

# Department of Homeland Security **Office of Inspector General**

Federal Emergency Management Agency Needs To  
Improve Its Internal Controls Over the Use of  
Disaster Assistance Employees





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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

NOV 29 2012

MEMORANDUM FOR: Albert B. Sligh, Jr.  
Associate Administrator, Mission Support  
Federal Emergency Management Agency

FROM: D. Michael Beard  
Assistant Inspector General  
Office of Emergency Management Oversight

SUBJECT: *Federal Emergency Management Agency Needs To  
Improve Its Internal Controls Over the Use of Disaster  
Assistance Employees*

Attached for your information is our final letter report, *Federal Emergency Management Agency Needs To Improve Its Internal Controls Over the Use of Disaster Assistance Employees*. We initiated this audit from an OIG Hotline complaint alleging that a Federal Emergency Management Agency (FEMA) regional office improperly used the Disaster Assistance Employee (DAE) program to circumvent the hiring of full-time employees. Our review did not substantiate the allegation. We provided FEMA with a draft of this report and have incorporated its formal comments in the final report.

The report contains four recommendations aimed at improving the DAE program. Your office concurred with three recommendations and partially concurred with a fourth recommendation. As prescribed by the Department of Homeland Security Directive 077-1, Follow-Up and Resolutions for the Office of Inspector General Report Recommendations, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until your response is received and evaluated, the recommendations will be considered open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we are providing 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 Tuyet-Quan Thai, Regional Director; Scott Wrightson, Supervisory Program Analyst; and Joshua Wilshere, Auditor.



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Please call me with any questions, or your staff may contact John Kelly, Deputy Assistant Inspector General, Office of Emergency Management Oversight, at 202-254-4163.

Attachment





## Background

The Federal Emergency Management Agency (FEMA) is authorized under the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, as amended, to expand its staff size temporarily to respond to major disasters and emergencies. Disaster assistance employees (DAEs) fulfill this role by performing key program, technical, and administrative functions during disasters. DAEs are excepted-service intermittent employees, either cadre reservists or local hires. Cadre reservists have an initial appointment of no more than 24 months that expires on September 30 of each year ending in an even number (e.g., 2010), and may not work for more than 78 weeks (or 18 months) during the 104-week appointment period. FEMA measures deployments during the same 2-year period from October 1 through September 30 of each even-numbered year, regardless of whether an employee was already a FEMA employee at the beginning of the period or was hired during the period. Local hires have an initial appointment of 120 days, which is renewable.

The DAE program has undergone several changes. *FEMA Instruction 8600.1, Disaster Assistance Employee Program*, was issued in June 1991 as the guiding administrative policy for the program. That instruction specifically states that DAE reservists are used only to perform disaster assistance program-related work. The work is defined as specific disasters, emergencies, projects, or activities of a noncontinuous nature. Other than for training, the activation of DAE reservists for assignments in headquarters and regional offices is prohibited.

DAE management challenges are not new. In 1999, *Director's Policy No. 1-99* established the basis for a systematic, formalized approach to ensure the readiness of the DAE workforce to respond to disasters quickly and effectively, wherever needed. This directive described actions to achieve the desired readiness and capability. In subsequent years, a number of these actions have been implemented to various degrees, such as expanding all disaster operations by locally hiring DAEs for positions that do not require FEMA-specific expertise or when limited advance training or minimal on-the-job orientation or training is sufficient.

In addition to establishing a framework for managing DAEs, *Director's Policy No. 1-99* instituted the use of the Automated Deployment Database (ADD) as a management tool to monitor overall cadre readiness and capabilities. ADD is intended to track all FEMA deployable employees, including full-time employees, cadres of on-call reserve employees, and local hire employees. Tracking also includes cadre readiness, initial disaster site location (duty station), and training.



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Department of Homeland Security

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In 2007, FEMA commissioned a disaster reserve workforce study by a national strategic consulting firm, which determined that approximately 7,900 reservists were needed to support normal and high-demand periods based on projected deployment and risk tolerance data.<sup>1</sup> The study noted that the optimal size of the DAE workforce depends, to an extent, on the degree of uncertainty that is acceptable concerning whether the workforce is properly sized to accomplish its mission.

FEMA structures the missions of DAEs into 23 program areas, managed by regional cadre managers.<sup>2</sup> Although every program area is not necessarily represented in all regional offices, most major program areas, such as Individual Assistance, Public Assistance, and Mitigation, have a presence in all regions. Cadre managers help coordinate disaster response and recovery needs and deploy DAEs to meet those needs. From October 2006 to September 2010, FEMA paid nearly \$800 million in salary to more than 11,000 DAEs.

