

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

New York City's Department of Transportation Needs Assistance to Ensure Compliance with Federal Regulations





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Department of Homeland Security

July 31, 2014

MEMORANDUM FOR: Laura Phillips
Executive Director
New York Sandy Recovery Field Office
Federal Emergency Management Agency

FROM: John V. Kelly
Assistant Inspector General
Office of Emergency Management Oversight

SUBJECT: *New York City's Department of Transportation Needs Assistance to Ensure Compliance with Federal Regulations*
FEMA Disaster Number 4085-DR-NY
Audit Report Number OIG-14-120-D

We audited Public Assistance grant funds awarded to New York City's Department of Transportation (Department) in New York, New York (Public Assistance Identification Number 061-51000-51). Our audit objective was to determine whether the Department's policies, procedures, and business practices were adequate to account for and expend Federal Emergency Management Agency (FEMA) grant funds according to Federal regulations and FEMA guidelines. We conducted this audit early in the Public Assistance process with the goal of identifying areas where the Department may need additional technical assistance or monitoring. In addition, proactively auditing grant recipients early in the grant cycle allows them the opportunity to correct non-compliance with Federal regulations before they spend the majority of their funding. It also allows them the opportunity to supplement deficient documentation or locate missing documentation before too much time elapses.

The New York State Division of Homeland Security and Emergency Services (New York), a FEMA grantee, awarded the Department \$19.1 million for damages resulting from Hurricane Sandy, which occurred on October 29, 2012. The award provided 90 percent funding for one large debris-removal project (Category A) and four large permanent work projects (Categories C through G).¹ The audit covered the period October 27, 2012, through July 15, 2013, and included all five projects, or 100 percent of the total award (see exhibit). At the time of our audit, the Department had not submitted any claims for reimbursement.

¹Federal regulations in effect at the time of the disaster set the large project threshold at \$67,500.



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We conducted this performance audit between July and December 2013, 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 objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective. We conducted this audit by applying the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.

We interviewed officials from FEMA, New York, and the Department; gained an understanding of the Department's method of accounting for disaster-related costs; reviewed the Department's procurement policies and procedures; judgmentally selected (based on dollar amount) and reviewed project costs and procurement transactions for the five projects we audited; reviewed applicable Federal regulations and FEMA guidelines; and performed other procedures considered necessary to accomplish our objective. We also notified the Recovery Accountability and Transparency Board of all contracts the subgrantee awarded under the grant to determine whether the contractors were debarred or whether there were any indications of other issues related to those contractors that would indicate fraud, waste, or abuse. We did not perform a detailed assessment of the Department's internal controls over its grant activities because it was not necessary to accomplish our audit objective.

BACKGROUND

The Department's mission is to provide for the safe, efficient, and environmentally-responsible movement of people and goods in the City of New York. The Department also maintains and enhances the transportation infrastructure crucial to the economic vitality and quality of life of city residents. The Department's 4,500 employees manage approximately 6,300 miles of streets and highways, 12,000 miles of sidewalk, 781 bridge structures, and 6 tunnels. The Department's staff also installs and maintains more than 1.3 million street signs, 12,000 signalized intersections, and 300,000 streetlights.

During the incident period of October 27 through November 8, 2012, strong winds, heavy rains, and a storm surge from Hurricane Sandy caused extensive damage throughout the city and flooded streets along the shorelines in all five boroughs (the Bronx, Manhattan, Brooklyn, Queens, and Staten Island). The hurricane resulted in a loss of power and damaged the Department's traffic signal and streetlight infrastructure throughout the city and some bridges. Floodwaters severely damaged the Department's



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offices causing occupants of the building to relocate for 6 weeks and disrupting normal operations.

RESULTS OF AUDIT

The Department's policies, procedures, and business practices were not adequate to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. The Department did not (1) adequately compete a \$3.0 million contract for disaster repairs, (2) track grant expenditures by project as Federal regulations require, or (3) maintain adequate documentation supporting direct administrative costs. In addition, the Department should have taken additional steps to provide opportunities when possible for small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms to compete for contract work.

In its formal response (see appendix A), the Department said that the streetlight damage posed a significant danger to public safety; and therefore, the exigent circumstances justified the Department's contract awards without full and open competition. However, the Department also said in its formal comments that it took several months to finalize an agreement with FEMA on the scope of damaged items that FEMA would reimburse. Therefore, we disagree that streetlight damage posed significant risks to life and property. If the Department waited until FEMA agreed to reimburse the Department, the Department's actions would demonstrate the conditions were not exigent. If the streetlights posed a significant danger to public safety, the Department would have awarded the contract shortly after the disaster, not 5 months after the disaster.

Regarding our findings on tracking costs by project and documenting direct administrative costs, Department officials said that they are developing policies and procedures for these tasks. We are not questioning any costs in this report. However, FEMA should review the reasonableness of the \$3.0 million the Department intends to claim for contract work. FEMA should also direct the State to work with the Department in addressing the issues we identified in this report and monitor the Department's progress.



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The Department Did Not Follow Federal Procurement Standards

The Department awarded two contracts totaling \$4.4 million without following Federal procurement standards.² For the \$3.0 million contract for street lighting, the Department did not provide for full and open competition. For both contracts—the \$3.0 million contract for street lighting and a \$1.4 million contract for emergency contract design and support services—the Department did not take sufficient affirmative steps to assure the use of minority firms, women’s business enterprises, and labor surplus area firms when possible. Federal regulations at 44 CFR 13.36, in part, require subgrantees do the following:

- Perform procurement transactions in a manner providing full and open competition except under certain circumstances. One allowable circumstance is when there is a public exigency or emergency for the requirement that will not permit a delay resulting from competitive solicitation (13.36(d)(4)(i)(B)); and
- Take all necessary affirmative steps to assure the use of minority firms, women’s business enterprises, and labor surplus area firms when possible (13.36(e)(1)(2)).

As a result, full and open competition did not occur as required by Federal regulation. Additionally, the Department did not afford small and minority businesses, women’s business enterprises, and labor surplus area firms sufficient opportunity to bid on the contracts.

