

Office of Inspector General
DEPARTMENT OF HOMELAND SECURITY

**Review of
Federal Assistance Provided to Allen
County, Indiana Individuals and
Households After Flooding in 2003**





Homeland
Security

June 15, 2007

MEMORANDUM FOR: R. David Paulison
Administrator
Federal Emergency Management Agency

FROM: *Richard L. Skinner*
Richard L. Skinner
Inspector General

SUBJECT: *Review of Federal Assistance Provided to Allen County, Indiana,
Individuals and Households After Flooding in 2003
Report Number: OIG-07-52*

At the request of Congressman Mark Souder, we performed a review of FEMA's assistance provided to Allen County, Indiana, individuals and households that sustained disaster damage after severe storms and flooding occurred in 2003. The request for this review was predicated on a newspaper article entitled *FEMA's Legacy of Waste*, dated October 29, 2006, in Fort Wayne's *Journal Gazette*. The article discussed FEMA's disaster assistance to individuals who did not have flood damage, and denial of assistance to others who did have flood damage. In his letter dated October 31, 2006, Congressman Souder requested that the Office of Inspector General (OIG) determine whether:

- (1) Households receiving disaster assistance in zip codes outside of the flood zone were truly in need of assistance;
- (2) Households with apparently serious flood damage were incorrectly denied assistance; and
- (3) FEMA's current standards and methods for assessing damage after disasters prevent waste, fraud, and abuse.

On July 11, 2003, under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended, the President of the United States declared a major disaster (FEMA-1476-DR-Indiana) in certain areas of the State of Indiana. The major disaster declaration resulted from severe storms, tornadoes, and flooding that began on July 4, 2003, and continued through August 6, 2003. Pursuant to the declaration, individuals and households in certain areas within Indiana, including Allen County, were eligible to receive housing assistance under Section 408 of the Stafford Act if they met eligibility criteria for damages.

To respond to the Congressman's questions, we performed a review of all applications in zip codes 46803 and 46818. Due to a larger number of claims in zip code 46806, we limited our review to about 20 percent of those applicants. We also discussed the issues in question with five persons

quoted in the newspaper article as having said or suggested that FEMA improperly awarded financial assistance. Finally, we reviewed recent OIG audits and investigations of FEMA's Individuals and Households Program.

We conducted this review under the authority of the Inspector General Act of 1978, as amended, and according to Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

FEMA's records for the subject disaster, our discussions with Allen County officials, and audit and investigative activities disclosed the following information pertaining to Congressman Souder's questions:

- FEMA inspectors documented the basis for awarding or denying damages in Allen County, and we found no cases of improper awards or denials of assistance based on applicable federal criteria. The newspaper article focused on assistance in non-flood areas because the disaster was primarily a flood event. However, other types of damage, such as sewer backups, were also eligible for FEMA financial assistance if the inspectors determined the damages resulted from the storms. Finally, some storm-related damages were not incurred on primary residences or were otherwise ineligible pursuant to applicable federal criteria.
- Our discussions with Allen County officials quoted in the aforementioned newspaper article also yielded no evidence of improper FEMA awards. Their unanimous responses indicated no knowledge of individuals wrongly denied disaster assistance, or of anyone receiving ineligible assistance. Rather, the officials said either their statements were exaggerated by the media or they were hypothesizing about possible effects of wrongdoing without knowledge of its occurrence.
- Our investigations of false claim allegations in recent disasters have disclosed the need for improvement in FEMA's standards and methods for determining applicant eligibility and reporting false claims. We are continuing our work reviewing FEMA's Individuals and Households Program, and we will be issuing reports as the work is completed.

We concluded there was no evidence of improper assistance provided to individuals or of improper denials to individuals as a result of the disaster damages in Allen County, Indiana during the summer of 2003. In addition, we saw no evidence of improper standards that FEMA used in assessing damages for this disaster. We will continue to investigate allegations of improper payments on other disasters, and we plan to address any areas needing improvement, especially in larger disasters, in future reports. Since this report contains no recommendations, a response is not required.

Should you have any questions, please call me, or your staff may contact Matt Jadacki, Deputy Inspector General for the Office of Disaster Assistance Oversight, at (202) 254-4100.

Additional Information and Copies

To obtain additional copies of this report, call the Office of Inspector General (OIG) at (202) 254-4199, fax your request to (202) 254-4305, or visit the OIG web site at www.dhs.gov/oig.

OIG Hotline

To report alleged fraud, waste, abuse or mismanagement, or any other kind of criminal or noncriminal misconduct relative to department programs or operations:

- **Call our Hotline at 1-800-323-8603;**
- **Fax the complaint directly to us at (202) 254-4292;**
- **Email us at DHSOIGHOTLINE@dhs.gov; or**
- **Write to us at:**
DHS Office of Inspector General/MAIL STOP 2600, Attention:
Office of Investigations - Hotline, 245 Murray Drive, SW, Building 410,
Washington, DC 20528.

The OIG seeks to protect the identity of each writer and caller.