### Results of Audit

FEMA paid approximately 1,600 individuals \$36 million more than they would have received if FEMA had enforced its limitation of using DAEs no more than 18 months in a 2-year period ending September 30 of even-numbered years. FEMA made those payments in violation of FEMA Directive 8600.1 because it did not design the ADD system in a manner that allowed FEMA managers to systematically monitor the deployment period of DAEs. Thus, FEMA managers could not ensure that DAEs did not exceed the regulatory limit of 18 months of work in a 2-year period. In summary, 14 percent (1,600 of 11,000) of FEMA DAEs employed from October 2006 to September 2010 worked for longer than the 78 weeks allowed by policy.

A number of factors contributed to DAE deployments exceeding FEMA policy caps. Regional cadre managers at three FEMA regional offices said that, because of system limitations, they would have to take extraordinary and time-consuming steps to manage to a 78-week deployment limit. In addition, they said that mission considerations, such as the scarcity of skilled employees to fill certain roles and the overall disaster activity in a region, may necessitate the extension of certain DAEs beyond the deployment cap. For example, if a person is one of a few in the cadre who has specific skills, or if a major

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<sup>1</sup> *FEMA: New Disaster Reserve Workforce Model*, Booz Allen Hamilton, 2007.

<sup>2</sup> Program areas are Community Relations, Congressional Affairs, Environmental Historic Preservation, Equal Rights, External Affairs, Federal Coordinating Officers, Finance/Administration, Hurricane Liaison, Incident Management Assistance Teams, Individual Assistance, Legal Affairs, Logistics, Long-Term Community Recovery, Mitigation, National Response Coordination Centers, Operations, Planning, Public Affairs, Public Assistance, Safety, Security, Training, and Disaster Generalists.



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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disaster or several smaller disasters affect the region at once, a manager may have no choice other than deploying DAEs repeatedly in excess of the deployment cap.

The extent to which DAEs were deployed in excess of 18 months in a 24-month period ranged from individuals who were deployed for an extra week or two to more than 400 individuals who were deployed for 26 weeks (6 months) to a year above the cap. The more notable examples of DAEs whose deployments exceeded the cap included a FEMA Region II DAE who was deployed full-time (208 weeks) during the entire 4-year period we examined, and a Region VII DAE who was deployed for 207 of 208 weeks during the period.

However, it does not appear that FEMA's noncompliance with Directive 8600.1 resulted in FEMA spending Disaster Assistance Fund appropriations on unnecessary work. In addition, contrary to the Office of Inspector General (OIG) Hotline complaint that was the origin of this report, we identified limited examples of employees whose deployment roles appeared to be positions of a continuous nature and not limited to a specific disaster, emergency, or project, as required by FEMA Directive 8600.1. However, those employees are being used to perform closeout activities on long-term public assistance and mitigation projects, not to perform nondisaster-related activities.

### **FEMA Managers Are Not Effectively Managing to the DAE Deployment Cap**

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Our analysis revealed that approximately 1,600 DAEs who were cadre reservists were deployed in excess of FEMA policy during the 4-year period from October 2006 to September 2010. FEMA Directive 8600.1 prohibits DAEs from being deployed for longer than 78 weeks during any 104-week period ending in September of an even-numbered year. Although many DAEs were deployed just a few weeks more than the policy cap, others were deployed for much longer—in some cases, up to a year more than the cap. Several FEMA regional offices we visited shared key factors that contributed to DAEs being deployed in excess of FEMA's policy cap. Owing to system limitations, some managers were unable to track deployments effectively. Managers also cited other considerations such as operational and mission-related goals as obstacles to implementing deployment caps. These obstacles included having too few highly skilled or experienced staff to perform certain functions, longer-lived functions requiring longer deployments, and some cadres being understaffed.

