response because it was not necessary to accomplish our audit objective.

We conducted this performance audit between July 2013 and December 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 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  
Management Comments

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



FEMA

MAY 27 2014

MEMORANDUM FOR: John V. Kelly  
Assistant Inspector General, Office of Emergency Oversight  
Office of Inspector General (OIG)  
Department of Homeland Security

FROM: *David J. Kaufman* *Katherine Fox*  
Associate Administrator for  
Policy, Program Analysis and International Affairs

SUBJECT: Federal Emergency Management Agency (FEMA) Response  
To OIG Draft Report: "FEMA's Response to the Disaster in Galena,  
Alaska," (Project #13-162-EMO-FEMA)

Thank you for the opportunity to review and comment on the draft report for OIG Project 13-162-EMO-FEMA: FEMA's Response to the Disaster in Galena, Alaska. The Federal Emergency Management Agency (FEMA) appreciates the Office of Inspector General's (OIG) work in planning and conducting its review and issuing this report. FEMA appreciates OIG's positive comments concerning our efforts in responding to the Galena disaster, and we are actively resolving the issues identified in the audit.

The draft report highlights many of FEMA's current efforts in assisting the community of Galena, Alaska respond to and recovery from the folding event in May and June 2013. The draft report notes that FEMA responded appropriately and proactively, using a variety of options available under the Stafford Act. The draft report also indicates areas for improvement in FEMA's engagement with non-traditional communities as well as draws attention to the potential for fraud, waste and abuse regarding permanent housing and temporary responder support camps. Subsequently, the OIG made four recommendations in its draft report concerning these matters. FEMA's responses to those recommendations are below.

**OIG Recommendation #1** Review its Individuals and Households Program and direct the Regions to work with the States to identify and address the unique needs of non-traditional communities.

**Response: Concur.** FEMA agrees that recovery efforts should account for the unique needs of non-traditional communities when they are impacted by disasters, and FEMA already has an on-going process to account for these needs, as discussed below.

FEMA's Other Needs Assistance (ONA) provision of the Individuals and Households Program (IHP) coordinates with State/Indian Tribal governments to allow for the identification, request, and FEMA approval of assistance to meet the needs of non-traditional communities.

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Specifically, the Office of Management and Budget (OMB) Information Collection Review (ICR) 1660-0061, Federal Assistance to Individuals and Households, provides States/Indian Tribal Governments with the opportunity to be active participants in the ONA provision of the IHP through the review of an administrative option agreement and the development of an administrative plan. FEMA Form 010-0-11, the ONA Administrative Option Selection form, is contained within OMB ICR 1660-0061. This form contains a "standard personal property line item list" for States/Tribes to approve or modify, and FEMA's standard process provides an opportunity for States/Tribes to "add-on" any additional items that are prevalent in their State/Tribe that are not included in the standard list. The State of Alaska chose to add on specific line items needed in Alaska including, but not limited to, fishing and hunting gear for the calendar year (prior to the disaster declaration). Below is the information contained within the supporting statement of OMB ICR 1660-0061 specific to FEMA Form 010-0-11.

i. FEMA Form 010-0-11, Administrative Option Agreement (for the Other Needs provision of IHP). The purpose of an Administrative Option Agreement between FEMA and a State/Indian Tribal Government is to establish a plan for the delivery of assistance under Section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended. In order for FEMA to effectively coordinate program activities with the State/Indian Tribal Government, it is necessary that we have the State/Indian Tribal Government sign an agreement, which establishes a partnership with FEMA and inscribes the plan for the delivery of disaster assistance. The agreement is used to identify the State's/Indian Tribal Government's proposed level of support and participation during disaster recovery. FEMA Form 010-0-11 (previously FEMA Form 90-153) was approved for use in this collection in 2008. To ensure FEMA's administrative files are clear and concise, and include the past practice of asking the State/Indian Tribal Government to sign the standard personal property line item list as part of the agreement, the State/Indian Tribal Government will review and provide signature of the standard personal property list for that calendar year. This validates their acknowledgement of the Standardized Personal Property List prior to each calendar year, along with the acknowledgment that they have the option to request or make changes as deemed necessary.

This process was instituted to ensure FEMA and the State had a mechanism to address various cultural differences and meet the needs of disaster survivors.

FEMA requests that this recommendation be considered resolved and closed.

**Recommendation #2:** Determine if, under Section 307 of the Stafford Act (Use of Local Firms and Individuals (42 U.S.C. 5150)), FEMA can require, to the extent feasible and practicable, grantees and subgrantees to use local geographic preferences in the evaluation of bids and proposals.

**Response: Concur.** 44 C.F.R. § 13.36(c)(2) states: "Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference." FEMA will evaluate the applicability of Section 307 of the Stafford Act to this regulatory provision.

FEMA requests that this recommendation be considered resolved and open.



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**Estimated Completion Date:** July 1, 2014

**Recommendation #3:** In accordance with Executive Order 13175—Consultation and Coordination with Indian Tribal Governments, issue a consultation policy to address cultural gaps that exist with Tribes.