Limited Competition – The Department awarded the \$3.0 million unit-price contract on March 27, 2013, for streetlight repair in parks throughout the city, after soliciting proposals from five preselected contractors. The Department contracted for these services under the New York City Procurement Policy Board Rules, Section 3-06, Emergency Purchases. Under Section 3-06, the New York City Comptroller and Corporation Counsel must approve an agency’s request to make emergency purchases. Once the agency obtains approval from the Comptroller and Corporation Counsel, it may bypass normal procurement methods. They must, however, still provide as much competition as is possible and practical.

Although the Department followed the city’s procurement rules in awarding this contract, it did not follow Federal regulations requiring full and open competition. The Department limited competition to five preselected vendors. It did not publicly advertise the solicitations for proposals so that all qualified contractors had an

² The Department awarded one unit-price contract for \$3.0 million for street lighting repair citywide and a \$1.4 million task order on a pre-disaster Engineering Services Agreement for emergency contract design and support services.



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opportunity to bid. Conducting full and open competition is not optional and subgrantees cannot waive Federal regulations. Full and open competition not only helps ensure a fair price, it also decreases the chance of fraud and collusion among bidders.

The Department awarded the lighting contract almost 5 months after the hurricane made landfall on October 29, 2012, long after the exigent period when life and property were at risk. Generally, we do not question costs based on noncompliance with Federal competitive bidding procedures while life and property are at risk. However, once the danger passes, subgrantees should fully comply with Federal contracting regulations. Department officials believed they contracted properly because they received an emergency disaster declaration from the Comptroller and Corporation Counsel.

In its formal response, the Department said it took several months to finalize an agreement with FEMA on the scope of damaged items that would be reimbursable. It is clear that the damage did not pose a significant risk to life or property. If it did, surely the Department would have repaired the damage right away. Instead, it waited 5 months to award the contract while it reached agreement with FEMA on whether FEMA would reimburse the repairs.

Opportunities for Small Business, Minority-Owned Firms, Women’s Business Enterprises, and Labor Surplus Area Firms – The Department did not take sufficient steps to provide opportunities to small businesses, minority-owned firms, women’s business enterprises, and labor surplus area firms when it awarded two contracts totaling \$4.4 million. Federal regulations require subgrantees to take specific affirmative steps to ensure that they use these businesses when possible. As we discussed previously, for the \$3.0 million contract, the Department solicited bids from five preselected firms. However, it did not take steps to ensure these types of firms had opportunities to bid on disaster-related work.

For the \$1.4 million contract for bridge design and support services, the Department advertised the request for proposals in the *City Record*, *Minority Commerce Weekly*, and *New York State Reporter*; and posted it in the *City Record Online* for a month. However, the Department should have taken the additional affirmative steps specified in 44 CFR 13.36(e)(2). These steps include placing qualified small and minority businesses and women’s business enterprises on solicitation lists, and using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

In its formal response, the Department said the city’s rules did not require it to have a Disadvantaged Business Enterprise goal due to the uncertainty of the scope, locations, and schedule of work at the time of bid. Regardless, even if the city’s rules allowed the



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Department's actions, the city cannot waive Federal grant requirements. Moreover, they also said that while waiting for FEMA's final approval of the work, the Department inspected the affected locations, assessed the damage, removed debris, conducted surveys, and prepared the scope of work used to bid the streetlight work. By the time the Department put the contract out to bid, the uncertainty no longer existed.

Contracting for Future Disaster-related Projects – During our fieldwork, Department officials said they planned to use their emergency purchase procedures to award additional Hurricane Sandy contracts for the repair and replacement of damaged streetlights and traffic signals citywide at an estimated cost of \$90 million. We advised officials that for these future Federally-funded disaster contracts, the Department should ensure that it complies with all Federal regulations, in particular full and open competition. Subsequently, Department officials said they would openly compete future street lighting and traffic signal contracts in accordance with 44 CFR 13.36.

The Department Did Not Track Grant Expenditures by Project

The Department could not provide documentation that it tracked grant expenditures to a specific project as 44 CFR 13.20 and 206.205 require. Tracking costs by project (1) helps ensure that costs relate to the FEMA-authorized scope of work and do not duplicate other claimed costs and (2) assists FEMA and the grantee in final project closeout. Department officials said assigning disaster costs by project has been difficult because they could not allocate contract costs among multiple funding sources.³

An official from New York City's Office of Management and Budget said his office was actively working with the Department to assign Hurricane Sandy expenditures to specific project worksheets. The Department's formal response said the Department has developed policies, procedures, and business practices to ensure compliance with FEMA guidelines. It also said New York City's Office of Management and Budget contracted with an outside consultant to provide assistance with tracking, documenting, and recouping Federal funding for Hurricane Sandy damages.

³ The New York City Charter requires the City Comptroller to register all contracts to ensure that sufficient funds exist to make payments for that contract, that all appropriate certifications and documentation has been obtained and collected, and that the contractor is not involved in corrupt activity or that there was not possible corruption in the letting of the contract.



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The Department Did Not Document Direct Administrative Costs

The Department did not properly document, track, or charge direct administrative costs to specific projects. The Department plans to claim direct administrative costs for each of the five projects; however, it could not provide support for these costs for a debris removal project it completed in December 2012. FEMA Disaster Assistance Policy 9525.9 allows subgrantees to claim administrative costs related directly to a specific project.

A Department official said this occurred because the Department estimated direct administrative costs for the debris removal project before the city's Office of Management and Budget provided the Department guidance on how to document the costs. The Department said it plans to conduct additional research to compile the actual direct administrative costs. In its formal response, officials said the Department is adequately tracking administrative costs and is currently working with FEMA to develop a set of procedures and guidance for capturing costs.

Conclusion

Department officials believed they were justified in not conducting a full and open competition because they had obtained an emergency exemption from the city. However, the city cannot waive Federal grant requirements. The work was not exigent because life and property were not at risk. To assist the Department with future compliance, FEMA should also direct the State to assist the Department in correcting the other deficiencies we identified in this report and monitor the Department's progress. Department officials said they plan to comply with Federal requirements on future contracts for street lighting and traffic signal projects.

RECOMMENDATIONS

We recommend that the Executive Director, New York Sandy Recovery Field Office:

Recommendation #1: Review the reasonableness of the \$3.0 million that the New York City Department of Transportation intends to claim for contract work that it did not properly compete.