### **More Than 1,600 DAEs Were Deployed in Excess of the Policy Cap**

During the 4-year period from October 2006 to September 2010, FEMA paid \$36 million in salary to approximately 1,600 DAEs for deployments in excess of the 78-week deployment policy cap. Of the 1,600 DAEs who were deployed in violation of FEMA policy, about 350 were deployed above the cap during both 2-year periods we



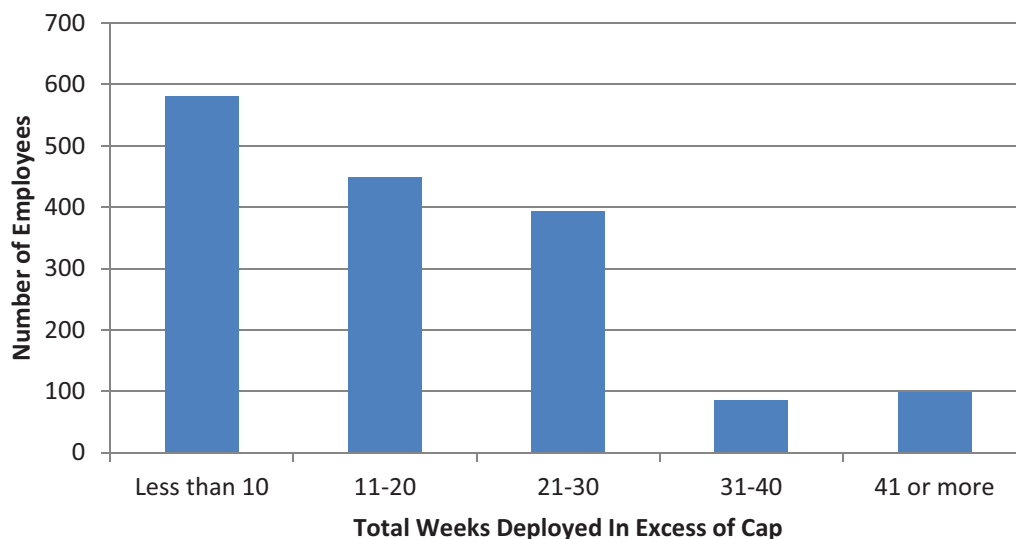
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Department of Homeland Security

examined, from October 2006 to September 2008 and from October 2008 to September 2010. An additional 700 DAEs were deployed above the cap in the first 2-year period, while the remaining 560 DAEs were deployed above the cap in the second 2-year period.

According to FEMA policy, DAEs who are cadre reservists should have initial appointments of no more than 24 months. These appointments expire on September 30 of each year ending in an even number. During this 104-week appointment period, a cadre reservist may not work for more than 78 weeks (or 18 months). For example, if a cadre reservist is appointed on August 1, 2008, the first appointment period ends on September 30, 2008. If this individual continues to work as of October 1, 2008, the individual can only work continuously for 78 weeks, or until March 31, 2010. If the individual does not work continuously (i.e., has time off between deployments), the times deployed are added together to derive the 18-month period.

Analysis showed that 36 percent of the approximately 1,600 DAEs who worked in excess of the policy cap were deployed for up to 10 weeks over the 78-week cap. Thus, a large portion of the violations could likely have been managed by deploying alternative individuals instead of those who had reached the deployment limit. The remaining 64 percent of DAEs who were deployed in violation of FEMA policies had deployments that ranged from 11 weeks (just under 3 months) over the cap to 35 employees who were deployed for all 208 weeks of the period. Figure 1 shows details of deployment cap violations.

**Figure 1. DAEs Deployed in Excess of FEMA Policy, by Time Deployed**



Source: FEMA payroll records.



### **System Limitations Hinder Managers' Ability To Manage to the Cap**

Although FEMA built ADD as a tool to monitor and deploy disaster staff, it was not designed to facilitate managers' ability to manage to the cap. ADD does not have a built-in capability to notify FEMA managers when DAEs are close to exceeding the deployment limit. Nor does ADD enable managers to run reports of employees who may be above the 78-week deployment cap. The Government Accountability Office's *Internal Control Standards for the Federal Government* require a system of internal controls that provide reasonable assurance of the effectiveness and efficiency of an agency's operations, including the use of the agency's resources, in part by designing internal controls to ensure ongoing monitoring. However, because monitoring employee deployments and managing to the policy cap was complex and time-intensive, it was frequently not done.

