

**DISASTER READINESS: EXAMINING THE PRO-
PRIETY OF THE EXPANDED USE OF FEMA
RESOURCES**

(118-49)

HEARING
BEFORE THE
SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

MARCH 12, 2024

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[†]Hon. Celeste Maloy of Utah submitted the same question to Ms. Criswell as Hon. Lori Chavez-DeRemer. To avoid duplication, it is not included here.



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

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MARCH 5, 2024

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM: Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
RE: Subcommittee Hearing on “*Disaster Readiness: Examining the Propriety of the Expanded Use of FEMA Resources*”

I. PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management of the Committee on Transportation and Infrastructure will meet on Tuesday, March 12, 2024, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony at a hearing entitled, “*Disaster Readiness: Examining the Propriety of the Expanded Use of FEMA Resources.*” The hearing will examine if the expanded use of resources is impacting the Federal Emergency Management Agency’s (FEMA’s) ability to carry out its mission related to disaster readiness. At the hearing, Members will receive testimony from the FEMA Administrator, the Department of Homeland Security (DHS) Deputy Inspector General for Audits, and the Government Accountability Office (GAO).

II. BACKGROUND

FEMA’s MISSION

FEMA is the Federal Government’s lead agency for preparing for, mitigating against, responding to, and recovering from disasters and emergencies related to all hazards—whether natural or man-made.¹ FEMA’s primary authority in carrying out these functions stems from the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (P.L. 100–707, as amended).² The Stafford Act authorizes three types of declarations: (1) major disaster declarations; (2) emergency declarations; and (3) fire management grant (FMAG) declarations.³ The Stafford Act authorizes the President to approve states’ requests for a Federal disaster declaration when “the situation is of such severity and magnitude that effective response is beyond the capabilities of the state and affected local governments.”⁴

¹ DHS, *FEMA*, (Feb. 3, 2023), available at <https://www.dhs.gov/employee-resources/federal-emergency-management-agency-fema>.

² Stafford Act, Pub. L. No. 100–707.

³ *Id.*

⁴ *Id.*

THE CURRENT STATE OF DISASTERS

In 2023, FEMA provided assistance for 84 presidentially declared emergencies and major disasters which included: the Maui wildfire, Hurricane Lee, Typhoon Mawar, and multiple tornados that impacted many southern and central states.⁵ While 2020 holds the all-time record for presidentially declared emergencies and major disasters due to declarations related to COVID-19, at 230, last year's disasters accounted for an estimated \$92.9 billion in damages.⁶ Between 2014 and 2021, FEMA's National Incident Management Assistance Team (IMAT) was deployed twelve times for non-Stafford Act disasters, events that have not been granted a fire management assistance grant, emergency declaration or major disaster declaration, but the President or DHS Secretary has directed FEMA to assist with response efforts. Five of those deployments occurred in 2021.⁷ In 2022 and 2023, FEMA was deployed eleven times for non-Stafford Act disasters.⁸

THE FEMA WORKFORCE

Amidst the increasing demands placed on FEMA to respond to non-Stafford Act disasters, FEMA is also currently facing a workforce shortage. In March 2023, GAO published a report entitled, *FEMA Disaster Workforce: Actions Needed to Improve Hiring Data and Address Staffing Gaps*, which analyzed FEMA's disaster workforce in Fiscal Years (FYs) 2019 through 2022.⁹ The report found that during that time-frame, FEMA consistently had a staffing gap for its disaster workforce. In FY 2022, FEMA's staffing target for disaster employees was 17,670. At the time of GAO's report, FEMA had 11,400 disaster employees, showing a staffing gap of 35 percent.¹⁰

In response to GAO's report, FEMA officials, "attributed recent staffing gaps to multiple factors. These included additional responsibilities due to COVID-19 and managing the rising disaster activity during the year, which increased burnout and employee attrition."¹¹ In conclusion, the report found that while FEMA had taken steps to address the staffing gap, GAO found it difficult to determine if those efforts had been successful.¹²

⁵ FEMA, *Declared Disasters*, available at <https://www.fema.gov/disaster/declarations>.

⁶ Adam B. Smith, *2023: A Historic Year of U.S. Billion-Dollar Weather and Climate Disasters*, NOAA, (Jan. 8, 2024), available at <https://www.climate.gov/news-features/blogs/beyond-data/2023-historic-year-us-billion-dollar-weather-and-climate-disasters>.

⁷ FEMA, FY 2023 CONGRESSIONAL JUSTIFICATION, FEDERAL BUILDINGS FUND (2022), available at https://www.dhs.gov/sites/default/files/2022-03/Federal%20Emergency%20Management%20Agency_Remediated.pdf.

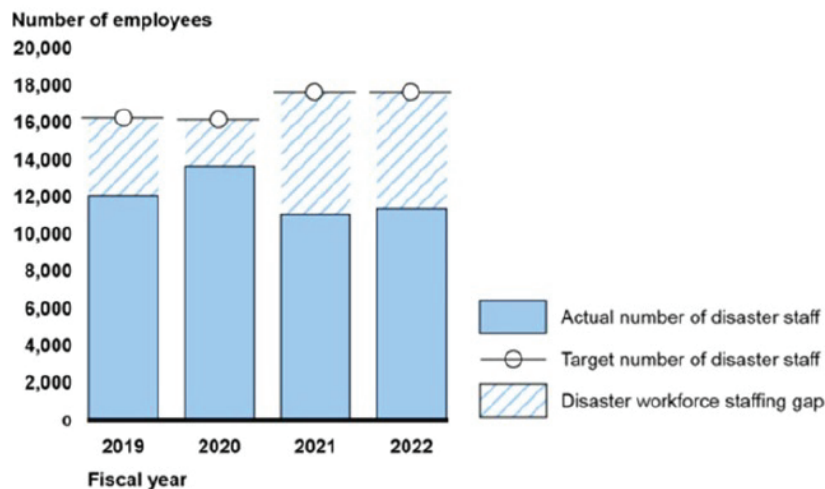
⁸ Email from FEMA staff to Staff, H. Comm. on Transp. & Infrastructure (Feb. 2, 2024, 10:38 am EST) (on file with Comm.).

⁹ GAO, GAO-23-105663, FEMA DISASTER WORKFORCE: ACTIONS NEEDED TO IMPROVE HIRING DATA AND ADDRESS STAFFING GAPS (May 2023), available at <https://www.gao.gov/assets/gao-23-105663.pdf>.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*



Source: GAO analysis of FEMA data. | GAO-23-105663
(Graphic from GAO-23-105663)

NON-STAFFORD ACT NATIONAL INCIDENT MANAGEMENT ASSISTANCE TEAM (IMAT)

The President's Budget Request for FY 2023 highlights the increasing pressure being put on FEMA to respond to non-Stafford Act disasters. The request included \$4.3 million for FEMA to establish a non-Stafford Act National Incident Management Assistance Team (IMAT).¹³ The budget justification asserted this new National IMAT would, "allow the Department and FEMA to meet the increasing need for non-Stafford Act incident management support. It will also reduce the operational risk to FEMA's ability to respond to Stafford Act incidents."¹⁴

FEMA utilized funding from the FY 2023 Appropriations for the new National IMAT.¹⁵ The job postings for the National IMAT highlights the Flint Water Crisis, Operation Vaccinate Our Workforce, Unaccompanied Children at the Southwest Border, and Operation Allies Welcome as examples of past events that new National IMAT employees would be expected to respond to.¹⁶

III. THE EXPANDED ROLE OF FEMA

COVID-19 RESPONSE

Beginning on January 31, 2020, a Nationwide public health emergency was declared in the United States for a novel coronavirus, COVID-19.¹⁷ On March 13, 2020, the President declared a Nationwide emergency under the Stafford Act. Six days later, on March 19, 2020, FEMA was appointed to lead the Federal response to COVID-19.¹⁸ For the first time in history, 57 major disaster declarations were issued for all states, the District of Columbia, and United States territories.¹⁹

¹³ FEMA, FY 2023 CONGRESSIONAL JUSTIFICATION, FEDERAL BUILDINGS FUND, (2022), available at https://www.dhs.gov/sites/default/files/2022-03/Federal%20Emergency%20Management%20Agency_Remediated.pdf.