Recommendation #2: Direct the New York State Division of Homeland Security and Emergency Services to assist the New York City Department of Transportation in correcting the procurement and accounting issues we identified in this report and monitor its progress.



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DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the results of our audit with Department officials during our audit and included their comments in this report, as appropriate. We also provided a draft report in advance to FEMA, New York, and Department officials and discussed it at exit conferences with FEMA officials on December 18, 2013, and with New York and Department officials on February 19, 2014. FEMA generally agreed with our findings and recommendations.

However, New York and Department officials disagreed with the findings. In a written response dated March 4, 2014 (see appendix A), New York City's Law Department said the draft report's findings were based on "a misapprehension of facts and a misreading of the law." We disagree because the type of damages caused by the hurricane and the Department's delay in repairing the damage establish that the work was not exigent—life and property were not at risk. Further, a state or city cannot waive Federal grant requirements. Although the Department's attorneys are correct that Federal regulation does not define exigent circumstances, we have consistently interpreted it to mean a period when life and property are at risk; a period requiring immediate action that "will not permit a delay resulting from competitive solicitation."

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 the contact information for responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until we receive and evaluate your response, we will consider the recommendations open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we will provide 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 Christopher Dodd, Acting Director; Judy Martinez, Audit Manager; Robert Ferrara, Auditor-in-Charge; Chiquita Washington, Senior Auditor; and Ebenezer Jackson, Program Analyst.

Please call me with any questions at (202) 254-4100, or your staff may contact Christopher Dodd, Acting Director, Central Regional Office, at (214) 436-5200.



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Exhibit

Schedule of Projects Audited

Project Number	Project Category*	Gross Award Amount	Insurance Reductions	Net Award Amount
38	A	\$ 7,370,394	0	\$ 7,370,394
535	C	7,728,433	0	7,728,433
783	E	129,979	0	129,979
796	C	2,213,522	0	2,213,522
1054	G	<u>1,627,465</u>	<u>0</u>	<u>1,627,465</u>
Totals		<u>\$19,069,793</u>	<u>0</u>	<u>\$19,069,793</u>

Source: FEMA's Emergency Management Mission Integrated Environment system

*FEMA classifies disaster-related work by type: debris removal (Category A), emergency protective measures (Category B), and permanent work (Categories C through G).



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Appendix A

New York City's Response to Audit Report



THE CITY OF NEW YORK
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March 4, 2014

VIA EMAIL

Judy Martinez
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Office of Inspector General
Office of Emergency Management Oversight
New Orleans, LA 70114

Re: New York City Department of Transportation ("DOT")
FEMA Disaster Number 4085-DR-NY
Audit Report Number OIG-14-XX-D

Dear Ms. Martinez:

As counsel to DOT, I write this letter to formally submit DOT's response to the draft audit findings contained in the undated memorandum from John V. Kelly to Willie G. Nunn ("Draft Findings"). As previously stated, we thank you for the opportunity to submit this response, and your willingness to include it, in its entirety, as an appendix to your final report. However, we repeat our request, expressed during the exit conference telephone call held last week, that you not merely include our response as an appendix to the final report, but also consider revising your report, because as explained below, the Draft Findings are based on a misapprehension of the facts and a misreading of the law.

In reviewing this response, we urge you to be mindful of the fact that Superstorm Sandy was the largest disaster to hit New York City in modern times. It was an unprecedented event that impacted many communities and resulted in extensive damage to both public and private infrastructure. Thousands of New Yorkers were displaced from their homes and businesses, inclusive of many governmental operations. As a result, the City was compelled to allocate every available resource to the recovery effort, including federal assistance.



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Response to Draft Audit Finding # 1:
"The Department did not follow Federal Procurement Standards"

The Draft Audit claims that DOT did not follow Federal Procurement standards based on the auditors' view that the City-wide street lighting contract under review was awarded without "full and open competition," and that small and minority businesses, women's business enterprises, and labor surplus area firms did not have sufficient opportunities to bid on this contract and another Superstorm Sandy-related task order for emergency design and support services.¹ Draft Findings at 4. The auditors also maintain that because the street lighting contract was not awarded until almost five months after Superstorm Sandy made landfall, the "exigent period when lives and property were at risk had ended," and competitive bidding procedures should have been employed. *Id.* The auditors' conclusions that exigent circumstances did not exist in this case, and that DOT did not follow federal procurement standards are incorrect as a matter of fact and law, and the final audit report should be revised.

Factual Background

Hurricane Sandy caused severe flooding, loss of power and damage to New York City's traffic signal and street light infrastructure. While this damage occurred throughout the City, the areas hardest hit were the Rockaways in Queens, the south shore of Staten Island, Coney Island in Brooklyn, and various highways and parks near the waterfront City-wide. There also was significant wind and saltwater damage to street lighting infrastructure in waterfront parks including Battery Park, Bowling Green Park, Orchard Beach, Marine Park, Brighton Beach Municipal Parking Lot, Manhattan Beach Promenade, Kaiser Park, Coffey Park, and Red Hook Recreational.

DOT also found damage to over 110,000 feet of cable, 30,000 feet of conduit, 280 foundations, 80 control boxes, and 280 poles and lighting fixtures on the Coney Island/Brighton Beach Boardwalk resulting from the submersion of the bases and foundations of traffic signals and street light poles in salt water. As a result, the utility fixtures became permeated by salt water, sand and sewage, which corroded the utilities and rendered them inoperable. Underground wiring housed in conduits that were permeated by salt water and/or dislodged from their original operating positions were also corroded and rendered inoperable. Traffic signal and street light bracket assemblies that support traffic signals, and street lights and their associated overhead wiring distributing power were damaged beyond repair or destroyed by high winds.

¹ The auditors' statement at page 3 of the Draft Findings that DOT awarded two contracts totaling \$4.5 million is incorrect. Rather, as the auditors correctly noted elsewhere in their report, DOT issued one fixed price contract for City-wide street lighting repairs, and a \$1.4 million task order for emergency contract design and support under a pre-existing and pre-storm Engineering Services Agreement. Draft Findings at 3, n.2. The auditors do not challenge the level of competition used in awarding the Engineering Services Agreement.