Regional cadre managers in three regional offices told us that they did not manage to the 78-week maximum deployment standard because they could not easily track an employee's deployments. In the past, FEMA sent employee deployment reports to regional offices, which regional managers could use to track deployments against the cap. However, FEMA has not provided regional offices with these summary deployment reports in more than a decade, and has not enabled managers to produce them on their own in ADD. Instead, FEMA provides managers with cadre availability reports which show all employees within a cadre and their deployment status (e.g., deployed, available for deployment, unavailable for deployment). However, these data are provided without consideration of the 78-week cap. When a disaster strikes, cadre managers must quickly identify employees on their rosters who can staff the disaster, often in consultation with the Federal Coordinating Officer appointed for the specific disaster. Regional cadre managers informed us that they generally do not have the luxury of determining service time before deploying employees. If a disaster is large enough, or if the region has been hit with several disasters at once, they have to deploy all available resources in their region without consideration of service time. According to the managers, large disasters often necessitate that they deploy everyone who is available, and they may have to look outside their region for more employees to fill the necessary roles.

Managers said that system limitations impede their ability to take service time into account. Although managers have access to an employee's deployment history and number of deployment days through ADD, calculating deployment time is a complex and laborious process. For example, one manager who tracks deployment times constructed a spreadsheet to record the number of deployments for each employee, calculates the numbers of days in each deployment period, adds the days together, and then compares the results to the given 2-year period. Other managers told us that they did not think it was a reasonable task for cadre managers to perform, given that each





cadre can have 100 employees or more. Further, these calculations would have to be performed on a recurring basis. Nearly all regional cadre managers told us they manage their cadres as an additional duty beyond their primary responsibilities, and could not find time to track each individual manually.<sup>3</sup> Some of the managers, however, said that if they were provided with summary employee deployment data reports, they would be able to manage more effectively to a maximum deployment period.

We identified limited examples of regional managers attempting to manage to the 78-week standard. For example, one Region VI manager designed an ad hoc spreadsheet outside of ADD that contained up-to-date deployment information for each employee in the manager's cadre. However, the manager said that it still took significant time to populate and update the spreadsheet on a regular basis with employee information from ADD. Through these efforts, the manager was able to identify individuals who were reaching the maximum 78-week deployment period, and to keep them from further deployments during the period. However, the manager also stated that he was the only regional cadre manager whose sole duty was that of managing the cadre. Region VII recently instituted a similar tracking system. The new system initially resulted in managers having to file waivers for 21 employees who had exceeded the 78-week cap. Region VII management approved 7 and denied 14 waivers after identifying other DAEs who could perform the work and had not reached their deployment caps.

### **Operational and Other Concerns May Hinder Deployment Cap Implementation**

Operational concerns and other practices also affected the ability of regional cadre managers to implement the deployment cap. FEMA's *Director's Policy 1-99* requires that cadre managers develop cadres of well-qualified, more frequently deployed DAEs in key positions and functions that require FEMA expertise, and requires that managers be held accountable for cadre readiness. Several managers said that they are concerned that the continuity of long-lived tasks and FEMA's ability to perform highly specialized or advanced tasks would be negatively affected should a cap be enforced. Further, recruiting and hiring of DAEs is not organized and consistent across regions, and may prevent managers from filling cadres with enough employees to manage to a deployment cap. Finally, regional cadre managers are able to fill DAE roles with specific individuals as long as those employees work within the region, and the managers are not required to identify the people who can fill those roles and are the least recently deployed.

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<sup>3</sup> Cadre managers generally serve operational roles within the program area they manage, in addition to their duties managing DAE deployments. For example, an External Affairs cadre manager might have an operational role as the Regional Director of External Affairs.



### **Mission Requirements Can Benefit From Deploying or Extending the Same Individuals**

Public Assistance and Mitigation cadre managers said that they had particularly long-lived missions that would be negatively affected by a 78-week cap. The projects associated with those two areas often continue for months or years after disasters strike. DAEs are working closely with State and local officials on projects, and FEMA receives negative comments from those officials when a project liaison is changed in the middle of a disaster. In those cases, managers try to keep the same person in a role in order to maintain continuity of operations for the State and local officials. Managers said that a deployment cap that forces them to remove employees from long-lived projects may have a negative effect on FEMA's relationships with State and local governments. Some DAEs may be essential on long-lived projects, and FEMA policy allows the 78-week rule to be waived with justification for some employees. However, the policy prohibits an employee who exceeds the cap on one project from being deployed on subsequent disasters within the same monitoring period.