¹⁴ *Id.*

¹⁵ Pub. L. No. 117-328.

¹⁶ FEMA, *National Incident Management Assistance Team is Now Hiring*, (Oct. 27, 2022), available at <https://www.fema.gov/fact-sheet/national-incident-management-assistance-team-now-hiring>.

¹⁷ FEMA, PANDEMIC RESPONSE TO CORONAVIRUS DISEASE 2019 (COVID-19): INITIAL ASSESSMENT REPORT (2021), available at https://www.fema.gov/sites/default/files/documents/fema_covid-19-initial-assessment-report_2021.pdf.

¹⁸ *Id.*

¹⁹ *Id.*

This also represented the first time in history that FEMA led the Federal Government's response to a health crisis.²⁰ Once FEMA assumed the role as lead Federal agency, operational task forces previously under the Department of Health and Human Services (HHS) were transferred to FEMA.²¹ Those task forces included: Community Based Testing; Data Management; Laboratory Diagnostics; Healthcare System Resilience; Medical Countermeasures; Supply Chain Stabilization; Community Mitigation Measures; and Continuity of Operations.²² Additionally, the FEMA Administrator helped oversee the coordinated Federal response by serving on the White House Coronavirus Task Force.²³

FEMA's role in the COVID-19 pandemic include the following programs:

- Public Assistance (PA)—
 - FEMA has obligated \$75 billion in public assistance as it relates to COVID-19.²⁴
- Individual Assistance (IA)—
 - FEMA has obligated \$44.3 billion in individual assistance as it relates to COVID-19.²⁵
- Lost Wages Assistance (LWA)—
 - FEMA has provided \$36.5 billion to assist individuals who were unemployed because of COVID-19.²⁶
- COVID-19 Funeral Assistance—
 - FEMA has provided more than \$3.1 billion to assist individuals pay for funerals and other funeral related costs.²⁷
- Community Vaccination Centers (CVC)—
 - FEMA partnered with state, local, tribal, and territorial partners with established CVC across the country.²⁸

On May 11, 2023, FEMA formally ended the COVID-19 National emergency declaration and the incident period for all the major disaster declarations for state, tribal, and territorial governments.²⁹ However, the application period for COVID-19 funeral assistance will remain open until September 30, 2025.³⁰

THE SOUTHERN BORDER

In recent years, FEMA has been repeatedly called upon to help assist with the crisis at the Southern Border, specifically on the issue of unaccompanied minors. In response to the increased number of unaccompanied minors in 2014, the FEMA Administrator was directed to serve as the Federal Coordinating Official for the Unified Coordination Group, which provided the children with housing, care, medical treatment, and transportation.³¹ In 2019, DHS informed Congress of plans to reprogram appropriations in the Disaster Relief Fund (DRF) base account to Immigration and Customs Enforcement (ICE).³² Most recently, from March 13, 2021, through June 11, 2021, FEMA coordinated with HHS to provide shelter, beds, and other supplies to unaccompanied minors.³³ As reported by DHS OIG, HHS and FEMA, the

²⁰ERICA A. LEE, CONG. RSCH. SERV., R47048, FEMA'S ROLE IN THE COVID-19 FEDERAL PANDEMIC RESPONSE, (Feb. 10, 2022), available at <https://crsreports.congress.gov/product/pdf/R/R47048>.

²¹FEMA, PANDEMIC RESPONSE TO CORONAVIRUS DISEASE 2019 (COVID-19): INITIAL ASSESSMENT REPORT (2021), available at https://www.fema.gov/sites/default/files/documents/fema_covid-19-initial-assessment-report_2021.pdf.

²²*Id.*

²³*Id.*

²⁴Email from FEMA staff to Staff, H. Comm. on Transp. and Infrastructure (Feb. 2, 2024, 3:13 pm EST) (on file with Comm.).

²⁵*Id.*

²⁶*Id.*

²⁷*Id.*

²⁸FEMA, *Federally Supported Community Vaccination Centers*, (May 15, 2024), available at <https://www.fema.gov/disaster/historic/coronavirus/vaccine-support/vaccine-center>.

²⁹FEMA, *Coronavirus (COVID-19) Response*, (Jan. 26, 2024), available at <https://www.fema.gov/disaster/historic/coronavirus>.

³⁰FEMA, *COVID-19 Funeral Assistance* (Jan. 18, 2024), available at <https://www.fema.gov/disaster/historic/coronavirus/economic/funeral-assistance>.

³¹WILLIAM A. KANDEL, CONG. RSCH. SERV., R43599, UNACCOMPANIED ALIEN CHILDREN: AN OVERVIEW, (Sept. 1, 2022), available at <https://crsreports.congress.gov/product/pdf/R/R43599>.

³²DHS, DHS FY 2019 SOUTHWEST BORDER EMERGENCY TRANSFER AND REPROGRAMMING NOTIFICATION, (July 26, 2019), available at <https://www.documentcloud.org/documents/6354580-DHS-FY-2019-Southwest-Border-Emergency-Transfer.html>.

³³DHS OIG, OIG-22-35, FEMA SUCCESSFULLY ASSISTED HHS IN PROVIDING SHELTER AND SUPPLIES TO UNACCOMPANIED CHILDREN FROM THE SOUTHWEST BORDER (Mar. 2022), available at <https://www.oig.dhs.gov/sites/default/files/assets/2022-04/OIG-22-35-Mar22.pdf>.

