

Auditing Disaster Relief and Recovery Efforts

Chris Currie, U.S. GAO

22nd Biennial Forum of Government Auditors

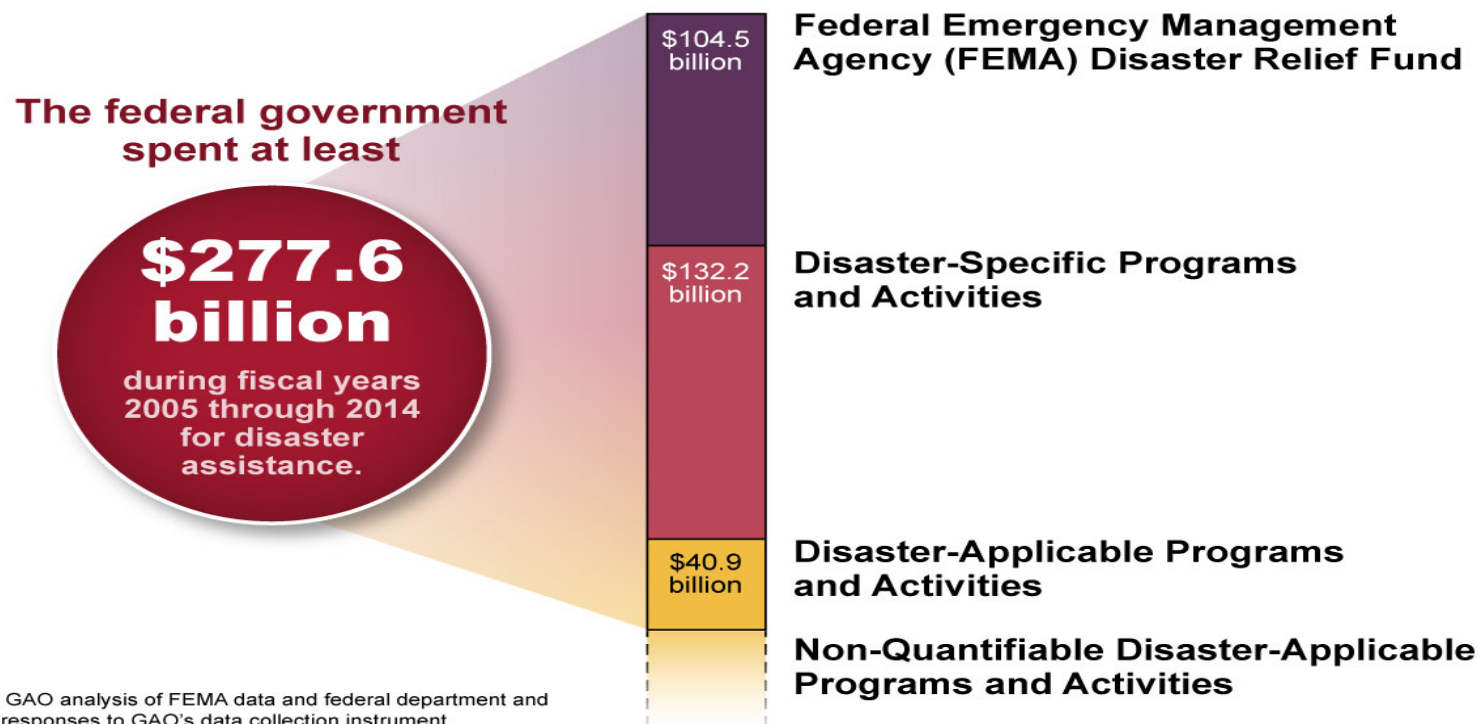


Overview

- What do we spend on disasters?
- Historic 2017 disaster year and GAO observations
- GAO's past work and recommendations on Federal disaster assistance