In addition, cadre managers said that some DAEs fill highly technical or highly specialized roles that are not easily interchangeable with other DAEs, leading to a shortage of those resources within cadres. For example, Public Assistance needs skilled engineers and architects, who are generally in short supply. Therefore, a DAE who has that skill set might be deployed repeatedly without breaks simply because there is no one else to fill that role in a region. A similar dynamic exists for External Affairs cadre managers we spoke with. They said that while their lower-level positions were more interchangeable, the very senior External Affairs Officer (EAO) positions are much harder to staff. Therefore, the EAOs were more likely to be staffed on more disasters with shorter breaks. However, managers agreed that, for shorter-lived deployments and for less specialized or less technically skilled employees, they should be able to manage to a 78-week cap.

### **Inconsistent Recruiting and Hiring Can Lead to Understaffed Cadres**

Recruiting and hiring of DAEs is not consistent across regions, and is not centrally planned at the regions we examined. A manager at one region we visited said that resumes are received at both the national and local level, but because cadre management is a secondary responsibility, there was not a comprehensive hiring plan. Two of the three regions we recently visited started trying to hire using job fairs, but only one of them hired new DAEs as a result. Some cadre managers also told us that they preferred to keep their cadres lean because cadre management was an additional duty. This kind of management has the effect of keeping fewer employees more employed, which makes them easier to manage but also hinders a manager's ability to implement a deployment cap. Further, even when DAE recruiting is more proactive, the temporary nature of DAE employment and Federal background and credit requirements



can make it difficult to hire enough employees to staff cadres. At one region we visited, the office had invested \$30,000 in an advertising and direct recruiting campaign, but had seen few results.

### **Requests for Specific Individuals Are Standard Practices for Staffing Within Regions**

Most of the cadre managers at the three regions we visited said that, when they needed a DAE, they tried to identify whether they had a person who could fill that role within their own region who was available for deployment. If they could identify an individual, FEMA policy allows them to make a specific request for that individual, regardless of how often or how recently that person has been deployed. Therefore, several cadre managers said that it was not uncommon for the same people—usually the highest-performing or most skilled—to be deployed repeatedly. Managers can enter unlimited name requests into ADD without justification, as long as the DAEs being requested are within region assets. This is the opposite of how ADD name requests work when the DAE being requested is outside of the region making the request. A manager requesting a DAE from outside of the manager’s region is required to select from among employees who have been deployed the least recently, as long as they have the skills required. In the case of a specific name request, however, the request and a justification are transmitted to FEMA headquarters.

### **Limited Instances Exist of FEMA Using DAEs To Perform Nondisaster-Related Functions**

FEMA policies require that DAEs be used for disaster-related purposes. We received an OIG Hotline complaint that FEMA regional offices were using DAEs for nondisaster-related purposes. We identified limited examples of this practice. For example, a manager at the regional office where the OIG Hotline complaint originated told us that a DAE was used to carry out an office’s information technology and network maintenance responsibilities because the office did not have a full-time or term employee available to perform the task. The manager acknowledged that DAEs are not supposed to perform nondisaster-related tasks; however, the manager said that without a DAE to perform those functions, the office would not have operated properly. The position in question has since been filled by a term employee. The same manager said that DAEs had been used to deliver public messages emphasizing disaster planning and preparedness that were not related to a specific disaster. However, managers at the other two regional offices we visited said that they had never used DAEs to perform nondisaster-related functions. Nor did we identify widespread use of DAEs for nondisaster-related functions at the regional office where the hotline complaint originated.

Thus, although the hotline complaint had some merit, the facts and circumstances concerning the infractions indicated that occurrences were insignificant. At the three regions we visited, we did not find evidence that DAEs were widely used to perform



nondisaster-related functions that are supposed to be performed by full-time and term employees. Instead, we determined that the DAEs performed closeout functions on projects in areas such as Public Assistance and Mitigation. Regional managers said that work on those projects often continues after the Joint Field Office is closed, and that DAEs at the regional office often perform tasks such as closing out project worksheets. Those types of activities are consistent with FEMA policies regarding the use of DAEs.

**Examples of Employees Exceeding Deployment Cap and Their Assigned Projects**

We found no evidence of FEMA using DAEs systematically to do the work of full-time employees on nondisaster-related work. We identified a number of DAEs whose deployments exceeded the policy cap. These individuals were deployed up to the full 208 weeks during the 4-year period that we examined. Among the most-deployed individuals, the longest period during which they remained undeployed was as little as 3 days over a 4-year period. This indicates that some DAEs basically remain full-time employees without breaks in service. However, contrary to the OIG Hotline complaint, these individuals worked on disaster-related work. Table 1 shows details of these examples.