Agency provided shelter to close to 27,000 unaccompanied minors during that time period.³⁴

FEMA also provides assistance at the Southwest Border through the Emergency Food and Shelter Program—Humanitarian Relief (EFSP–H). This is not to be confused with EFSP funding, which Congress established in 1983 to provide individuals or families experiencing homelessness or hunger.³⁵ Starting in 2019, Congress first authorized and appropriated funding for EFSP–H which provides, “food, shelter, and services to individuals and families encountered by the U.S. Department of Homeland Security who entered through the Southwestern Border and who are now awaiting their immigration court proceedings.”³⁶ Between 2019 and 2023, EFSP–H has received \$715 million.³⁷ In 2023, Congress appropriated \$800 million to establish and fund a new Shelter and Services Program (SSP) to replace EFSP–H.³⁸

OPERATION ALLIES WELCOME

Following the United States’ withdrawal from Afghanistan, DHS was directed by the President to serve as the agency in charge of coordinating the resettlement of Afghan refugees.³⁹ On August 29, 2021, the Administrator for FEMA Region 9, Robert J. Fenton, Jr., was appointed as the Senior Response Official and tasked with coordinating the interagency resettlement efforts.⁴⁰

IV. RELEVANT GAO AND DHS OIG REPORTS

CORONAVIRUS (COVID–19)

OIG–22–72: A Review of FEMA Funding for Coronavirus Disease 2019 (COVID–19) Response and Relief

This report reviewed COVID–19 pandemic relief funds provided to communities in six different geographic locations: Springfield, MA; Coeur D’Alene, ID; Sheridan County, NE; Marion County, GA; White Earth Nation in Minnesota; and Jicarilla Apache Nation in New Mexico. At the time of the review, FEMA had provided \$49.3 million in COVID–19 funding to these communities. The review found that FEMA was inconsistent in its data collection, especially at the local level.⁴¹

OIG–22–69: FEMA Did Not Implement Controls to Prevent More than \$3.7 Billion in Improper Payments from the Lost Wages Assistance Program

This audit examined the implementation of FEMA’s LWA program. FEMA provided the LWA funding to state workforce agencies (SWA) who then administered the funds through existing unemployment insurance (UI) programs. The audit found that because FEMA failed to implement controls over the payments that more than \$3.7 billion in improper payments had been made through the LWA program. The audit also highlighted the fact that UI programs are susceptible to fraud and overpayments, a concern that the Department of Labor had repeatedly raised to FEMA.⁴²

OIG–23–42: Ineffective Controls Over COVID–19 Funeral Assistance Leave the Program Susceptible to Waste and Abuse

This audit examined FEMA’s management over the COVID–19 Funeral Assistance, which is the largest funeral assistance program ever administered by FEMA.

³⁴ *Id.*

³⁵ ELIZABETH M. WEBSTER, CONG. RSCH. SERV., IF12026, FEMA’S EMERGENCY FOOD AND SHELTER PROGRAM (EFSP), (Aug. 31, 2023), available at <https://crsreports.congress.gov/product/pdf/IF/IF12026>.

³⁶ FEMA, *Emergency Food and Shelter Program—Humanitarian Awards*, (July 17, 2023), available at <https://www.fema.gov/grants/emergency-food-and-shelter-program/humanitarian-awards>.

³⁷ ELIZABETH M. WEBSTER & AUDREY SINGER, CONG. RSCH. SERV., R47681, FEMA ASSISTANCE FOR MIGRANTS THROUGH THE EMERGENCY FOOD AND SHELTER PROGRAM—HUMANITARIAN (EFSP–H) AND SHELTER AND SERVICES PROGRAM (SSP), (Aug. 31, 2023), available at <https://www.crs.gov/Reports/R47681?source=search#fn40>.

³⁸ *Id.*

³⁹ Press Release, DHS, *DHS to Serve as Lead Federal Agency Coordinating Efforts to Resettle Vulnerable Afghans*, (Aug. 29, 2021), available at <https://www.dhs.gov/news/2021/08/29/dhs-serve-lead-federal-agency-coordinating-efforts-resettle-vulnerable-afghans>.

⁴⁰ *Id.*

⁴¹ DHS OIG, OIG–22–72, A REVIEW OF FEMA FUNDING FOR CORONAVIRUS DISEASE 2019 (COVID–19) RESPONSE AND RELIEF (Sept. 2022), available at <https://www.oig.dhs.gov/sites/default/files/assets/2022-09/OIG-22-72-Sep22.pdf>.

⁴² DHS OIG, OIG–22–69, FEMA DID NOT IMPLEMENT CONTROLS TO PREVENT MORE THAN \$3.7 BILLION IN IMPROPER PAYMENTS FROM THE LOST WAGES ASSISTANCE PROGRAM (Sept. 2022), available at <https://www.oig.dhs.gov/sites/default/files/assets/2022-09/OIG-22-69-Sep22.pdf>.

The audit found that under this program, FEMA expanded the universe of reimbursable expenses beyond what was previously established in FEMA's Individual Assistance Program and Policy Guide. As a result, the OIG found from April 12, 2021, through September 21, 2021, FEMA made an estimated \$24.4 million in COVID-19 Funeral Assistance payments that FEMA's regular program guidance would have considered ineligible for assistance.⁴³

GAO-22-105397: COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments

This report broadly examined the Federal Government's response to COVID-19. As it relates to FEMA's COVID-19 Funeral Assistance, GAO found, "several gaps in FEMA's internal controls meant to prevent improper or potentially fraudulent payments, such as cases in which these controls did not prevent duplicate applications for funeral assistance or assistance issued to ineligible recipients."⁴⁴ At the time of the report, GAO found that \$4.8 million of \$1.98 billion in COVID-19 Funeral Assistance awarded to more than 296,000 approved applications had been paid out to duplicate applications.⁴⁵

THE SOUTHERN BORDER

OIG-23-20: FEMA Should Increase Oversight to Prevent Potential Misuse of Humanitarian Relief Funds

This audit examined FEMA's EFSP-H that provides assistance to individuals and families encountered by DHS at the Southwest Border. The audit examined how 25 local recipient organizations (LRO) utilized EFSP-H funds. The OIG found that the LRO's were not always able to provide documentation for the services they provided. OIG reviewed \$12.9 million of the \$80.6 million allocated by the National board. As a result, the audit questioned whether \$7.4 million, or 58 percent, of the \$12.9 million reviewed, complied with Federal law and regulations. The OIG found that this lack of documentation resulted from FEMA failing to have proper oversight over EFSP-H.⁴⁶

THE FEMA WORKFORCE

GAO-23-105663: FEMA Disaster Workforce: Actions needed to Improve Hiring Data and Address Staffing Gaps

This report reviewed FEMA's hiring process and disaster workforce staffing gaps. The report found that FEMA has challenges with calculating and reporting consistent and accurate timeframes for hiring to DHS. Additionally, the report found FEMA has a staffing gap of approximately 6,200 staff across different positions and that the efforts FEMA is taking to fill this gap are not clearly effective.⁴⁷

DISASTER RECOVERY

GAO-23-104956: Disaster Recovery: Actions Needed to Improve the Federal Approach

This report reviewed issues related to Federal response and recovery to disasters beginning in 2018 through the analysis of the statutes, policies, and experience of state and local officials related to a sample of nine disasters. The report found that the Federal approach to disaster recovery is fragmented across 30 Federal entities, making coordination between different aspects of recovery difficult and creating difficulty for communities navigating the disaster assistance process.⁴⁸

⁴³ DHS OIG, OIG-23-42, INEFFECTIVE CONTROLS OVER COVID-19 FUNERAL ASSISTANCE LEAVE THE PROGRAM SUSCEPTIBLE TO WASTE AND ABUSE (Aug. 2023), available at <https://www.oig.dhs.gov/sites/default/files/assets/2023-08/OIG-23-42-Aug23.pdf>.

⁴⁴ GAO, GAO-22-105397, COVID-19: CURRENT AND FUTURE FEDERAL PREPAREDNESS REQUIRES FIXES TO IMPROVE HEALTH DATA AND ADDRESS IMPROPER PAYMENTS (April 2022), available at <https://www.gao.gov/assets/gao-22-105397.pdf>.

