

DEPARTMENT OF HOMELAND SECURITY
Office of Inspector General

**Review of FEMA Guidance for
Monitoring Debris Removal Operations
For Hurricane Katrina**



OIG-07-63


August 2007



**Homeland
Security**

AUG 13 2007

MEMORANDUM FOR: Carlos J. Castillo
Assistant Administrator for Disaster Assistance
Federal Emergency Management Agency

FROM: Matt Jadacki 
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Office of Disaster Assistance Oversight

SUBJECT: Review of FEMA Guidance for Monitoring Debris
Removal Operations for Hurricane Katrina
Report Number OIG-07-63

FEMA needs to prepare a single comprehensive document for monitoring debris removal operations. FEMA also needs to define better the requirements for contracting debris-monitoring services.

We reviewed the adequacy of FEMA guidance for monitoring Hurricane Katrina debris removal operations in Louisiana (LA) and Mississippi (MS). Debris removal monitoring is a process of observing and documenting debris removal operations to ensure that FEMA funding is provided for only those activities that conform to and are consistent with requirements of FEMA's public assistance program.

Hurricane Katrina struck the LA and MS coastline as a Category 3 storm on August 29, 2005, causing mass destruction. This catastrophic storm destroyed hundreds of miles of trees and private and public structures along the MS gulf coast and, accompanied by the New Orleans levee failure and related flooding, destroyed nearly 80% of private and public property in New Orleans, LA.

Hurricane Katrina created perhaps the largest disaster debris operation in U.S. history. The storm created more than 118 million cubic yards of debris in LA and MS. FEMA assigned the U.S. Army Corp of Engineers (USACE), under a mission assignment, responsibility for removing debris in localities where local governments were not capable of handling the debris, and awarded grants to local governments who had such capability. The estimated cost of these efforts, as of December 2006, totaled approximately \$4.1 billion.

The USACE and local government grant recipients generally retained contractors to perform the debris removal work and also to monitor the work of the debris removal contractors. The total cost for each effort was not readily available. However, we established that FEMA awarded St. Bernard Parish, LA, \$137 million for demolition debris removal (Project 3070) and \$11.8 million to monitor these efforts. In this case, monitoring cost accounted for more than 8% of the total demolition debris

removal costs. At this rate, the cost to monitor the estimated \$4.1 billion debris removal operations for Hurricane Katrina in LA and MS would amount to \$328 million.

Our review consisted of a limited assessment of FEMA guidance on debris monitoring, as well as the monitoring efforts of FEMA and the States of LA and MS. We did not review efforts of local governments or the guidance and monitoring efforts of the USACE. We interviewed FEMA and state officials and reviewed FEMA publications and award documents. The review was performed during October and December 2006.

The nature and brevity of this assignment precluded the use of normal audit protocols. Therefore, we did not conduct the review according to generally accepted government auditing standards. Had we followed such standards, other matters may have come to our attention.

RESULTS OF REVIEW

A. FEMA GUIDANCE ON MONITORING DEBRIS OPERATIONS

FEMA debris monitoring guidance is fragmented, disjointed, and incomplete. The guidance is contained in at least three separate publications. These publications individually address some, but not all, aspects of debris monitoring operations.

The FEMA publications addressing debris monitoring are:

1. *Public Assistance Debris Management Guide, FEMA 325*. FEMA developed this publication to provide guidance to community leaders for planning, mobilizing, organizing, and controlling a large-scale debris removal and disposal operation. The guide contains general information on debris organization and staffing, removal and disposal activities, and contracting. The publication, however, contains limited guidance on debris monitoring.

According to the guide local governments should use their own staff or hire a local engineering firm to monitor debris removal operations. Furthermore, local debris monitors are responsible for accounting for the amount of debris picked up and verifying the amount hauled to dump sites. The guide, however, does not address the need for local monitors to be familiar with FEMA debris eligibility requirements and the need to verify eligibility compliance during the monitoring process.

2. *Public Assistance Debris Operations Job Aid 9580.1*. FEMA developed this publication for the benefit of FEMA public assistance staff. It contains guidance addressing FEMA public assistance debris management responsibility, mission assignment, and debris clearance, removal, and disposal strategy. Although not written for local government grant recipients, it specifies that local governments should have debris monitors and provides tips for monitoring debris removal efforts.

3. *Debris Monitoring Field Pocket Guide for FEMA Public Assistance Program Region III*. The FEMA debris manager in LA said, in addition to the two publications above, they also used the Region III Field Pocket Guide. FEMA Region III developed this guide at the request of the FEMA

Headquarters Recovery Division, and Region III monitors have used it at disaster sites. The guide, however, is not an official FEMA publication and is not used nationally.

Nonetheless, the guide is clearly the most comprehensive and useful debris monitoring publication of the three. It is exclusively devoted to debris monitoring, addressing such issues as roles and responsibilities of debris monitors, debris eligibility requirements, and debris monitoring operations. It also contains several useful checklists to assist monitors in fulfilling their responsibilities.