**Table 1. Examples of FEMA DAE Deployments Exceeding FEMA Policy Caps**

Example Number	Region	Weeks Deployed	Weeks Over Cap		Longest Period Without Deployment (in days)	Deployments/ Disasters	Cadre
			2007–2008	2009–2010			
1	II	208	26	26	3	12/6	Environmental and Historical Preservation
2	VII	207	25	26	9	15/10	Logistics
3	II	205	26	23	3	10/5	Public Assistance
4	VII	202	24	22	7	17/14	Public Assistance
5	VI	201	21	24	21	18/11	Logistics
6	II	194	19	19	17	37/15	Logistics
7	VI	186	6	24	79	21/15	Finance and Administration
8	VII	179	8	15	54	19/17	Planning





## **FEMA Faces No Adverse Impact by Allowing DAEs To Exceed Caps**

We determined that FEMA would not realize cost savings simply by applying a deployment cap. Although specific DAEs received salary in excess of what is allowed if FEMA had operated within the policy cap, they were paid for actual work performed. If FEMA had adhered to the cap, the same individuals likely would not have been deployed repeatedly. However, other individuals would have had to be deployed in their place to accomplish FEMA's mission. Those individuals likely would have worked similar hours and collected similar salaries to the DAEs meeting the deployment cap. In addition, managers in the regions we visited said that if they were to manage to a cap, they might have to deploy some less experienced individuals, which might have an effect on FEMA's mission effectiveness.

## **Conclusion**

Currently, FEMA is not managing DAEs to a 78-week standard for maximum deployment lengths, as evidenced by 14 percent of its DAE workforce exceeding the 78-week cap during the 4-year study period. In addition to system limitations, a number of operational concerns present challenges to FEMA managers in enforcing the deployment cap. Although FEMA improperly paid approximately 1,600 DAEs \$36 million, we determined that we did not have an adverse financial effect to FEMA when DAEs exceeded the cap. Since the use of DAEs enables FEMA to maintain a workforce that can expand or contract efficiently and effectively based on where and when presidentially declared disasters occur, the benefits and costs of implementing the policy cap should be reevaluated.

## **Recommendations**

We recommend that the Associate Administrator, Mission Support:

### **Recommendation #1:**

Reevaluate the appropriateness of the 78-week cap on the use of its DAE workforce. If FEMA decides that the cap is not necessary, it should abolish the cap.

### **Recommendation #2:**

If FEMA decides to maintain the cap, take appropriate steps to ensure that the Automated Deployment Database, or its replacement, incorporates features that will allow managers to identify when DAE program workers will exceed the 78-week maximum deployment limitation.



**Recommendation #3:**

If FEMA decides to maintain the cap, identify all currently employed DAEs who have exceeded the 78-week deployment limitation and initiate actions to (a) replace those DAEs with other DAEs, or (b) approve waivers if those DAEs cannot be replaced.

**Recommendation #4:**

If FEMA decides to maintain the cap, institute a monitoring program that provides FEMA senior management information concerning the extent to which FEMA field and headquarters offices are complying with the cap.

## **Management Comments and OIG Analysis**

We obtained written comments on a draft report from FEMA's Office of Policy and Program Analysis. We have included a copy of the comments in their entirety in appendix B.

In the comments, the Director for the Office of Policy and Program Analysis concurred with three of the report's recommendations, and partially concurred with the fourth recommendation. We have reviewed management's comments and provide an evaluation below.

In response to our first recommendation, that FEMA reevaluate the appropriateness of the 78-week deployment cap, FEMA concurred. FEMA stated that it was in the process of evaluating the appropriateness of the deployment cap policy and anticipated making a determination during fiscal year 2012. We will determine the status of this recommendation once we receive the detailed corrective action plan in FEMA's 90-day letter.

In response to our second recommendation, that FEMA ensure that ADD or its replacement incorporate features that allow managers to identify when DAEs exceed the deployment cap, FEMA concurred. FEMA stated that the replacement system for ADD will include functionalities to track deployments, including compliance with any deployment caps. We will determine the status of this recommendation once we receive the detailed corrective action plan in FEMA's 90-day letter.

FEMA partially concurred with our third recommendation, that FEMA identify all currently employed DAEs who have exceeded the 78-week deployment cap and initiate



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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actions to replace those employees, or grant waivers for them. According to FEMA, no DAEs were currently working in excess of the 18-month deployment cap because all DAEs were reappointed as of March 2012. However, FEMA agreed that if it should decide that a cap is necessary, it will take actions to ensure adherence through better cadre management. We believe that FEMA's proposed actions adhere to the intent of our recommendation. However, we will determine the status of this recommendation once we receive the detailed corrective action plan in FEMA's 90-day letter.