⁴⁵ *Id.*

⁴⁶ DHS OIG, OIG-23-20, FEMA SHOULD INCREASE OVERSIGHT TO PREVENT MISUSE OF HUMANITARIAN RELIEF FUNDS (Mar. 2023), available at <https://www.oig.dhs.gov/sites/default/files/assets/2023-03/OIG-23-20-Mar23.pdf>.

⁴⁷ GAO, GAO-23-105663, FEMA DISASTER WORKFORCE: ACTIONS NEEDED TO IMPROVE HIRING DATA AND ADDRESS STAFFING GAPS (May 2023), available at <https://www.gao.gov/assets/d23105663.pdf>.

⁴⁸ GAO, GAO-23-104956, DISASTER RECOVERY: ACTIONS NEEDED TO IMPROVE THE FEDERAL APPROACH (Nov. 2022), available at <https://www.gao.gov/assets/gao-23-104956.pdf>.

V. CONCLUSION

In recent years, there has been an expanded use of FEMA resources to respond to unprecedented and complex disasters such as the COVID-19 pandemic and non-Stafford Act events beyond FEMA's traditional mission. As several GAO and DHS OIG reports have shown, the scope of COVID-19 and speed at which FEMA was expected to respond, resulted in a lack of oversight and the misuse of taxpayer dollars. This increasing demand also comes at a time when FEMA continues to struggle with staffing shortages in its disaster workforce. FEMA officials have acknowledged that staff burnout is a significant factor in staffing shortages. This hearing will examine existing demand for FEMA resources and what the role of FEMA should be in the future.

VI. WITNESSES

- The Honorable Deanne Criswell, Administrator, Federal Emergency Management Agency (FEMA), United States Department of Homeland Security
- Ms. Kristen D. Bernard, Deputy Inspector General for Audits, Office of Inspector General, United States Department of Homeland Security
- Mr. Chris Currie, Director, Homeland Security and Justice, United States Government Accountability Office (GAO)

DISASTER READINESS: EXAMINING THE PROPRIETY OF THE EXPANDED USE OF FEMA RESOURCES

TUESDAY, MARCH 12, 2024

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS, AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:01 a.m., in room 2167 Rayburn House Office Building, Hon. Scott Perry (Chairman of the subcommittee) presiding.

Mr. PERRY. Good morning, everybody. The Subcommittee on Economic Development, Public Buildings, and Emergency Management will come to order.

I ask unanimous consent that the chairman be authorized to declare a recess at any time during today's hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

As a reminder, if Members wish to insert a document into the record, please also email it to DocumentsTI@mail.house.gov.

I now recognize myself for the purposes of an opening statement for 5 minutes.

OPENING STATEMENT OF HON. SCOTT PERRY OF PENNSYLVANIA, CHAIRMAN, SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

Mr. PERRY. I want to begin by thanking our witnesses, the Honorable Deanne Criswell, the Administrator of the Federal Emergency Management Agency; Ms. Kristen Bernard, the deputy inspector general for audits for the Office of Inspector General at the Department of Homeland Security; and Mr. Chris Currie, the Director of Homeland Security and Justice for the United States Government Accountability Office, for being here today.

I'm glad that's on your card. You probably don't want to say that every time you meet somebody.

Today's hearing will focus on examining the propriety of the expanding use of FEMA resources and how it's impacting FEMA's ability to carry out its core mission.

Fundamentally, FEMA's core mission is to help people before, during, and after disasters. More specifically, States lead the responses to disaster, and FEMA comes in at the request of the State if the State's resources are overwhelmed, or at least that's how it was supposed to work.

Increasingly, however, it seems that States are asking for help in more and more incidents that States themselves should be prepared to handle, like snowstorms in the Northeast.

So, we have an increasing reliance on the Federal Government and then we add that FEMA is also being tasked to manage non-traditional disasters like pandemics, and help with issues completely unrelated to its mission, or so-called non-Stafford Act disasters.

Between 2014 and 2020, FEMA was deployed seven times to address non-Stafford Act disasters. In just the last 3 years, that has jumped to 16 non-Stafford Act disasters. These included the crisis at our Nation's southwest border, Operation Allies Welcome, Operation Vaccinate Our Workforce, and the list goes on.

There is such an increasing demand on the Agency that FEMA created a new National Incident Management Assistance Team to respond to disasters that fall outside FEMA's typical mission set.

In addition to being called on to address these non-Stafford Act disasters, from 2020 to 2023, FEMA also led the Federal Government's response to COVID-19. To date, as it relates to COVID-19, FEMA has obligated \$75 billion in Public Assistance, \$44.3 billion for Individual Assistance, \$36.5 billion for Lost Wages Assistance, and \$3.1 billion for the COVID-19 Funeral Assistance Program.

Not surprisingly, with all this money flowing out, the DHS IG found billions in fraud and improper payments, sadly. In the Lost Wages Assistance Program alone, the DHS OIG estimated more than \$3.7 billion, that's billion with a "b," in improper payments.

It got to the point that the OIG set up a COVID Fraud Unit, and stealing FEMA funding became a crime of convenience for criminal organizations, including related crimes like identity theft.

What's more, FEMA has continued to defend the administration of the Lost Wages Assistance Program, going as far as to say that sufficient internal controls were implemented. The fact that FEMA has failed to implement more controls raises serious concerns about FEMA's recently announced interim rule, which would make significant changes to FEMA's Individual Assistance Program.

Some of the most shocking changes include giving households \$750 cash payments, paying individuals upfront for housing options of their choice, and providing upfront payments to individuals who are choosing to stay with family and friends. And I think we will get into this under a self-certification circumstance. Many of these changes ignore some of the inspector general's key recommendations to reduce fraud.

The question really is: where is the accountability in all of this? Why aren't States doing what they need to do to budget for these costs? Where is the expectation that States, local governments, and individuals carry insurance?

How are these added responsibilities on FEMA impacting its core mission, especially since we know, from the GAO, that FEMA has

a workforce shortage that seems, from my count, to be pretty prolific?

FEMA can't be all things to all people. We have to get a handle on the proper role of FEMA and ensure FEMA's internal controls reduce fraud and misuse of taxpayer funds.

I look forward to hearing from our witnesses on these issues.
[Mr. Perry's prepared statement follows:]

Prepared Statement of Hon. Scott Perry, a Representative in Congress from the Commonwealth of Pennsylvania, and Chairman, Subcommittee on Economic Development, Public Buildings, and Emergency Management

Today's hearing will focus on examining the propriety of the expanded use of FEMA resources and how it is impacting FEMA's ability to carry out its core mission.

Fundamentally, FEMA's core mission is to help people before, during, and after disasters. More specifically, states lead the responses to disasters and FEMA comes in, at the request of the state, if the state's resources are overwhelmed. Or at least, that is how it is supposed to work. Increasingly, it seems, states are asking for help in more and more incidents that states themselves should be prepared to handle, like snowstorms in the northeast.

So, we have an increasing reliance on the federal government, and then we add that FEMA is also being tasked to manage non-traditional disasters, like pandemics, and help with issues completely unrelated to its mission, or so called "non-Stafford Act disasters." Between 2014 and 2020, FEMA was deployed seven times to address non-Stafford Act disasters. In just the last three years, that has jumped to 16 non-Stafford Act disasters. These included the crisis at our nation's southwest border, Operation Allies Welcome, Operation Vaccinate Our Workforce, and the list goes on.