**Response: Concur.** FEMA is committed to enhancing its relationships with Indian Tribes and to supporting Indian Tribes in their preparation for, mitigation of, response to, and recovery from all hazards and disasters. FEMA has developed a draft tribal consultation policy to establish a process to guide Agency officials on how to engage Indian Tribes and Tribal Officials in regular and meaningful consultation and collaboration on actions that have tribal implications, including those due to cultural differences.

FEMA also has taken two additional actions to ensure the Agency is engaging in real and meaningful ways with Tribes and respecting the cultural and religious traditions that can be affected by FEMA actions.

1. We have a Faith-based and Neighborhood Partnerships Office, which at the direction of the Administrator, engages tribes for the purpose of establishing an understanding and recognition of the cultural and religious sensitivities that FEMA should be aware of in our engagement and consultation with tribes.
2. We have established the Tribal Integration Group, which will ensure that all FEMA programs are considering the impacts of our actions on tribal governments, members and culture (e.g., EHP process may identify significant cultural and religious sites). This group also will ensure that consultation is adhered to when such actions have tribal implications, in accordance with Executive Order 13175.

FEMA requests that this recommendation be considered resolved and open.

**Estimated Completion Date:** October 1, 2014

**Recommendation #4:** Continue to mitigate the inherent risks associated with constructing permanent housing and a temporary responder support camp by closely monitoring compliance with Federal regulations and FEMA guidelines to prevent fraud, waste and abuse.

**Response: Concur.** FEMA agrees that it is imperative to monitor and mitigate risks of fraud, waste, and abuse. Regarding permanent housing construction and the temporary responder support camp, FEMA has guidelines in place to monitor and mitigate the risk of fraud, waste, and abuse in its Individual Assistance and Public Assistance Programs. Below are explanations of the steps FEMA took in providing permanent housing and setting up a temporary responder camp.

**Permanent Housing Construction:** Throughout the process of response and recovery efforts in Alaska, FEMA took rigorous efforts to mitigate the risk of unnecessarily providing such an expensive form of housing assistance (permanent housing construction) and to identify the most appropriate and cost effective means of doing so if it were needed. Since Permanent Housing



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Construction (PHC) is intended to be used only when no alternative housing resources are available. FEMA has a statutory obligation to verify that other forms of temporary housing assistance are unavailable, infeasible, or not cost-effective. One action FEMA takes to mitigate risks associated with fraud, waste and abuse is to quickly deploy its Direct Housing Assessment Team (DHAT). The DHAT identifies the most appropriate and cost-effective means of providing temporary housing assistance, taking into account the needs of the eligible applicants, availability of temporary housing resources in the community, and the unique logistical considerations associated with providing direct services in a remote village like Galena.

The DHAT, in coordination with the State-Led Disaster Housing Task Force (SLDHTF) and the U.S. Army Corps of Engineers (USACE), evaluated potential construction options and developed independent government cost estimates (IGCEs) in order to mitigate the threat of wasteful spending that can occur when requirements are not adequately identified before beginning the procurement process. Based on the evaluation from the DHAT, FEMA approved the State's request to implement PHC in Alaska. Even with the approval of PHC, FEMA took additional measures to mitigate waste. Some of these measures included evaluating and limiting the type of PHC approved to direct shipping and repair (materials and labor) and the costs of habitability repairs; limiting the population eligible with established criteria; engaging voluntary agencies throughout the process to support efforts to assist applicants as much as possible with repairs and construction; and ensuring applicants repay any FEMA housing assistance received prior to providing new construction. In implementing the scope of work for PHC, FEMA utilized local suppliers and contractors for the purchase and transportation of materials. In addition, for homes determined eligible to be replaced through PHC, FEMA sought technical assistance through local cold weather construction companies and is soliciting bids with local entities for site preparation, utility installation, and building construction for the new homes.

**Responder Support Camp:** The Governor's emergency authority was still in effect when the State of Alaska procured the Responder Support Camp in accordance with its emergency procurement process. The State elected to build the Responder Support Camp as an emergency protective measure, which was determined eligible for Public Assistance under Section 403 of the Stafford Act, instead of requesting a mission assignment from FEMA. The State solicited proposals and sent requests for bids to eight vendors. Then the State analyzed the bids it received and made an award based upon cost and operational needs (a short stand up of the camp). After selecting a bid, the State notified all potential bidders of the selection and provided them with an opportunity to protest. None of the bidders protested. This process followed FEMA's Fact Sheet 9580.212: *Public Assistance Grant Contracting Frequently Asked Questions (FAQ)*, dated October 28, 2012 ([http://www.fema.gov/media-library-data/20130726-1857-25045-5393/fact\\_sheet\\_rp9580.212\\_public\\_assistance\\_grant\\_contracting\\_faqs.pdf](http://www.fema.gov/media-library-data/20130726-1857-25045-5393/fact_sheet_rp9580.212_public_assistance_grant_contracting_faqs.pdf)).

FEMA requests that this recommendation be considered resolved and closed.

Again, we thank you for the work that you and your team accomplished to inform us of measures to enhance the program's overall effectiveness. Please direct any questions or concerns regarding this response to Gary McKeon, FEMA's GAO/OIG Branch Chief Audit Liaison Office at 202-646-1308.





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**Appendix C**  
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**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

## ADDITIONAL INFORMATION

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

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

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