Although this reappointment likely shifts some DAEs from working in violation of the 78-week cap to working in compliance with the cap, it does not ensure future compliance with any deployment cap that FEMA determines is appropriate. If FEMA decides that a deployment cap is necessary, it must take steps to monitor and take action on DAEs who reach or have exceeded the cap.

In response to our fourth recommendation, that FEMA institute a monitoring program that provides senior management with information concerning deployment cap compliance at the regions, FEMA concurred. FEMA stated that program officials would include deployment information in program updates given to senior management. We will determine the status of this recommendation once we receive the detailed corrective action plan in FEMA's 90-day letter.



## **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.

Based on an OIG Hotline complaint that a FEMA regional office improperly used the DAE program to circumvent the hiring of full-time employees, we initiated a review of FEMA's internal controls over the use of DAEs. The objectives of the review were to (1) determine the extent to which FEMA may be deploying DAEs in violation of its own policies and procedures and (2) determine whether FEMA deployed DAEs for routine, nondisaster-specific work.

To determine the extent to which FEMA may be deploying DAEs in violation of its own policies and procedures, we obtained FEMA DAE payroll records for October 2006 through September 2010 and analyzed the pay activity to determine which DAEs worked more 18 months out of 24 months, ending on September 30 of years ending in an even number. We also reviewed documents used by FEMA headquarters and field staff regarding DAE deployment.

To determine whether FEMA deployed DAEs for routine, nondisaster-specific work, we analyzed the results of the tests conducted to identify DAEs who FEMA paid more than 39 pay periods in both the 52-pay-period cycles ending on September 30, 2008, and September 30, 2010. We also interviewed FEMA field and headquarters staff regarding the facts and circumstances concerning those DAEs.

We briefed FEMA concerning the results of fieldwork and the information summarized in this report. We appreciate the efforts by FEMA management and staff to provide the information and access necessary to accomplish this review.

We conducted this performance audit between August 2011 and January 2012 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 to the Draft Letter Report


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



FEMA

JUL 03 2012

MEMORANDUM FOR: D. Michael Beard  
Assistant Inspector General, Emergency Management Oversight  
Office of Inspector General

FROM: David J. Kaufman   
Director  
Office of Policy and Program Analysis

SUBJECT: OIG Draft Letter Report 11-124-EMO-FEMA, *Federal Emergency Management Agency Needs to Improve Its Internal Controls over the Use of Disaster Assistance Employees*

The Department of Homeland Security/Federal Emergency Management Agency (FEMA) appreciates the opportunity to review and respond to the DHS Office of Inspector General (OIG) Draft Letter Report 11-124-EMO-FEMA, *Federal Emergency Management Agency Needs to Improve its Internal Controls over the Use of Disaster Assistance Employees* (DAEs). As FEMA transitions to a new FEMA Reservist Program, the OIG's analysis and recommendations will improve our ability to manage our disaster workforce.

As explained in the review, FEMA has taken—and continues to take—significant actions to improve our reservist program and the support we provide to disaster survivors. FEMA appreciates the findings provided by OIG related to why reservists have been deployed in excess of official policy caps; we also note that the OIG found no evidence of FEMA using DAEs systematically to do the work of full-time employees on non-disaster related work.

FEMA notes that the OIG conducted this review between August 2011 and January 2012, and that the audit's scope was limited to whether FEMA uses DAEs in accordance with official policies and procedures. FEMA appreciates the opportunity to provide the following related updates and information outside of the timeframe and scope of this audit:

- **New Reservist Program** – FEMA is transitioning the existing DAE program to a new Reservist Program that can better enhance the Agency's capabilities to support disaster survivors by ensuring the workforce has the proper tools, training, experience, and management support. The changes that will come through the Reservist Program are a direct result of the workforce's feedback and recommendations and leadership's commitment to listen and take action on that feedback. These changes include developing and implementing reservist program policy and guidance documents, nationalizing the program to ensure

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## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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consistent national-level cadre management, supporting all reservists in deploying at least once a year, and ensuring the consistent application of deployment caps and fair application of such policies.