There is such an increasing demand on the agency that FEMA created a new National Incident Management Assistance Team (IMAT) to respond to disasters that fall outside FEMA's typical mission set.

In addition to being called on to address these non-Stafford Act disasters, from 2020 to 2023 FEMA also led the federal government's response to COVID-19. To date, as it relates to COVID-19, FEMA has obligated \$75 billion in Public Assistance, \$44.3 billion for Individual Assistance, \$36.5 billion for the Lost Wages Assistance Program, and \$3.1 billion for the COVID-19 Funeral Assistance Program.

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It got to a point that the OIG set up a COVID fraud unit, and stealing FEMA funding became a crime of convenience for criminal organizations, including related crimes like identity theft.

What's more, FEMA has continued to defend the administration of the Lost Wages Assistance Program, going as far as to say that sufficient internal controls were implemented. The fact that FEMA has failed to implement more controls raises serious concerns about FEMA's recently announced interim rule which would make significant changes to FEMA's Individual Assistance Program.

Some of the most shocking changes include giving households \$750 cash payments, paying individuals up-front for housing options of their choice, and providing up-front payments to individuals who are choosing to stay with family and friends. Many of these changes ignore some of the Inspector General's key recommendations to reduce fraud.

Where is the accountability in all of this? Why aren't states doing what they need to do to budget for these costs? Where is the expectation that states, local governments, and individuals carry insurance?

How are these added responsibilities on FEMA impacting its core mission, especially since we know from GAO that FEMA has a workforce shortage? FEMA can't be all things to all people. We have to get a handle on the proper role of FEMA and ensure FEMA's internal controls reduce fraud and misuse of taxpayer funds.

I look forward to hearing from our witnesses on these issues.

Mr. PERRY. I now want to recognize the ranking member, Ms. Davids, for 5 minutes for an opening statement, and I yield.

**OPENING STATEMENT OF HON. SHARICE DAVIDS OF KANSAS,
VICE RANKING MEMBER, SUBCOMMITTEE ON ECONOMIC
DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MAN-
AGEMENT**

Ms. DAVIDS OF KANSAS. Thank you, Chairman.

And I want to extend a thanks to our witnesses for joining us today to discuss FEMA readiness and the cause of the expanded use of FEMA resources.

Climate change and related severe weather events have changed the disaster landscape and strained capacity and resources at local, State, and the Federal level. Government and insurance industry data show that disasters are more expensive and have greater impact than ever before. To be disaster ready, FEMA must acknowledge the strains climate change is placing on its programs and develop strategies to adapt.

The FEMA workforce is the backbone of the Agency's programs and is key to enabling proper disaster planning and a successful response in those disasters, but additional work is needed to strengthen that workforce. A recent GAO report found that FEMA has fallen short of its yearly staffing targets since 2019. As disasters grow increasingly frequent and complex, it's important that skilled personnel are at FEMA to ensure that the Agency can fulfill its mission.

I would be remiss to not highlight the capacity challenges experienced by State and local emergency managers whose obligations have been stressed by the increase of complex climate and weather disasters is impacting their communities. Many are managing recoveries for multiple events and submitting reimbursements for multiple Federal disaster declarations. Even then, State and local governments are expanding the breadth of tasks their managers are being asked to support. It's critical that the Federal Government recognizes the magnitude of emergency managers' workloads and support policies that are going to provide adequate funding and resources to the essential workforce.

The ultimate goal of our work is to protect communities and to ease the burden of disaster survivors. Natural disasters amplify existing disparities in our society, and it should go without saying that the Government must address the needs of every American equally during recovery. Some of our most vulnerable populations, however, have been neglected.

As such, I commend Administrator Criswell for the publication of FEMA's new interim final rule for the Individual Assistance Program. This rule acknowledges the documented shortcomings of FEMA's assistance for disaster survivors and will help the Agency do everything it can, within existing law, to close those assistance gaps.

But FEMA cannot do everything alone. Congress has to do our part, and I am glad that we are having this conversation today to better support Americans that have been impacted, both physically and financially, by severe weather events.

Administrator, thank you to you and your colleagues for rising to the challenges that our evolving disaster landscape has led to and the increase in scope and complexity of your mission. And I look forward to the conversation today and moving forward with all the witnesses on solutions that are going to help emergency managers continue their essential work and help guarantee public safety.

Thank you, and I yield back.

[Ms. Davids of Kansas' prepared statement follows:]

Prepared Statement of Hon. Sharice Davids, a Representative in Congress from the State of Kansas, and Vice Ranking Member, Subcommittee on Economic Development, Public Buildings, and Emergency Management

Thank you, Mr. Chairman. I want to thank our witnesses for joining us today to discuss FEMA readiness and the cause of the expanded use of FEMA resources.

Climate change and the related severe weather events have changed the disaster landscape and strained capacity and resources at the local, state, and federal levels. Government and insurance industry data show disasters are more expensive and have a greater impact than ever before. To be disaster ready, FEMA must acknowledge the strains climate change is placing upon its programs and develop strategies to adapt.

The FEMA workforce is the backbone of the Agency's programs and is key to enabling proper disaster planning and successful response. But additional work is needed to strengthen that workforce. A recent GAO report found that FEMA has fallen short of its yearly staffing target since 2019. As disasters grow increasingly frequent and complex, it is important that skilled personnel are at FEMA to ensure the Agency can fulfill its mission.

I would be remiss to not highlight that capacity challenges experienced by state and local emergency managers whose obligations have been stressed by the increase of complex climate and weather disasters impacting their communities. Many are managing recoveries for multiple events and submitting reimbursements for multiple federal disaster declarations. Even then, state and local governments are expanding the breadth of tasks their managers are being asked to support. It is critical that the federal government recognizes the magnitude of emergency managers' workloads and support policies that provide adequate funding and resources to this essential workforce.

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But FEMA cannot do everything alone. Congress must do our part, and I am glad we are having these conversations today to better support Americans impacted, both physically and financially, by severe weather events.

Administrator, I thank you and your colleagues for rising to the challenge as an evolving disaster landscape has increased the scope and complexity of your mission. I look forward to a conversation with all the witnesses on solutions that will help emergency managers continue their essential work and guarantee public safety.

Mr. PERRY. The Chair thanks the gentlelady, and the Chair now recognizes the ranking member of the full committee, Mr. Larsen, for 5 minutes.

OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. LARSEN OF WASHINGTON. Thank you, Chair Perry and Ranking Member Davids, for calling today's hearing.

I welcome the opportunity to discuss how Congress can help FEMA better fulfill its mission of helping communities before, during, and after disasters.

Talking about nontraditional disasters, in an ideal world, FEMA would have never had to respond to a worldwide pandemic. But the worst-case scenario occurred, and FEMA stepped in and responded to the unthinkable, which is exactly what we expect FEMA to do anytime there is a disaster.

FEMA's assistance during the COVID-19 pandemic kept our healthcare system afloat, provided life-saving medical equipment, administered unemployment insurance to help families keep a roof over their head and food on the table, ran vaccine sites that saved countless lives, and offered grieving families a small comfort through Funeral Assistance.