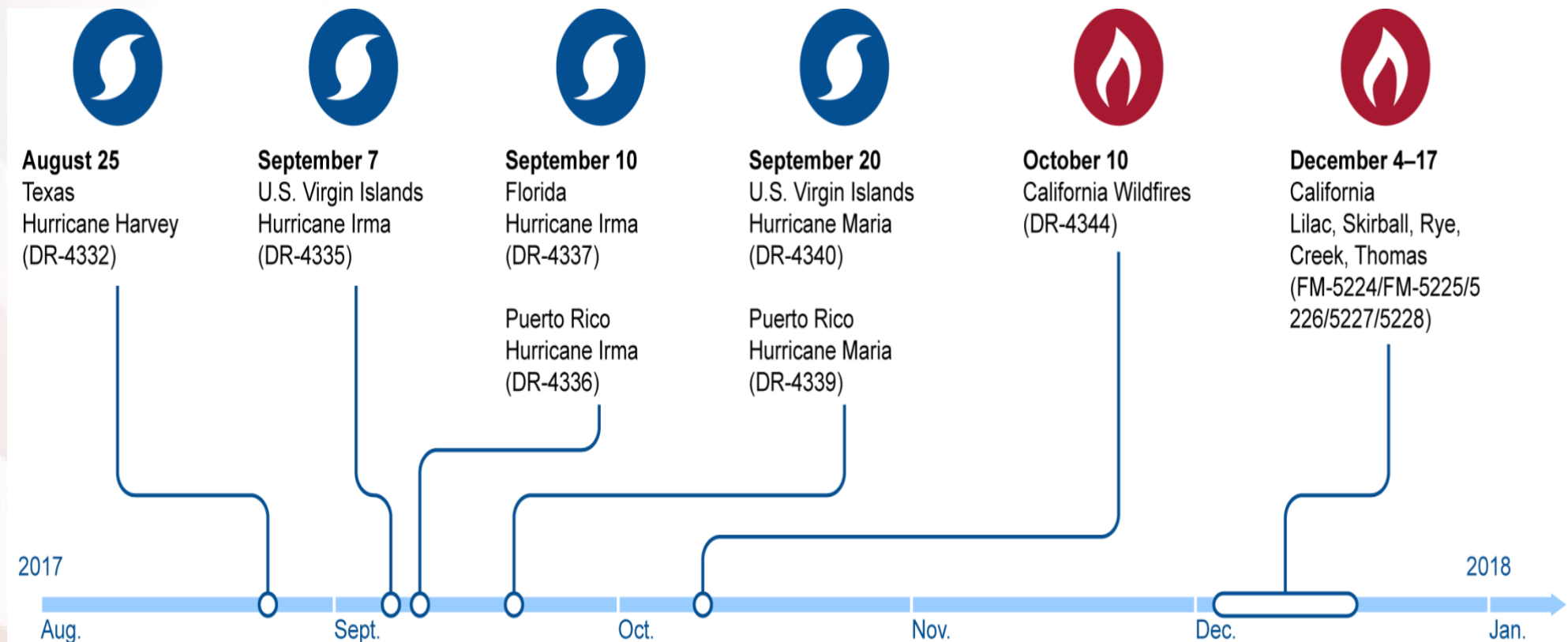
Federal Disaster Assistance Funding

- We found that the federal government spent at least **\$277.6 billion** to mitigate, respond to, and recover from disasters from fiscal years 2005 through 2014. ([GAO-16-797](#))



Timeline of 2017 Disasters

- The federal government's response to 3 catastrophic hurricanes within one month and 2 wildfires is unprecedented.



2017 Disaster Impacts and Costs

- Natural disasters in 2017 affected about 26 million people in the U.S.—8% of the population.
- Congress has appropriated about \$120 billion in disaster funding for Hurricanes Harvey, Irma, and Maria, and the California wildfires so far.



- According to the NOAA, damages exceeded **\$300 billion** in 2017.

Debris pile in the Florida keys following Hurricane Irma.