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Investigating the extent of this damage was a time-consuming process. It should be self-evident that a lack of operational street lights in a densely populated urban environment such as New York City poses a significant danger to public safety. See attached photographs.

DOT's headquarters, located in one of the hardest-hit areas of Manhattan, was inaccessible for approximately six weeks immediately after the storm made landfall. As the auditors acknowledge, this deprived DOT employees of access to, among other things, their offices, computers and files until approximately December 10, 2012. Draft Findings at 2.

Approximately one week later, on December 19, 2012, DOT received verbal approval from the New York City Comptroller for emergency procurements to replace, among other things, street light poles and their foundations. DOT submitted a formal declaration of emergency in a letter dated January 9, 2013 from DOT First Deputy Commissioner Lori Ardito to New York City Comptroller John Liu and New York City Corporation Counsel Michael Cardozo. A copy of this letter is enclosed herewith.

On January 17, 2013, Acting Corporation Counsel Steven Stein Cushman concurred that the facts set forth in Commissioner Ardito's letter constituted an emergency within the meaning of New York City Charter § 315 (see stamp and signature affixed to Commissioner Ardito's January 9, 2013 letter). Formal approval for emergency procurements to repair, among other things, the street light poles was issued by the Comptroller in a letter dated January 25, 2013. A copy of that letter is also enclosed herewith. As indicated in this letter, the Comptroller's approval was valid for a period of six months from December 19, 2012, *i.e.*, until June 19, 2013.

In this regard you should also take note of the six month extension for completion of emergency work until October 30, 2013 issued by the New York State Office of Emergency Management for the five counties comprising New York City. This extension was granted because of "the magnitude of existing damages, weather conditions and, in some cases additional damages, thus prohibiting applicants from completing projects within the original timeframe." A copy of the letter dated February 27, 2013 from the Governor's Authorized Representative, Jerome M. Hauer, to Michael Byrne, Federal Coordinating Officer for FEMA in New York City, advising of this extension, is enclosed for ready reference.

After receipt of the Comptroller's approval, it took several months, *i.e.*, until March 19, 2013, for DOT to finalize an agreement with FEMA on the scope of damaged items that would be reimbursable. At that time, FEMA advised DOT that because this was to be an emergency procurement, the Disadvantaged Business Enterprise ("DBE") utilization goal for this contract was zero.² See attached copy of "DBE Goals for Construction Contracts," Group Type #9 & n.3 ("Contracts included in Group Type #9 are not required to have a DBE goal due to the uncertainty of the scope, locations, and schedule of work at the time of bid.")

² The DBE utilization goal for the pre-existing Engineering Services Agreement was 18%. Accordingly, the \$1.4 million task order issued in connection with this agreement, which is discussed in the Draft Findings, satisfied federal DBE utilization requirements.



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While DOT waited for final approval from FEMA, it used the time to inspect the affected locations, assess the damage, remove debris, conduct surveys, and prepare the scope of work that would be used to bid the street light work.

Bids were solicited on the lighting contract from six responsible vendors who constituted 75% of all contractors who had bid on 42 of DOT's past contracts for the same type of work. This group also comprised 95% of the winning low bidders on those contracts, which were subject to "full and open competition." Bids were received on March 25, 2013, and the letter of intent was issued to the winning bidder on March 27, 2013. The contractor was given notice to begin work on April 1, 2013. Significantly, the unit prices on this contract were lower than on non-emergency contracts awarded by DOT for similar work – thus rebutting the auditors' assertion that FEMA "did not have assurance that contract costs were reasonable." Draft Findings at 4. See memorandum dated March 27, 2013 from Steven Galgano, DOT Executive Director, to Nancy Carolan, DOT Agency Chief Contracting Officer (attached).

It should be noted that normally federally-funded bid solicitations take approximately ten months to prepare and complete. Here, DOT completed the process approximately two months after formal approval was granted by the Comptroller, and two *weeks* after the scope of work was approved by FEMA.

Applicable Law

The FEMA regulations require grantees and subgrantees to follow state and local procurement laws and regulations so long as such laws and regulations conform to applicable federal law. 44 CFR § 13.36(b). The procurement methods authorized by the FEMA regulations include, among others, sealed bids, competitive proposals and noncompetitive proposals. 44 CFR § 13.36(d). Noncompetitive proposals may be used in cases of public exigency or emergency. 44 CFR § 13.36(d)(4)(i)(B).

As was acknowledged during the exit conference telephone call, the regulations do not specify what is meant by "exigency" or "emergency." Nor is a particular period of exigency specified.

Further, while the FEMA regulations direct grantees and subgrantees to take all necessary affirmative steps to contract with small and minority firms, women's business enterprise and labor surplus area firms, use of such firms is only required "when possible." 44 CFR § 13.36(e)(1).

Under New York State law, competitive bidding or competitive offering requirements are excused in cases of

public emergency arising out of an accident or other unforeseen occurrence or condition whereby circumstances affecting public buildings, public property or the life, health, safety or property of the inhabitants of a political subdivision or district therein, require immediate action.



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NY General Municipal Law (“GML”) § 103(4). Similarly, emergency procurements are authorized under section 315 of the New York City Charter (“Charter”) in cases of “an unforeseen danger to life, safety, property or a necessary service.” The procedures governing emergency procurements in New York City are set forth in section 3-06 of the City’s Procurement Policy Board (“PPB”) Rules.³ 9 Rules of the City of New York (“RCNY”) § 3-06. That rule specifies that the method of source selection for emergency procurements shall provide for “such competition as is possible and practicable.” 9 RCNY § 3-06(d). Approval from both the Corporation Counsel, a mayoral appointee, and the Comptroller, an independently elected official, is also required. 9 RCNY § 3-06(e)(3).

Thus, federal, state and local law all excuse the use of competitive bidding to procure government contracts in emergencies. New York City PPB Rule § 3-06(d) requiring emergency contracts to be awarded using “such competition as is possible and practicable,” easily satisfies the requirements of 44 CFR § 13.36(d)(4)(i)(B), which allows emergency procurements on a noncompetitive basis. Since City law conforms to the applicable federal standard, DOT’s compliance with PPB Rules § 3-06 was not only proper, but mandated by the FEMA regulations. 44 CFR § 13.36(b).