The testimony from the Office of the IG says that a lot of money was lost to fraud and ineligible payments. And that's true. We have seen that, and we need to consider that.

And it was lost when FEMA administered the COVID-19 relief programs, including the Lost Wages and Funeral Assistance Programs.

Fraud is bad. We need to protect taxpayer dollars. But no program is going to be perfect when you are administering it in the midst of a global emergency and the randomness of COVID, especially an emergency as unexpected and unprecedented as the COVID-19 pandemic was.

At a certain point, it's necessary to step back and see the bigger picture, where scrupulously accounting for every penny of disaster relief can result in such a long and complex process that a single mother struggling to survive is unable to access desperately needed assistance.

FEMA has also stepped up when asked to provide humanitarian assistance for migrants. FEMA's role at the U.S.-Mexico border has not undermined its ability to respond to natural disasters. I support the mission of the Shelter and Services Program, which provides short-term humanitarian assistance, like sheltering, food, and medicine for individuals who have come to our country fleeing violence or in search of a better life.

When people are suffering, does America stand by and do nothing? Or do we do the right thing and provide assistance that can save lives?

Nontraditional disasters are not the only factor we should be considering when discussing disaster readiness. Climate change is making disasters more frequent, intense, and costly, straining FEMA's workforce and resources.

In the 1980s, the country experienced, on average, a billion-dollar disaster every 4 months. Now, there is, on average, a billion-dollar disaster every 3 weeks. In 2023, the U.S. experienced climate and weather disasters causing \$92.9 billion in damage. This

data shows that climate change is expanding the amount of work FEMA must do to carry out its mission.

Investment in mitigation and resilience are proven to lessen the impact of climate and weather-related disasters and should be at the center of FEMA's strategy to assure readiness in this evolving world.

Communities are vulnerable. Many infrastructure systems in the U.S. are at the end of their useful life. They are not designed to cope with the additional stress from climate change and extreme weather.

That is why I am a supporter of the resilience investments that we made in the Inflation Reduction Act and the Bipartisan Infrastructure Law.

I am pleased to see FEMA making climate change a central focus of its strategic plan while implementing these bills. FEMA's work is making mitigation projects possible in communities around the country. Funding for mitigation and resilience is not enough. FEMA needs a workforce that is ready to rise to the challenge.

The FEMA workforce demonstrated incredible capability and resilience during the response to the COVID-19 pandemic, but future success and workforce resilience requires adequate staffing.

I remain concerned with the Government Accountability Office's finding that a 35-percent staffing gap exists across different positions at FEMA. I am concerned about that, and I urge the Agency to prioritize recruitment and retention of a resilient and diverse workforce.

Diversity is important because it will improve program delivery and the Agency's understanding of challenges faced by disaster survivors across the Nation, from rural Texas to northern Alaska, to Puerto Rico, to Maui and Lahaina, and even in the Puget Sound.

The BIL made great progress in making our Nation more resilient by providing nearly \$7 billion to help communities proactively prepare for disasters. Maintaining a resilient workforce, incorporating climate change projections into all FEMA's programs, and prioritizing investment in mitigation is key to ensuring our Nation's readiness to disasters.

Administrator Criswell, while you have a difficult job, I thank you for the work that FEMA has done under your leadership. Your dedication to FEMA's mission and service to communities before and after disasters are building a safer Nation.

I look forward to discussing with you and the other witnesses how we can work together to achieve disaster readiness and help the Agency achieve its goals.

Thank you for being here, I look forward to your testimony, and yield back my negative 4 seconds.

[Mr. Larsen of Washington's prepared statement follows:]

Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure

Thank you, Subcommittee Chairman Perry and Subcommittee Vice Ranking Member Davids, for calling today's hearing on disaster readiness.

I welcome the opportunity to discuss how Congress can help FEMA better fulfill its mission of helping communities before, during and after disasters.

Talking about non-traditional disasters in an ideal world, FEMA would never need to respond to a worldwide pandemic. But the worst-case scenario occurred, and FEMA stepped in and responded to the unthinkable, which is exactly what we expect FEMA to do anytime there is a disaster.

FEMA's assistance during the COVID-19 pandemic kept our health care system afloat, provided lifesaving medical equipment, administered unemployment insurance that helped families keep a roof over their head and food on the table, ran vaccine sites that saved countless lives and offered grieving families a small comfort though funeral assistance.

The testimony from the Office of the Inspector General says that money was lost to fraud and ineligible payments when FEMA administered their COVID-19 relief programs, including the Lost Wage and Funeral Assistance programs.

Fraud is bad. We need to protect taxpayer dollars.

But no program is going to be perfect when you are administering it in the midst of a global emergency—especially an emergency as unexpected and unprecedented as the COVID-19 pandemic.

At a certain point, it's necessary to step back and see the bigger picture where scrupulously accounting for every penny of disaster relief can result in such a long and complex process that a single mother struggling to survive is unable to access desperately needed assistance.

FEMA has also stepped up when asked to provide humanitarian assistance for migrants. FEMA's role at the U.S.-Mexico border has not undermined its ability to respond to natural disasters.

I fully support the mission of the Shelter and Services Program, which provides short-term humanitarian assistance like sheltering, food and medicine to individuals who have come to our country fleeing violence or in search of a better life.

When people are suffering, does America stand by and do nothing? Or do we do the right thing and provide assistance that can save lives?

Non-traditional disasters are not the only factor we should be considering when discussing disaster readiness.

Climate change is making disasters more frequent, intense and costly—straining FEMA's workforce and resources.

In the 1980s, the country experienced, on average, a billion-dollar disaster every four months. Now, there is, on average, a billion-dollar disaster every three weeks.

In 2023, the U.S. experienced climate and weather disasters causing \$92.9 billion in damage.

This data shows that climate change is expanding the amount of work FEMA must do to carry out its mission.

Investment in mitigation and resilience are proven to lessen the impact of climate and weather-related disasters and should be at the center of FEMA's strategy to assure readiness in an evolving world.

Communities are vulnerable—many infrastructure systems in the U.S. are at the end of their useful life and are not designed to cope with additional stress from climate change and extreme weather.

This is why I am such a strong supporter of the resilience investments included in the Inflation Reduction Act and Bipartisan Infrastructure Law.

I am pleased to see FEMA make climate change a central focus of its Strategic Plan while implementing these bills. FEMA's work is making mitigation projects possible in communities around the country.

Funding for mitigation and resilience is not enough. FEMA also needs a workforce ready to rise to the challenge.

The FEMA workforce demonstrated incredible capability and resilience during the response to the COVID-19 pandemic, but future success and workforce resilience requires adequate staffing.

I remain concerned with the Government Accountability Office's finding that a 35 percent staffing gap exists across different positions at FEMA and urge the Agency to prioritize the recruitment and retention of a resilient and diverse workforce.

Diversity is important because it will improve program delivery and the Agency's understanding of challenges faced by disaster survivors across the nation—from rural Texas to northern Alaska, Puerto Rico, Maui and even in the Puget Sound.

The Bipartisan Infrastructure Law made great progress in making our nation more resilient by providing nearly \$7 billion to help communities proactively prepare for disasters.