2017 Disasters: GAO Work to Date and Visits to Impacted Areas



Damage to Homes and Infrastructure in Puerto Rico



**Operation Center at the Puerto Rico Joint Field Office
(November 2017)**

2017 Disasters: GAO Observations



Canal Debris, Marathon, Florida

- Concurrent disasters strained the federal workforce.
- Extensive damage = long/costly infrastructure projects = complicated program and contract oversight.
 - Power grid in Puerto Rico
 - Flood control projects in Texas
 - Long term housing challenges for survivors
- States and territories have different oversight capacities and experience managing federal disaster funds.
- Coordination of federal recovery programs makes auditing complicated.

Prior GAO Work: FEMA Assistance to Individuals

- Payments to individuals are the quickest to go out, thus the most susceptible to improper payments and fraud.



Debris Pile, Marathon, FL

- Katrina/Rita (2005): We found 10 to 22% of payments to individuals were improper or potentially fraudulent (\$600 million to \$1.4 billion).
- Sandy (2012): 2.7% (\$39 million) at risk of being improper or potentially fraudulent.
- Progress made, but challenges still remain in validating individuals' personal information. ([GAO-15-15](#))

Prior GAO Work: Federal Assistance to state, local, and tribal governments



Source: State of Washington and The Confederated Tribes of the Colville Reservation.

- State/local challenges navigating multiple complex federal recovery programs, rules, and timeframes.
 - FEMA
 - HUD
 - SBA
 - Corps of Engineers
 - USDA
 - DOT

Paperwork needed to support and close out recovery projects associated with a landslide in Washington state using federal funds.

Prior GAO Work: FEMA Public Assistance (PA)

- PA grants provide assistance to state/local governments for debris removal and the repair of public assets (roads, bridges, utilities).
- \$36 billion from FY 2009-2016. Over \$10 billion so far for 2017 disasters.



Damage to utility poles in Puerto Rico

- PA is a complex multistep grant program. Requires extensive paperwork and review process between FEMA and state/local grantees.
- We identified FEMA challenges in applying PA consistently across the country and incorporating mitigation into projects and grant guidance.

Prior GAO Work: FEMA Public Assistance (PA)

- FEMA recently redesigned its PA program to address past challenges and make the program easier for grantees.
- Goal is less paperwork, less disagreement, and better oversight.



- We recommended that FEMA assess its workforce needs to implement the program and improve IT systems to ensure they are effective. ([GAO-18-30](#))
- Also recommended FEMA strengthen the process that grantees use to appeal FEMA PA decisions. ([GAO-18-143](#))

Prior GAO Work: Disaster Mitigation and Resilience

- **Disaster resilience**: the ability to prepare, plan for, absorb, recover from, or adapt to actual or potential adverse effects.
- **Hazard mitigation**: any action to reduce or eliminate risk to people and property from natural hazards and their effects.
- We reported that increasing disaster resilience is one of few options the federal government has to help reduce future fiscal exposure and reduce costs.
- However, it is difficult to encourage mitigation investment and planning before the disaster strikes. This means investments post disaster are even more critical.

Prior GAO Work: Disaster Mitigation and Resilience

- **Post Hurricane Sandy**: We found missed opportunities to invest in resilience due to challenges in implementing federal programs.
- We also found that there was no comprehensive, strategic approach to prioritizing investments in disaster resilience and recommended that federal agencies develop one. ([GAO15-515](#))



Concrete utility pole, Florida



Elevated homes, Florida

What's Next? Upcoming GAO Work and Audit Coordination

- Initial GAO report examining federal response to 2017 disasters early summer.
 - Over 20 audits focused on various response and recovery issues including such issues as:
 - Puerto Rico/Virgin Islands disaster recovery plans
 - Pre-positioned and post-disaster response contracting
 - Response to Western U.S. wildfires
 - Management of HUD CDBG funds
 - Increased work means that coordination between federal, state, and local auditors is critical.
-

Questions?

- For additional information on GAO's work reviewing disaster management in the federal government, see:

https://www.gao.gov/key_issues/disaster_assistance/