DOT Complied with Federal Procurement Standards

FEMA regulations permit procurement by “noncompetitive proposals” in cases of public exigency or emergency. 44 CFR § 13.36(d)(4)(i)(B). The competitive process used here for the street lighting contract, *see* page 4 above, easily meets this standard -- particularly because it contains none of the indicia considered to be “restrictive of competition” within the meaning of 44 CFR § 13.36(c). Accordingly, the auditors’ draft finding that DOT did not follow Federal Procurement standards because “full and open competition did not occur” is incorrect and should be removed from the final report. Draft Findings at 4.

Also, the fact that it took five months to award the lighting contract does not preclude use of emergency procurement methods in this case as the auditors incorrectly posit. It is indisputable that an emergency existed when the street lights became inoperable as a result of Superstorm Sandy. The fact that the street lights were still inoperable five months after the storm hit does not mean that an emergency no longer existed. Nor does it mean that conventional procurement methods should have been used. The storm-related damage to street lights did not disappear with the passage of time.

Furthermore, the Comptroller gave DOT six months, *i.e.*, until July 25, 2013, to award the emergency contract for street lighting, and the New York State Office of Emergency Management granted an extension of the emergency period for repair work in New York City until October 30, 2013. DOT easily met these deadlines by identifying the winning bidder on March 27, 2013.

³ The policies underlying the PPB Rules, like the Federal procurement standards, are to “encourage competition, prevent favoritism, and obtain the best value in the interest of the City and the taxpayers.” 9 RCNY § 1-03(a)(1)(i).



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The record facts show that DOT acted expeditiously to procure these repair contracts, and was able to do so in half the time that conventional methods require. DOT's award of the street light contract under review here occurred within five months after the storm was authorized by the Comptroller and the New York State Office of Emergency Management, and its use of emergency procurement procedures was warranted and proper.

As for opportunities for small business, minority-owned firms, and women's business enterprises, we note that 44 CFR § 13.36(e) requires affirmative steps to be taken regarding these types of firms only "when possible." In any event, DOT complied with FEMA's stated DBE goals for both the street lighting contract and the task order under the pre-existing Engineering Services Agreement. See n.2 above, and accompanying text. Accordingly, the auditors' conclusion that DOT did not comply with 44 CFR § 13.36(e)(2) is incorrect, and should be withdrawn.

Draft Audit Finding # 2:
"The Department Did Not Track Grant Expenditures by Project"

The auditors claim that DOT "did not track grant expenditures by project as 44 CFR 13.20 and 206.205 require." Draft Findings at 5. However, there is nothing in 44 CFR §§ 13.20 and 206.205 which requires a subgrantee to identify which costs applied to which FEMA project, and the Draft Findings cite no such specific requirement. Rather, the regulations require use of fiscal control and accounting procedures which are sufficient to "permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes," 44 CFR § 13.20(a)(2)(b).

In this case, New York City's Office of Management and Budget ("NYCOMB") contracted with an outside consultant, Hagerty Consulting ("Hagerty"), to provide assistance with tracking, documenting and recouping federal funding for disaster related damages resulting from Superstorm Sandy. A detailed explanation of the system developed by Hagerty is enclosed herewith. As indicated in that document, the software developed by Hagerty is capable of, among other things, tracking project financial process and account balances, and aligning disaster expenditures with grant funding sources. As stated in that document:

Utilizing extracts from FMS's (New York City's Financial Management System) operating and capital budgets, daily uploads of all Sandy related expenses and revenues are pulled into the system for central oversight of organization-wide spending *congruent to FEMA audit requirements*. The transparent overview of all Agency funding allocations provides the City with immediate, comprehensive reporting and documentation from appropriation to reimbursement. (emphasis added)

Thus, the City has already developed policies, procedures and business practices to ensure compliance with FEMA regulations.



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Draft Audit Finding # 3:

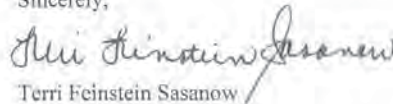
"The Department Did Not Adequately Document Direct Administrative Costs"

DOT disagrees with this finding and contends that its administrative costs are adequately tracked. As requested by FEMA, the City is currently working to develop a set of procedures and guidance for capturing and requesting its costs related to obtaining, maintaining, and administering the FEMA PA Program (*i.e.*, FEMA Direct Administrative Costs ("DAC")). The City's proposed solution is to use the existing City systems to track specific time charged to FEMA activities, simplify the process for requesting and obtaining DAC, and provide adequate documentation that identifies the name, position, time frame, and activity associated with the FEMA PA Program. The City will seek FEMA acceptance and approval of the process for implementing the guidance for documenting DAC. Once approved, the City will develop policies and implement business practices to ensure compliance with federal regulations in a consistent and enforceable manner in line with the process requested of the City and approved by FEMA.

Conclusion

In conclusion, the record set forth in detail above demonstrates that the Draft Findings are based on an inaccurate and incomplete understanding of the facts and a misreading of the law. We believe that the indisputable record facts dictate that you not only append this letter to your final report, but that you also correct and amend your findings to reflect the facts and law accurately.

Sincerely,


Terri Feinstein Sasanow

cc: Tonda Hadley



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security



Department of Transportation

(NY) 111-34038-0148 - Commissioner

January 9, 2013

Honorable John Liu
Comptroller of the City of New York
One Centre Street, Room 530
New York, NY 10007

Cushman

Michael Cardozo, Esq.
Corporation Counsel
100 Church Street, 6th Floor
New York, NY 10007

RE: Declaration of Emergency
Replacement of Damaged Traffic Signal and Street Light Infrastructure Citywide

Honorable Sirs:

Pursuant to Section 103(4) of the General Municipal Law, Section 315 of the New York City Charter, and Section 3-06 of the New York City Procurement Policy Board Rules, I hereby declare that an emergency exists relative to traffic signal and streetlight infrastructure Citywide.