Maintaining a resilient workforce, incorporating climate change projections into all of FEMA's programs and prioritizing investment in mitigation is key to ensuring our nation's readiness to disasters.

Administrator Criswell, you have a difficult job, and I thank you for all the good work FEMA has done under your leadership. Your dedication to FEMA's mission and service to communities before and after disasters is building a safer nation.

I look forward to discussing with you and the other witnesses how we can work together to achieve disaster readiness and help FEMA achieve its goals.

Thank you all for being here. I look forward to hearing your testimony today.

Mr. PERRY. The Chair thanks the gentleman.

I would now like to welcome our witnesses and thank them for being here today.

Briefly I would like to take a moment to explain our lighting system to the witnesses. There are three lights in front of you. Green means go, yellow means you are running out of time, and red means it's time to stop.

I ask unanimous consent that the witnesses' full statements be included in the record.

Without objection, so ordered.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

Without objection, so ordered.

I also ask unanimous consent that the record remain open for 15 days for additional comment and for information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

As your written testimony has been made part of the record, the subcommittee asks that you each limit your oral remarks to 5 minutes.

With that, Administrator Criswell, you are recognized for 5 minutes for your testimony.

TESTIMONY OF HON. DEANNE CRISWELL, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY; KRISTEN D. BERNARD, DEPUTY INSPECTOR GENERAL FOR AUDITS, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY; AND CHRIS CURRIE, DIRECTOR, HOMELAND SECURITY AND JUSTICE TEAM, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

TESTIMONY OF HON. DEANNE CRISWELL, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY

Ms. CRISWELL. Thank you. Chairman Perry, Ranking Member Davids, and members of the subcommittee, thank you for the opportunity to discuss FEMA's evolving role in emergency management.

The committee expressed particular interest in two topics, FEMA's work on the COVID-19 pandemic and FEMA's facilitation of migrant related programs, so, I will focus on these in my opening comments.

The field of emergency management has changed in recent years as the problems facing communities are more complex and inter-related. And as our field develops, so do the expectations of what emergency managers are expected to handle.

COVID-19 is a prime example. On March 19, 2020, the previous administration directed FEMA to assume leadership of the Federal Government's coordinated response to the pandemic.

For the first time in U.S. history, there were concurrent major disaster declarations across every State, five Territories, three Tribal nations, and the District of Columbia.

FEMA rose to the occasion. During the early response, FEMA coordinated with the Federal interagency community to help healthcare systems across the country stay staffed and equipped so they could deliver lifesaving medical care.

FEMA also provided financial assistance to all levels of Government to cover critical community services. Fast forward to January 2021, and FEMA's role continued to evolve, now with the focus on achieving President Biden's goal of administering 100 million COVID-19 vaccinations in 100 days.

We coordinated with Federal, State, local, Tribal, and Territorial partners to support over 2,100 community vaccination centers, and we were able to put 213 million shots in arms in 100 days, more than double the original goal.

In February of 2021, the President directed 100 percent Federal cost share for eligible emergency protective expenses incurred by our State, local, Territorial, and Tribal partners in response to the COVID-19 pandemic through July 1st of 2022. This included reimbursement for vaccination efforts, COVID-19 screening, and personal protective equipment.

The COVID-19 disaster declaration period ended on May 11, 2023, and FEMA is working diligently to complete reimbursement of all eligible expenses.

The scale of this historic event required FEMA to respond to the COVID-19 pandemic while simultaneously maintaining mission readiness for natural disasters. For example, in 2021, even as FEMA supported vaccination distribution, the Agency successfully responded to Hurricane Ida, the fifth strongest landfalling hurricane to impact the continental United States. The lessons we learned during the pandemic have made us even stronger.

I mentioned that FEMA's work on the COVID-19 pandemic began during the previous administration, and the same is true of FEMA's grant work related to assistance to migrants.

As you know, FEMA is not an immigration agency or a law enforcement agency. However, FEMA has a recognized expertise in executing grant programs and providing incident management coordination for both Federal partners and our State, local, Tribal, and Territorial stakeholders.

In 2019, Congress directed FEMA to use the Emergency Food and Shelter Program to provide financial support to organizations that provide humanitarian assistance to migrants encountered by the Department of Homeland Security at the border. Congress made additional appropriations for this purpose in fiscal years 2021, 2022, and 2023. In all, \$715 million was provided for humanitarian assistance through the EFSP Humanitarian Program.

Through the fiscal year 2023 Omnibus Appropriations Act, Congress directed Customs and Border Protection to transfer \$800 million to FEMA and transition humanitarian assistance from the EFSP program to a new Shelter and Services Program.

FEMA has executed this congressional direction and to date has provided almost \$364 million to States, localities, and nonprofit organizations for this purpose.

In addition to these grant programs, a limited number of FEMA personnel have intermittently supported the coordination of efforts by the Department at the southern border since 2014, including under the previous administration in 2019.

At their peak in 2022, these efforts involved fewer than 250 FEMA personnel combined. Regardless of the challenges that FEMA confronts, we will always prioritize the well-being, recruitment, and retention of a well-trained workforce ready to deploy at a moment's notice.

FEMA is well prepared to execute its powerful mission statement: helping people before, during, and after disasters. Thank you.

[Ms. Criswell's prepared statement follows:]

**Prepared Statement of Hon. Deanne Criswell, Administrator, Federal
Emergency Management Agency, U.S. Department of Homeland Security**

Chairman Perry, Ranking Member Titus, and Members of the Subcommittee, thank you for giving me the opportunity to talk to you today about the Federal Emergency Management Agency's (FEMA) evolving role within the emergency management community. We value this committee's legislative support and oversight of our agency, and I look forward to our conversation today.

The Committee expressed particular interest in discussing two topics at today's hearing: FEMA's work on the COVID-19 pandemic, and FEMA's facilitation of migrant-related programs. I appreciate the opportunity to dive into these topics today. The field of emergency management has changed in recent years, and emergency managers—at every level of government—are being asked to do more. The problems facing communities are more complex and interrelated. We are chief problem solvers, conveners, coordinators, and strategists. And as our field develops and grows, so too do the expectations of what emergency managers are expected to handle.

COVID-19 is a prime example of these evolving expectations. As Members of this committee will recall, on March 19, 2020, the previous Administration directed FEMA to assume leadership of the federal government's coordinated response to the pandemic. For the first time in U.S. history, there were concurrent Major Disaster Declarations across every state, five territories, three Tribal Nations, and the District of Columbia.

FEMA rose to the occasion. During the early response, FEMA, through coordination with the federal interagency community, helped health care systems across the country stay staffed and equipped so they could deliver lifesaving medical care. FEMA also provided financial assistance to all levels of government to cover critical community services like emergency medical care and the distribution of necessary supplies such as food, medicine, and personal protective equipment.

Fast forward to January 2021 and FEMA's role continued to evolve, now with a focus on achieving President Biden's goal of administering 100 million COVID-19 vaccinations in 100 days. FEMA coordinated with federal, state, local, tribal, and territorial (SLTT) partners to support the establishment and expansion of over 2,100 Community Vaccination Centers (CVCs). This included 39 federally led CVC pilot sites and the deployment of 18 mobile vaccination units to help reach traditionally underserved and more remote communities. With the help of our partners, FEMA exceeded the goal of 100 million vaccinations in 100 days by putting 213 million shots in arms.

