

Recovering From A Natural Disaster



Sam Atkinson

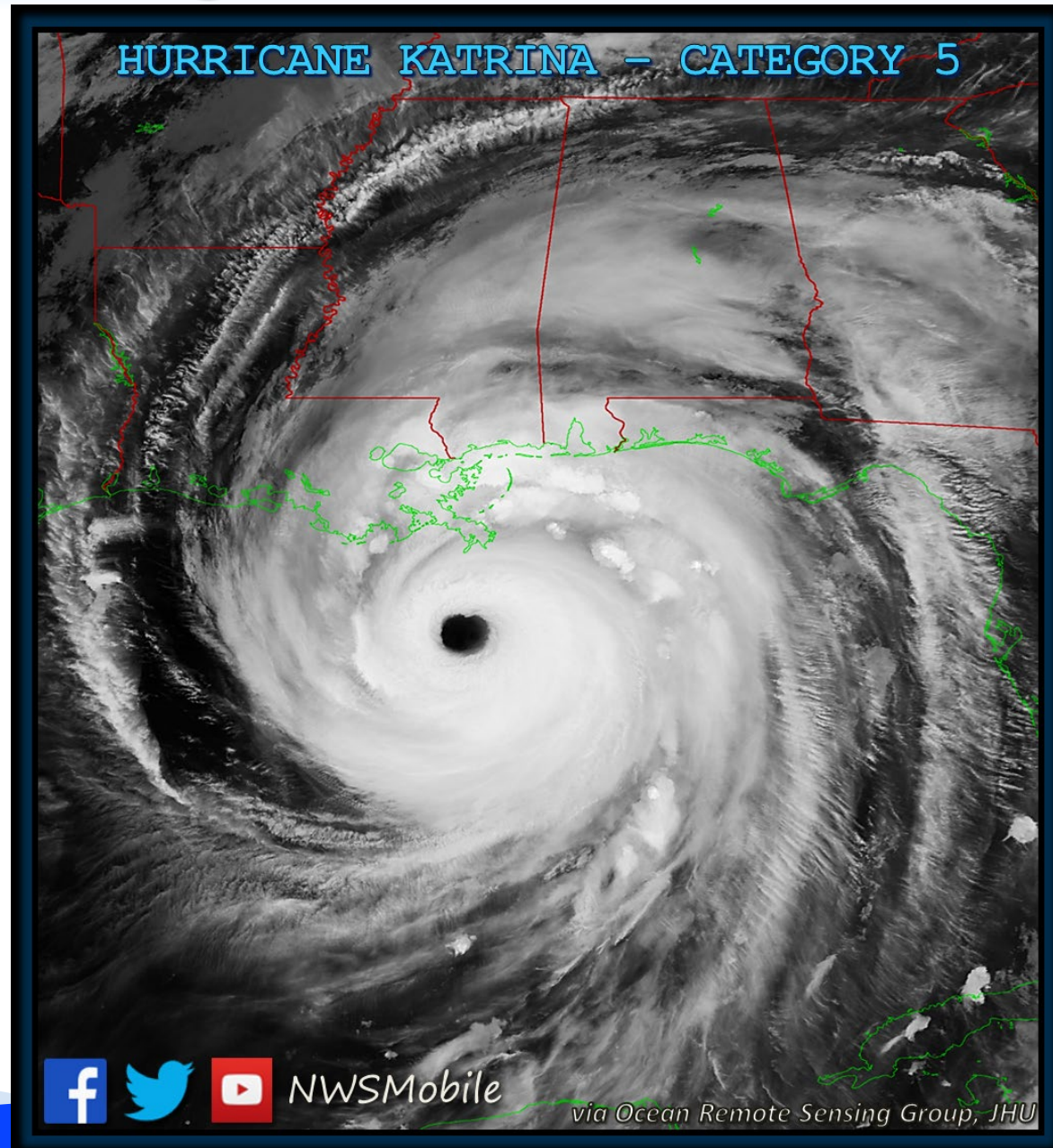
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MS Office of the State Auditor*

May, 2018



Katrina: August 29, 2005

- ▶ At 6:10 AM, Katrina made its third landfall as a strong Category 3 hurricane at Bay St. Louis, MS, with sustained winds of **more than 125 mph** (205 km/h), and gusts over 140 mph.