On October 29, 2012 the New York Metropolitan area was impacted by Hurricane Sandy, causing flooding, loss of power and damage to New York City's traffic signal and street light infrastructure. While this damage occurred throughout the City, the hardest hit areas were the Rockaways in Queens, the south shore of Staten Island, Coney Island in Brooklyn, and various highways and parks near the waterfront throughout the City. Specifically, there has been significant wind and saltwater damage to: (i) 130 signalized intersections and 3,638 street lights in the Rockaways comprising of damage to over 285,000 feet of cable, 155,000 feet of conduit, 1250 pole foundations, 799 electrical junction boxes and 1260 poles and associated traffic signal units; (ii) 570 signalized intersections in other parts of the City outside of the Rockaways comprising of damage to over 400,000 feet of cable, 140,000 feet of conduit, 2,100 pole foundations, 1,100 electrical junction boxes and 2,000 poles and associated traffic signal units; (iii) street lighting infrastructure on the Belt Parkway, FDR Drive, Henry Hudson Parkway and the Cross Island Parkway and adjacent Parks where, to date, we have determined that there is damage to over 300,000 feet of cable, 100,000 feet of conduit, 350 foundations, 360 electrical distribution boxes and 350 poles and lighting fixtures; and (iv) street lighting infrastructure in parks near the waterfront including Battery Park, Bowling Green Park, Orchard Beach, Marine Park, Brighton Beach Municipal Parking Lot, Manhattan Beach Promenade, Kaiser Park, Coffey Park, Red Hook Recreational and Coney Island/Brighton Beach Boardwalk where we have determined that there is damage to over 110,000 feet of cable, 30,000 feet of conduit, 260 foundations, 80 control boxes, and 280 poles and lighting fixtures.

The specific damage includes the following:

NYC Department of Transportation
Office of the First Deputy Commissioner
55 Water Street, New York, NY 10041
T: 212-639-6403
www.nyc.gov/dot

1013-16028700



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security



Department of Transportation

JANETTE SAOIR-CHIAN, Commissioner

- Traffic signal and street light poles with their bases and foundations submerged in salt water having their electronic components and structural components permeated by salt water, sand and sewage rendering them inoperable and corroded.
- Underground wiring housed in conduit that was permeated by salt water and/or dislodged from its original operating position and rendered inoperable and corroded.
- Traffic signal and street light bracket assemblies that support such traffic signals and street lights and their associated overhead wiring distributing power were damaged beyond repair or destroyed by high winds.

The scope of the repair work will include the following:

- Replace traffic signal and street light poles.
- Replace traffic signal and street light pole foundations including wiring and elbows.
- Replace underground wiring housed in conduit.

Due to the potentially serious danger to life, public safety and property posed by the current condition, it is critical that emergency contracts be procured to perform the required work as expeditiously as possible.

The Department of Transportation does not have the available personnel or equipment to perform the necessary work, therefore the Department proposes to procure emergency contracts to replace and/or reconstruct the traffic signal and street light infrastructure throughout the City expeditiously. Attached is an estimate listing the work and equipment needed and the estimated prices for each item. The anticipated value of the emergency contracts is \$89,750,420.58 (see estimates attached).

I respectfully declare that the situation described in this letter constitutes an emergency, and I request your approval for the procurement of contractors.

Sincerely,
Lori Ardito
First Deputy Commissioner

CC: Robert K. Steele, Deputy Mayor
Mark Page, Director, Office of Management and Budget
Rose Gill Hearn, Commissioner, Department of Investigations

Bcc: FDC Ardito, CCPO A. Glick, DC Schaller, ACCO Carolan, GC Damashek, S. Galgano, P.E., A. Borock, P.E., File

I hereby acknowledge receipt of this Declaration of Emergency on 1/17/13 and concur that the facts set forth constitute an emergency within the meaning of Section 345 of the New York City Charter.

Steve Stern
Acting Corporation Counsel

1/17/13

NYC Department of Transportation
Office of the First Deputy Commissioner
55 Water Street, New York, NY 10041
T: 212-839-6403
www.nyc.gov/dot



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security



Geneith Turnbull
DEPUTY COMPTROLLER

CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
JOHN C. LIU

BUREAU OF CONTRACT ADMINISTRATION

MUNICIPAL BUILDING
ONE CENTRE STREET, ROOM 1005
NEW YORK, N.Y. 10007-2341

TEL: (212) 669-4126
FAX: (212) 815-8603
GTURNBULL@COMPTROLLER.NYC.GOV

January 25, 2013

Lori Ardito
First Deputy Commissioner
City of New York
Department of Transportation (DOT)
55 Water Street
New York, NY 10041

Re: Emergency Request No. 2012202
Replace Traffic Signal and Street Light Infrastructure Damaged by Hurricane Sandy
Estimated Cost: \$89,750,420.58

Dear First Deputy Commissioner Ardito:

This letter confirms the verbal approval given by the Comptroller's Office on December 19, 2012 and serves as written approval for the emergency procurement to replace traffic signal and street light poles and their foundations including wiring and elbows, and underground wiring housed in conduits that sustained damage during Hurricane Sandy. Approval is based on DOT's representation these conditions pose a serious danger to life, public safety and the property of the various highways and parks near the waterfront throughout the City that were impacted by the storm. This Office's approval of the above-referenced emergency procurement is valid for six months from December 19, 2012.

We take this opportunity to remind your agency that our emergency approval is limited to the scope of work defined in your Agency's email sent December 14, 2012 which included DOT's estimated cost on which the Comptroller's Office has relied, and in the DOT emergency declaration, received in our Office on January 15, 2013. Therefore, if at any time you anticipate that additional work is needed to address the emergency, or that the estimated dollar amount is expected to be exceeded we require that you discuss with us whether an amended emergency declaration and approval is required before implementing any additional work.

Your attention is directed to the requirements contained in the Procurement Policy Board (PPB) Rules Section 3-06 and Section 315 of the New York City Charter. Specifically, the agency should ensure that such competition as is possible and practicable under the circumstances be obtained and that written documentation detailing the basis for the emergency and the selection of the supplier be submitted at the earliest practicable time. In addition, Section 2-12 of the PPB Rules requires a copy of the contract and related materials to be submitted to the Comptroller's Office within thirty (30) business days of award.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Lori Ardito
January 25, 2013
Emergency Request No. 2012202
Replace Traffic Signal and Street Light Infrastructure Damaged by Hurricane Sandy
Estimated Cost: \$89,750,420.58
Page 2

On behalf of Comptroller John C. Liu, I am pleased to be of assistance in this matter.