- **Disaster Workforce Systems** – In fiscal year 2012, FEMA is identifying requirements for a system to replace the current Automated Deployment Database (ADD). This system—targeted to be implemented in fiscal year 2013—will have as a requirement the improved ability to monitor deployment history and duration. Further, FEMA has identified an information technology system to track the training, development, and qualifications of its disaster workforce. FEMA has committed to use the Bureau of Land Management’s Incident Qualifications and Certification System (IQCS) and is scheduled to implement IQCS by October 1, 2012.
- **FEMA Force Structure** – As noted in the report, FEMA commissioned a disaster reserve workforce study in 2007 which approximated the number of reservists FEMA would require to support high-demand operational periods. Building upon this study, FEMA’s Office of Policy and Program Analysis (OPPA) and the Response Directorate have refined a force structure construct based on historic disaster and deployment data. These force structure requirements will inform disaster assignments for all employees, including Reservists, Cadre of On-Call Response/Recovery Employees (CORE), and Permanent Full-Time (PFT) staff. The force structure identifies the appropriate size, grades, demographics, locations, functions, structure, and composition of the workforce needed to address current and future disaster workload requirements. It will allow FEMA to identify and address skill gaps or deficiencies in mission critical occupations.

### **FEMA Response to OIG Recommendations**

The draft report contains four recommendations in which OIG recommended that FEMA take the following actions:

**OIG Recommendation #1:** Reevaluate the appropriateness of the 78-week cap on the use of its DAE workforce. If FEMA decides that the cap is not necessary, it should abolish the cap.

**FEMA’s Response to Recommendation #1:** FEMA concurs with this recommendation. In December 2011, FEMA’s Response Directorate issued policy guidance to all Regional Administrators, Federal Coordinating Officers, and National and Regional Cadre Managers to temporarily suspend disaster reservists’ deployment limits. This policy was issued in order to maintain continuity of critical response and recovery operations for tornado outbreaks, Hurricane Irene, and Tropical Storm Lee. The suspension of reservists’ deployment limits has continued as FEMA evaluates the cap policy and other options associated with it in support of the FEMA Qualification System and the new Reservist Program. FEMA expects to make a decision regarding the cap policy before the end of fiscal year 2012.

FEMA considers this recommendation open and resolved until the cap policy decision is made.

**OIG Recommendation #2:** If FEMA decides to maintain the cap, take appropriate steps to ensure that the Automated Deployment Database, or its replacement, incorporates features that will allow managers to identify when DAE program workers will exceed the 78-week maximum deployment limitation.



## OFFICE OF INSPECTOR GENERAL

### Department of Homeland Security

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**FEMA's Response to Recommendation #2:** FEMA concurs with this recommendation. FEMA recognizes the challenges our managers have faced in monitoring the deployment cap using existing technology. As stated above, FEMA is identifying requirements for a system to replace the current Automated Deployment Database (ADD); implementation of this new system will occur in fiscal year 2013. The intention is that this system will have as a requirement functionality that allows managers to monitor and perform analytics on deployment activity, including functionality that supports compliance with any deployment caps that are reinstated or adjusted.

FEMA considers this recommendation open and resolved until implementation of the ADD system.

**OIG Recommendation #3:** If FEMA decides to maintain the cap, identify all currently employed DAEs who have exceeded the 78-week deployment limitation and initiate actions to (a) replace those DAEs with other DAEs, or (b) approve waivers if those DAEs cannot be replaced.

**FEMA's Response to Recommendation #3:** FEMA partially concurs with this recommendation. In March 2012, all DAEs were reappointed and, therefore, no reservist is currently in excess of the 78-week deployment limit. Should the cap be reinstated or adjusted, FEMA will ensure compliance with the policy through an improved technology system and centralized cadre management.

FEMA considers this recommendation open and resolved until the cap has been reinstated or adjusted.

**OIG Recommendation #4:** If FEMA decides to maintain the cap, institute a monitoring program that provides FEMA senior management information concerning the extent to which FEMA field and headquarters offices are complying with the cap.

**FEMA's Response to Recommendation #4:** FEMA concurs with this recommendation. As part of regular program updates to senior management, the Incident Workforce Management Office will provide information related to deployment duration and compliance along with current reservist program policies on this issue.

FEMA considers this recommendation open and resolved until the cap has been reinstated or adjusted.

Once again, thank you for the opportunity to comment on the draft report. FEMA looks forward to working with you on future engagements. Please contact our FEMA Audit Liaison, Gina Norton, at 202-646-4287, with any questions or concerns regarding this response.





## **Appendix D**

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