



Homeland  
Security

February 17, 2006

MEMORANDUM FOR: R. David Paulison  
Acting Director  
Federal Emergency Management Agency

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

SUBJECT: *Mobile Homes and Modular Homes at Hope and Red River  
(Report Number GC-HQ-06-12)*

We reviewed procedures used by FEMA to accept and maintain manufactured homes and modular homes staged at Hope, Arkansas and Red River Army Depot (RRAD), Texas. We initiated this review as part of our oversight of temporary housing in response to Hurricanes Katrina and Rita. Our objectives were to determine whether FEMA established reasonable requirements for these types of housing units and to evaluate the current arrangements for staging them.

We interviewed FEMA officials from Headquarters, the Baton Rouge Joint Field Office, and the Hope and RRAD sites. We also reviewed FEMA regulations on using manufactured and modular homes in floodplains, as well as current flood maps for Louisiana and Mississippi. We performed other procedures as necessary to achieve our objectives.

FEMA purchased 24,967 manufactured homes at a cost of \$857.8 million and 1,295 modular homes at a cost of \$40 million in response to the need for transitional housing to assist displaced evacuees from Hurricanes Katrina and Rita. Due to the large number of homes purchased and the need to prepare sites before distributing the homes, FEMA mission assigned the United States Forest Service to set up eight emergency storage sites, including the ones we visited at Hope and RRAD. There are currently 10,777 homes at the Hope site and about 1,900 at the RRAD site. FEMA began receiving the homes at the two sites in September 2005, but only 17 from Red River have been used to house evacuees, and none from Hope have been delivered to evacuees. FEMA is paying \$300,000 per year on a two-year lease for the Hope site. FEMA also paid \$272,000 to construct an access road to the site and currently pays \$58,000 every 3 months to maintain the road. In addition, perimeter security costs about \$136,000 per month.

During our site visits to the Hope staging site, our inspectors noted that some of the homes had minor damages, which occurred during delivery, and some were beginning to sink in mud as a result of heavy rainfall. Also, frames on some of the larger homes were beginning to warp because they were stored on wheeled trailer hitches without adequate support. Although the damages did not

appear to be serious, we are concerned that, if preventative measures are not taken soon, more serious deterioration may occur. FEMA officials said that they are going to cover the sight with crushed rock for stability and shore up the homes with jacks to prevent frames from warping.

We had several additional concerns:

- There was no Accountable Property Officer or Contracting Officer Representative at the Hope site. Consequently, FEMA was accepting damaged trailers without holding the vendor accountable for repair.
- There was an Accountable Property Officer at RRAD, who also served the Hope site, but no Contracting Officer Representative.
- The FEMA official at the Hope site said he did not know the number of homes that would be delivered on any given day, and vehicle identification numbers had not been reconciled with the bills of lading. Consequently, there was no assurance that FEMA was receiving what they purchased.
- Bar codes were placed on the outside windows of the units where they were subject to being washed off by rain.



Most importantly, however, FEMA did not have a plan for how the homes would be used before they purchased them. Consequently, FEMA may have purchased many more homes than they will be able to use for Katrina and Rita evacuees, at a considerable cost to the disaster relief effort. FEMA officials told us that they could use about 4,600 of the manufactured homes in Louisiana and Mississippi, and 200 in Oklahoma and Texas in response to the recent fires. About 100 of the modular homes were used to house emergency personnel. There are currently no specific plans to use the remaining homes. Most of the homes ordered have already been received; therefore, it is too late to terminate the contracts.

There are several reasons the homes are not being used to house evacuees. One is that federal regulations prohibit placing these types of homes in floodplains, and many of the areas where evacuees would like the homes placed are in floodplains. We agree with FEMA that these homes should not be placed in flood plains. Travel trailers can be placed in floodplains, so they are a preferable option for many evacuees. Second, many of the homes were too large. FEMA guidelines governing the size of the homes were developed to satisfy requirements of commercial mobile home parks, which are generally designed for homes no larger than 14 feet wide by 60 feet long. Also, larger homes require a special permit to haul. FEMA purchased 2,360 homes that exceed these specifications. A FEMA official told us that those homes would be given to the General Services Administration to be donated to other federal agencies that have a need for them. And finally, FEMA officials told us that many local officials do not want manufactured homes in their communities. Consequently, the remaining homes have to be stored at sites until a need for them arises or they can be disposed of, i.e., sold or donated.

We recommend that FEMA:

1. Develop a comprehensive plan that will set forth the most cost effective way to use, or dispose of, the manufactured and modular homes.
2. Continue to monitor all storage sites to ensure that homes are properly maintained to mitigate deterioration. Inventory those that may have already been damaged and make the necessary repairs.
3. Recoup from the manufacturers repair costs for damages that were caused by the manufacturer during delivery.
4. For future disasters, develop written policies, procedures, and plans to govern the acquisition and use of mobile and modular homes. These policies should prohibit the procurement of oversized mobile homes that do not meet FEMA's specifications. Also, FEMA should work with state and local governments to identify prearranged sites that could be used for mobile homes. FEMA should not wait until a disaster strikes to identify possible sites for the homes.

Please advise us within two weeks of the actions taken to implement the recommendations. Should you have any questions concerning this report, please call me or Matt Jadacki, Special Inspector General for Gulf Coast Hurricane Recovery, at 202-254-4100.

The nature and brevity of this assessment precluded the use of our normal audit protocols; therefore, this review was not conducted in accordance with generally accepted government auditing standards. Had we followed such standards, other matters might have come to our attention.

This review was conducted in conjunction with the President's Council on Integrity and Efficiency (PCIE) as part of its examination of relief efforts provided by the federal government in the aftermath of Hurricane Katrina. As such, a copy of the report has been forwarded to the PCIE Homeland Security Working Group, which is coordinating Inspectors' General review of this important subject.

cc: Under Secretary for Management  
DHS Chief Procurement Officer  
DHS Audit Liaison  
FEMA Audit Liaison