Yours truly,

A handwritten signature in blue ink, which appears to read "Geneith Turnbull", is written over a faint, circular official stamp.

Geneith Turnbull

Cc: Charles Odiase
Wilfred Anigekwu
Stephen Malusa



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security



NEW YORK STATE
DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES
STATE OFFICE OF EMERGENCY MANAGEMENT



Jerome M. Hauer, Commissioner

Gregory T. Brunelle, Acting Director

February 27, 2013

Mr. Michael Byrne
Federal Coordinating Officer
Federal Emergency Management Agency
26 Federal Plaza
New York, NY 10278

Dear Mr. Byrne

Re: FEMA 4085 DR NY
Time Extension Notification
Categories A & B

Dear Mr. Byrne

The New York State Office of Emergency Management (NYSOEM) is exercising its right to grant a six month time extension on categories A and B work for all applicants in 4085 DR NY. Please refer to the attached project listing of applicants in their respective designated counties.

Due to the varying declaration dates of the original designated and amended counties, the following extension dates are authorized for applicants in these designated counties. This extension also covers all category A and B work yet to be obligated.

Counties: Bronx, Kings, Nassau, New York, Queens, Richmond, and Suffolk
Six Month Extension Date: October 30, 2013

Counties: Rockland and Westchester
Six Month Extension Date: November 3, 2013

Counties: Orange, Putnam, Sullivan and Ulster
Six Month Extension Date: November 13, 2013

County: Greene
Six Month Extension Date: December 18, 2013

The State feels this extension is warranted due to the magnitude of existing damages, weather conditions and, in some cases additional damages thus prohibiting applicants from completing projects within the original timeframe.

518.292.2200

1220 Washington Avenue
Building 22, Suite 101
Albany, NY 12226-2251

www.dhses.ny.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

DBE GOALS FOR CONSTRUCTION CONTRACTS (see Notes below)

Group	Type #	Contract Group Title	REGION															
			1	1	2	2	3	4	5	5	6	7	7	8	8	9	10	11
			South	North	South	North	All	All	South	North	All	West	East	South	North	All	All	All
1 ¹		New Highway Construction or Full-Depth Reconstruction	11%	3%	11%	8%	8%	5%	8%	11%	8%	8%	5%	9%	7%	9%	12%	13%
2 ¹		Highway Improvements including Multi-Course Pavement Overlay	10%	8%	9%	7%	8%	5%	5%	11%	8%	8%	7%	7%	8%	7%	8%	12%
3 ¹		Non-Highway Resurfacing: Bike Paths, Park-Ride Lots, etc.	9%	7%	9%	7%	8%	7%	9%	8%	8%	8%	7%	7%	8%	7%	9%	10%
4 ¹		New or Replacement Bridge, Major Bridge Rehabilitation or Large Culvert Replacement	10%	8%	8%	7%	10%	8%	9%	11%	7%	7%	10%	8%	8%	8%	11%	14%
5		Minor Bridge Rehab (Resurfacing, Little or No Approach Work)	8%	7%	8%	6%	9%	7%	7%	10%	8%	8%	7%	8%	7%	8%	11%	13%
6 ²		Earth Movement - Slope, Rock, Watercourse or Open Drainage Work	5%	3%	5%	3%	5%	3%	5%	3%	3%	3%	5%	5%	5%	5%	5%	5%
7 ¹		Material Installations - Single Course Overlay, Graders, Subbases, Landscaping, Signs, Signals and Rail Work	5%	3%	5%	3%	5%	3%	5%	3%	3%	3%	5%	5%	5%	5%	5%	5%
8 ¹		Specialized Services - Bridge Painting & Washing, Pavement Markings, Culvert Cleaning, etc.	3%	2%	3%	2%	3%	2%	3%	2%	3%	2%	3%	2%	3%	2%	3%	3%
9		Special Contracting Procedures - Emergency Standby, Where & When, or Job-Order Contracts	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3	See Note #3

NOTES:
 1) Contracts of less than \$500,000 for Group Type #3-1-5 are not required to have a DBE goal.
 2) Contracts of less than \$1,000,000 for Group Type #6-8 are not required to have a DBE goal.
 3) Contracts included in Group Type #9 are not required to have a DBE goal due to the uncertainty of the scope, location, and schedule of work at the time of bid.
 4) Contracts of greater than \$100,000,000 require an in-depth goal analysis to be submitted with the PS&E Transmittal, for review and approval by the Office of Civil Rights.
 5) Contracts which do not conform to any of the nine Group Types require an in-depth DBE goal analysis to be submitted with the PS&E Transmittal, for review and approval by the Office of Civil Rights.




OFFICE OF INSPECTOR GENERAL
Department of Homeland Security



Department of Transportation

JANETTE SADIK-KHAN, Commissioner

To: Nancy Carolan
ACCO

From: Steven Galgano, P.E. 
Executive Director

Re: Bid for PIN: 13MBTR718

Emergency Contract to Install, Remove and Repair Street Lights in Parks Damaged by Hurricane Sandy, Citywide.

Date: 3/27/13

After reviewing the bid I find Hellman Electric's bid prices to be fair and reasonable.

Hellman Electric's bid for this contract was \$3,048,473.20. This bid was \$1,754,105.72 less the Engineer's Estimate of \$4,802,578.92. \$1,601,334.10 of the difference of \$1,754,105.72 was caused by the pricing for items 33.01.03 through 35.14.02. These were items for the furnishing and installation of cable and conduit. The prices used to prepare the Engineer's Estimate were from a previous contract with similar items. The item quantities bid on previous contracts were less than 10% of the item quantities bid on this contract and the conduit items were for HDPE conduits not galvanized steel conduit, as on previous contracts. These two factors accounted for the difference between the Engineers Estimate in the bid prices for cable and conduit related items and for the difference in the total bid price. Hellman Electric is an experienced electrical contractor and has successfully completed many contracts for NYCDOT.

Therefore, I recommend awarding the contract to the lowest responsive and responsible bidder, Hellman Electric with a total bid price of \$ 3,048,473.20. This price is 36.5 % below the Engineers Estimate of \$ 4,802,578.92. This price is also 7 % less than the second lowest bid of \$ 3,279,791.25 by Welsbach Electric. The difference is less than 10% and less than \$300,000 so prevailing wage due diligence is not required.