NWSMobile

via Ocean Remote Sensing Group, JHU



Katrina: August 29, 2005

- ▶ Storm Surge
 - 28-37 ft in Bay St. Louis and Waveland, MS
 - 20+ ft. in Biloxi and Pascagoula more than 55 miles away
- ▶ Destruction and Tornadoes across Mississippi
- ▶ Survived Camille, Destroyed by Katrina
- ▶ Buildings, Homes, Roads, Underground Infrastructure—All Destroyed



Katrina: Auditor's Role

- ▶ Two days to prepare
- ▶ Worked with Emergency Management
- ▶ Prepared Information for Government Officials
- ▶ Investigators Assigned to Work with Other First Responders
- ▶ Placed Audit Employees at State EOC
- ▶ Made Pre-Storm Contact with All OSA Employees



Katrina: The Aftermath

- ▶ Internal Operations the Day After
 - Employee Contact
 - PAYDAY-NO ELECTRICITY
 - Deploy Staff
- ▶ External Work Immediately After
 - Devastating Losses, Public and Private (affecting government services)
 - PAYDAY



Before and After





Before and After





Before and After





Katrina: The Aftermath

- ▶ Investigators & Financial Auditors
- ▶ Technical Assistance & Performance Audit
- ▶ Work with Federal Officials
- ▶ Review Purchasing/Contracting Laws
- ▶ Provide Information & Assistance



Katrina: Preventing Fraud

- ▶ Fraud Hotline
- ▶ Report Fraud Advertisements
- ▶ Katrina Fraud Unit
- ▶ Federal/State Team with FBI, USAG, Homeland Security, FEMA, and OIG

*Estimated < 0.5%
Undetected Fraud in MS*

MEMORANDUM OF UNDERSTANDING

between the

STATE OF MISSISSIPPI AUDITOR'S OFFICE

and the

FEDERAL BUREAU OF INVESTIGATION

and the

HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE INSPECTOR GENERAL

Nothing in this Memorandum of Understanding (MOU) should be construed as limiting or impeding the basic spirit of cooperation which exists between the participating agencies listed above.

1. PURPOSE OF THE MOU

This MOU establishes and delineates the mission of the Mississippi Hurricane Katrina Fraud Joint Task Force, hereafter referred to as the Katrina Fraud Task Force or KFTF, as a joint cooperative effort. This MOU formalizes relationships between and among the participating agencies in order to foster an efficient and cohesive unit capable of addressing suspected fraud related to residential rebuilding efforts in the Hurricane Katrina affected areas in Mississippi. It is the desire of the participating agencies to achieve maximum interagency cooperation and communication through the establishment of a long term, proactive and coordinated team of federal and state law enforcement officers.

2. MISSION

The mission of the KFTF is to identify public officials, contractors, private citizens and/or residential homeowners in Mississippi who are committing federal and state criminal violations and to investigate/prosecute those individuals and organizations responsible such acts.

3. ORGANIZATIONAL STRUCTURE

A. Composition

The KFTF will consist of law enforcement officers representing the agencies participating in the MOU. Each participating law enforcement agency will provide, at a minimum, a full-time assigned officer/agent.



Fraud Prevention

- ▶ For Homeowners and Businesses
- ▶ Provided to local government officials for distribution
- ▶ Provided to radios, newspapers, and TV stations to raise awareness

KATRINA FRAUD PREVENTION AND DETECTION UNIT

OFFICE OF THE STATE AUDITOR

1-800-956-1846

Protecting Yourself From Contractor Fraud: **Warning Signs**

- ✦ The contractor solicits business door-to-door. This sales approach is often accompanied by high pressure sales tactics, intimidation, and threats.
- ✦ You can't verify the remodeler's name, address, phone number, or credentials.
- ✦ The contractor claims to be endorsed by the Federal Housing Administration for the Title I home improvement loan program. (More information on this type of deceptive advertising is available from HUD's website.)
- ✦ The contractor is not willing to offer references or the references provided were not happy with the contractor's work.
- ✦ You are asked to pay for the entire job in advance.
- ✦ The contractor will accept payment only in cash.

If you do sign a contract and then have second thoughts, remember that the Federal Trade Commission's "Cooling Off Rule" may apply if the contract was signed somewhere other than the contractor's place of business (in your home, for example). Under this law, you have up to 72 hours to cancel the agreement.