B. RESPONSIBILITY FOR DEBRIS MONITORING AND LEVEL OF EFFORT

None of the above publications address a state's role, as a FEMA grantee, in the debris monitoring process. According to all of the publications, local government must, and FEMA may monitor debris removal operations. However, none of the publications clearly address the state's role and responsibility for monitoring debris removal operations.

44 CFR, Section 1340, assigns the state, as the grantee of FEMA funds, responsibility for monitoring the operations of its local sub-grant recipients. This technically includes debris removal operations. FEMA publications on debris operations, in addressing the monitoring responsibility of FEMA and local government, should also define a state's responsibility in debris removal monitoring activities of its sub-grantees.

FEMA and State Efforts in LA and MS. FEMA and the State of MS were very much involved in debris monitoring. FEMA and MS officials had a close working relationship and a staff of 25 and 17 debris specialists, respectively. These specialists were responsible for determining debris eligible for pickup and disposal, monitoring debris loads from dump site observation towers, and roaming affected areas in the state to identify and resolve debris-related issues. FEMA officials and the state debris manager documented many monitoring problems, which were shared with the Homeland Security Inspector General's investigative staff in MS.

For LA, FEMA assigned more than 100 staff members to debris monitoring in various LA parishes. Some of these employees reportedly worked side-by-side with local monitors at dump site towers observing and recording the amount of debris delivered to those sites.

LA efforts in monitoring the debris removal activities of local governments was less prevalent. The state used a contractor to help manage the FEMA programs. The contractor, in turn, subcontracted with one company for debris monitors and another company for advice, and expertise regarding debris monitoring, supervision, and training. According to the contractor's debris manager, who was authorized to speak as a representative of the state, the subcontractors did not monitor the debris removal operations of local governments. Instead they served as debris technical advisers to the state, representing the state and local governments' interest in debris removal issues with FEMA. When a subcontractor employee observed improper debris activities while traveling the state, they verbally reported their observations to parish officials. He advised that there were no written reports prepared on such incidents.

Local Government Efforts in LA and MS. According to the three FEMA publications, primary responsibility for monitoring debris removal operations resides with the affected local governments who hired contractors to perform debris removal work. The FEMA debris removal award contained funding for debris removal monitoring or funding was provided under separate projects.

The debris monitors were retained to oversee the removal and management of the debris, ensure that only eligible debris is removed and it is done in a safe manner, and ensure that the correct volumes of debris are recorded. However, we did not assess the quality of work of the local governments' debris monitors.

C. CONTRACTING FOR DEBRIS MONITORS

FEMA needs to clarify its guidance on contracting for debris monitors. The two official FEMA publications (Guides 325 and 9580.1) suggested that local governments retain a local engineering firm to monitor their debris removal operations when local government employees are unavailable. According to Guide 9580.1, however, registered professional engineers are not necessarily required for monitoring activities.

Several local governments retained engineering firms under existing contracts to monitor debris removal operations (see Reports GC-MS-06-55 and GC-MS-06-48). Rather than negotiating lower rates for debris monitoring, the local governments used the existing rates for engineering services. As a result, the local governments failed to comply with OMB Circular A-87, which requires compensation to be commensurate with the nature of services performed, and 44 CFR 13.36 (f) (1), which requires cost or price analyses for noncompetitive contract or contract modifications.

CONCLUSION

The Director of FEMA's Public Assistance Division provided us with two recently developed draft publications and said that another document would be developed to satisfactorily address our concerns.

The first publication is a revised draft *Debris Management Guide, FEMA 325*. This guide encourages local governments to develop a debris management plan for use in the event of a disaster and to include debris monitoring as a major component. The second publication is a draft debris monitor field pocket guide, tailored after the FEMA Region III guide, which is being developed as a quick reference for FEMA monitors to use when in the field.

Additionally, in view of our findings, the director told us that FEMA will develop a comprehensive debris monitoring guide to assist FEMA, state, and local monitors. This guide will reportedly outline the debris monitoring responsibilities and the specific tasks of contractors, grant recipients (sub-grantees), states (grantees), and FEMA, and provide operational guidance to assist those parties in fulfilling their monitoring responsibilities.

RECOMMENDATIONS

We recommend the Acting Assistant Administrator for Disaster Assistance:

1. Develop a comprehensive consolidated guide for monitoring debris removal operations that:
(a) addresses the monitoring role of FEMA, states, and local monitors; (b) provides an organized and cohesive overview of debris monitoring operations, and identifies the related expectations of FEMA, state, and local monitors; and, (c) clarifies the requirements for contracting for debris monitoring services and emphasizes the need for competitive contracting and negotiated rates that are commensurate with the nature of services provided.
2. Finalize the draft *Debris Management Guide FEMA 325* for local governments and the field pocket guide for FEMA monitors.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the results of the review on March 13, 2007, with the Director of FEMA's Public Assistance Division. The director agreed with our findings and reported that actions are underway to address shortcomings.

Please advise us within 30 days of the target date for full compliance with the recommendations. Should you have any questions concerning this report, please call me, or your staff may contact Norm Brown at (202) 254-4100.

cc: DHS Audit Liaison
FEMA Audit Liaison

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