If you need further information please contact Frank Caiazzo at (718)786-4061.

NYC Department of Transportation
Division of Traffic
34-02 Queens Boulevard
Long Island City, NY 11101
T: 718-786-4061 F: 718-472-6226
www.nyc.gov/dot



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Background

New York City’s Office of Management and Budget (OMB) contracted with Hagerty Consulting following the October 2012 Hurricane Sandy to provide assistance with tracking, documenting and recouping federal funding for disaster related damages.

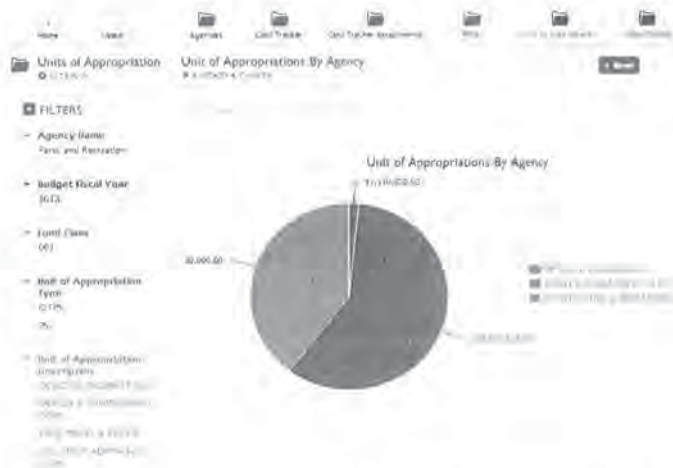
The multifaceted government structure of the City provided for the added complexity of 52 independent City Agency applicants across a \$5 Billion Federal program. Among the responsibilities of integrating the organizational emergency effort, Hagerty developed a centralized repository of information to monitor funds and report on the progression of FEMA Project Worksheets utilizing the web-based Intuit platform, QuickBase.

What is QuickBase?

QuickBase is customized by Hagerty consulting, at a citywide level, to centralize the recording, and tracking of Sandy-related revenues and expenses. This application is a web-based database that provides a central repository of information that monitors funds, tracks, and reports on the progress of project worksheets. It provides a relationship platform to aggregate Agency Budgets/Expenses, Emergency and Permanent Grants, Federal Projects, and allocating revenue via leveraging the following units:

- The City’s Financial Management System (FMS), a computer-based platform used to operate and maintain centralized financial systems for the City’s departments, managed by the Financial Information Services Agency (FISA).

Utilizing extracts from FMS’s operating and capital budgets, daily uploads of all Sandy related expenses and revenues are pulled into the system for central oversight of organization-wide spending congruent to FEMA audit requirements. The transparent overview of all Agency funding allocations provides the City with immediate, comprehensive reporting and documentation from appropriation to reimbursement.





OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

- The **Emergency Management Mission Integrated Environment (EMMIE)** is a FEMA Public Assistance application source to manage Subgrantee submission, request assistance from Grantee, process revisions, and monitor the status of applications online.

EMMIE dashboard generated reporting is pulled into the QuickBase system to verify Project Worksheet information from formulation to close-out.

		All				
Category	Category Type	PW Grant Amount (tot)	Total Obligated Amount (tot)	Reimbursement Amount (tot)	Total Collected Earned Revenue (tot)	# of Versions (tot)
A	Debris Removal	\$214,789,721	\$127,035,009	\$127,551,954	\$142,068,787	58
B	Emergency Protective Measures	\$1,018,432,171	\$791,123,410	\$452,448,217	\$440,717,758	162
C	Roads and Bridges	\$22,049,443	\$19,644,499	\$10,000,839	\$10,000,838	10
E	Buildings and Equipment	\$78,862,608	\$23,141,729	\$2,189,562	\$1,667,816	158
F	Utilities	\$22,220,745	\$19,975,444	\$1,292,701	\$1,554,299	17
G	Parks, Recreational Facilities and Other Items	\$16,002,775	\$10,361,107	\$13,485	\$13,485	18
Totals (6 groups)		\$1,272,377,266	\$1,052,002,195	\$625,566,823	\$597,457,052	432

Functionality of QuickBase

As a customizable web-based database and tracking application, QuickBase (NYC Grants Management) was designed, developed and implemented by Hagerty to track the particular financial information needs of the disaster. Specifically, the application can:

- Monitor Funds
- Track project financial process and account balances
- Display real-time progress reporting across multiple agencies
- Provide a central repository of disaster related expenditures and revenue structures
- Create work flow processes to identify bottlenecks and streamline operations
- Provide financial stewardship and stakeholder transparency
- Create relationships between various data sets
- Align disaster expenditures with grant funding sources

QuickBase Timeline

On 15 January 2013, efforts to comprehend and leverage existing systems were initiated to build a Grants Management with the subsequent outcome of improving access to accurate, real-time information to drive decision making and visibility into grant financial management activity. The QuickBase timeline below shows several of the milestones in the development of the system and the timeline for some of its functionality. Because of the continual needs of the users and documentation requirements, this system provides the City



OFFICE OF INSPECTOR GENERAL Department of Homeland Security

with evolving functionality and regulatory updates to allow enhancements and maintain pace with mounting changes.

January 2013: Commence development of QuickBase platform to mimic FMS and house PWs

February 2013: Meeting with FISA and OMB to gather the background information on FMS accounting

April 2013: Automate imports for live updates. Enhance and provide system-generated reporting

June 2013: Rollout of Database and begin reconciliation efforts

November 2013: Development of Split Records and Other Funding Sources



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Grantee

Commissioner, New York State Division of Homeland Security and Emergency Services

State

New York State Comptroller, Office of the State Comptroller

Subgrantee

Deputy Commissioner of Finance, New York City Department of Transportation



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Congress

Senate Committee on Appropriations, Subcommittee on Homeland Security

Senate Committee on Homeland Security and Governmental Affairs

House Committee on Appropriations, Subcommittee on Homeland Security

House Committee on Homeland Security

House Committee on Oversight and Government Reform

House Committee on Transportation and Infrastructure

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Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Office of Investigations Hotline
245 Murray Drive, SW
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You may also call 1(800) 323-8603 or fax the complaint directly to us at (202) 254-4297.

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