Beware of Fly-By-Night Contractors: **Warning Signs**

- ✦ You're told that on this job, a contract "won't be necessary."
- ✦ You're asked to pay for the entire job "up front"—or pay cash to a salesman instead of a check or money order to a company.
- ✦ You are confronted with scare tactics, intimidation or threats.
- ✦ You're told you've been "chosen" as a demonstration project at a special, low price.
- ✦ You're told a "special" low price is good only if you sign a contract today.
- ✦ The contractor won't give you references—or the references can't be located.
- ✦ You can't verify the contractor's business address.

If you are aware of fraud, waste, and abuse in Katrina Homeowner Assistance programs and operations, report it to the State Auditor's Katrina Fraud and Prevention Hotline:

(800) 956-1846

*Sources: Home Builders Association of Mississippi, www.hbam.com
National Association of Home Builders, www.nahb.org



Long Term Fraud Prevention



FRAUD = FELONY

Report it at www.osa.state.ms.us or call 1.800.321.1275



**Stacey Pickering,
State Auditor**

State Auditor Stacey Pickering is working harder than ever to bring justice to the people of Mississippi. Our thriving environment, enduring history, and cultural diversity are what keep Mississippi strong. Misuse of state tax dollars is damaging our future. Government waste and embezzlement will not be tolerated. Help State Auditor Stacey Pickering end fraud in Mississippi.



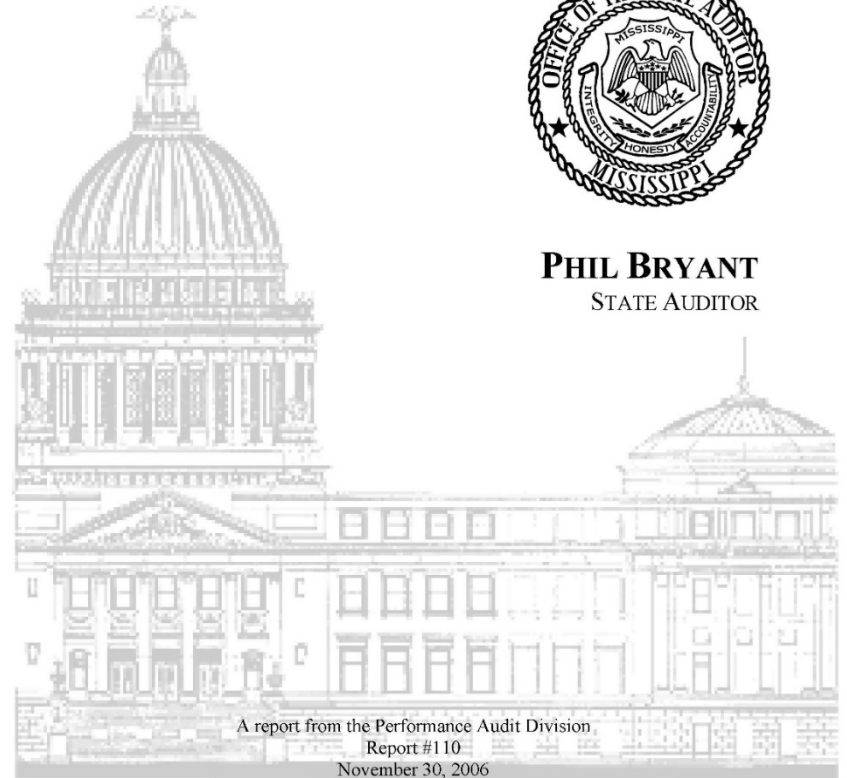
Katrina: The Later Years

- ▶ Tracked, Audited, and Reported Recovery Funds
- ▶ Monitored and Audited Oversight of Contracts
- ▶ OSA Property Division

HURRICANE KATRINA:
FUNDING RECOVERY



PHIL BRYANT
STATE AUDITOR



A report from the Performance Audit Division
Report #110
November 30, 2006

www.osa.state.ms.us



Katrina: 2012

- ▶ **Federal Government Demands Repayment**
 - **\$1.8 billion/7,500 claims sampled**
 - **More than \$25 million determined to have been misspent**

- ▶ **Multi Agency Team**
 - **OSA work resulted in reduction to below \$200,000**

Thank You!

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