In February 2021, the President directed 100 percent federal cost share for eligible emergency protective expenses incurred by SLTT partners in response to the COVID-19 pandemic, through July 1, 2022. This included reimbursement for costs for emergency work, such as vaccination efforts, COVID-19 screening, and personal protective equipment. FEMA also expanded the activities eligible for reimbursement to support the safe opening and operation of schools, child-care facilities, health care facilities, non-congregate shelters, domestic violence shelters, and transit systems impacted by COVID-19. These changes were critical to protecting the health of com-

munities so we could safely transition out of this challenging chapter in our nation's history.

Simply put, the decision to cover 100 percent of costs, including the vaccination campaign, saved countless lives. During most of the pandemic, including during the darkest days in early 2020, I was the Commissioner of the New York City Emergency Management Department. New York City, ordinarily a well-funded, bustling city suffered—like many places in America—from plummeting revenue and increasing demands because of the pandemic. As vaccines became available, my team and I were involved in planning the historic vaccination effort—it was going to be intense, needed to happen quickly and effectively, and was going to be expensive. Staff needed to be hired, contracts needed to be issued, equipment needed to be purchased in order to safely receive, transport, store, and administer the vaccine. These massive expenses would not have been endurable without the federal government's financial commitment.

The COVID-19 disaster declaration period ended on May 11, 2023, and FEMA is working to complete reimbursement of eligible expenses incurred by SLTT partners and other stakeholders. As of January 24, 2024, FEMA has provided more than \$75 billion through its Public Assistance program. With the recent deadline for applications, we assessed the total number of healthcare specific claims and doubled the number of staff hired to help process our healthcare claims so we can accelerate reimbursements while also safeguarding taxpayer dollars against fraud.

The scale of this historic event required FEMA to adapt to the unique challenges of the COVID-19 pandemic while simultaneously maintaining mission readiness for other natural disasters like hurricanes, earthquakes, floods, or wildfires. For example, in 2021, even as FEMA focused on supporting vaccination distribution efforts, the agency responded to Hurricane Ida, the fifth strongest landfalling hurricane to impact the continental United States. FEMA also responded to severe winter storms across the central United States, which caused prolonged power outages for nearly 10 million people. This is a testament to the unwavering dedication of our FEMA workforce. The lessons we learned as an agency during the pandemic have made us even stronger and better prepared for the next emergency.

I mentioned that FEMA's work on the COVID-19 pandemic began during the previous Administration, and the same is true of FEMA's grant work relating to assistance to migrants. As you know, FEMA is not an immigration or law enforcement agency. However, FEMA has a recognized expertise in executing grant programs and providing incident management coordination for both federal partners and SLTT stakeholders.

Through the Emergency Supplemental Appropriations for Humanitarian Assistance and Security at the Southern Border Act of 2019, Congress directed FEMA to use the Emergency Food and Shelter Program (EFSP) to provide financial support to organizations providing assistance to migrants encountered by the Department of Homeland Security (DHS or the Department) at the border. FEMA designated this assistance as Emergency Food and Shelter Program—Humanitarian (EFSP-H). Congress made additional appropriations for this purpose in Fiscal Years 2021, 2022, and 2023. In all, \$715 million was provided for humanitarian assistance through the EFSP-H program.

Through the FY23 Omnibus Appropriations Act, Congress directed the U.S. Customs and Border Protection (CBP) to transfer \$800 million to FEMA and transition humanitarian assistance from EFSP to a new Shelter and Services Program, in collaboration with the CBP. FEMA has executed this Congressional direction, and to date has provided almost \$364 million to states, localities, and non-profit organizations for this purpose.

A limited number of FEMA personnel have intermittently supported the coordination of efforts by the Department at the southern border since 2014 (including under the previous Administration in 2019). In 2021, FEMA assisted the U.S. Department of Health and Human Services (HHS) in the setup of logistical operations to process the surge in unaccompanied migrant children. In 2022, FEMA also supported the Southwest Border Coordination Center, which provided incident management technical assistance and other support to CBP. Finally, along with staff from other DHS components, FEMA staff have participated in the DHS Volunteer Force at the southern border, in non-law-enforcement humanitarian roles. At its peak in 2022, these efforts involved fewer than 250 FEMA personnel combined. These border missions were important, but they did not undermine FEMA's ability to respond to the COVID-19 pandemic or multiple natural disasters. The cost of FEMA's assistance was reimbursed to the agency under the Economy Act, which authorizes Federal agencies to provide goods and services, on a reimbursable basis, to each other. As of this month, there are only around 50 FEMA personnel supporting the southwest border mission.

Regardless of the challenges that FEMA confronts, we will always prioritize the wellbeing, recruitment, and retention of a well-trained workforce ready to deploy at a moment's notice. We have both national and regional personnel at the ready to support lifesaving and life-sustaining response operations, including five National and 13 Regional Incident Management Assistance Teams; 28 Urban Search and Rescue Teams; and 36 Emergency Communications Teams. But the vast majority of our 23,600-person workforce consists of reservists. And I would like to again thank this Committee and Congress for taking a huge step in helping us recruit and retain reservists by passing the Civilian Reservist Emergency Workforce (CREW) Act, which extends to our reservists the job protections of the Uniformed Services Employment and Reemployment Rights Act.

FEMA is well prepared to execute its powerful mission statement: helping people before, during, and after disasters. And we continue to adapt to the changing face of disaster management to meet the needs of the moment. I would like to quickly touch on two initiatives that are helping us evolve.

The first is our recent announcement of revised regulations for our Individual Assistance Program, which will streamline assistance, cut red tape, and make it easier for survivors to access the assistance for which they qualify. These changes draw on lessons learned over the past 20 years and hundreds of public comments that we received in preparing these regulations.

The second is what we are calling the Year of Resilience. This is a first-of-its-kind campaign that will help our agency build resilience at all levels—federal to individual. While traditionally thought of as a response and recovery agency, we want people to think of FEMA as a resilience agency and to understand that we have the tools communities need to be more resilient, prepared, and ready before a disaster strikes.

Thank you for the opportunity to testify today, and I look forward to your questions.

Mr. PERRY. Thank you for your testimony.

Ms. Bernard, you are now recognized for 5 minutes.

TESTIMONY OF KRISTEN D. BERNARD, DEPUTY INSPECTOR GENERAL FOR AUDITS, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY

Ms. BERNARD. Thank you, Chairman Perry, and members of the subcommittee.

Thank you for inviting me here today to discuss the Office of the Inspector General's oversight of FEMA's nonnatural disaster programs.

As of September 2021, FEMA received approximately \$98 billion to assist the Nation with the challenges of the pandemic. The sense of urgency, amount of funding, and high volume of disbursements posed unprecedented challenges and risks for FEMA.

DHS OIG responded to these challenges and risks with focused oversight, which revealed that FEMA's controls were not sufficient to prevent or deter fraudsters from exploiting FEMA's pandemic relief programs.

From fiscal year 2020 to date, we've issued 18 reports on FEMA's nonnatural disaster management.

In total, we found nearly \$4 billion in unallowable or unsupported costs.

We also identified \$45 million that are funds that could have been put to better use. Our audits have consistently identified the need for FEMA to strengthen internal controls over its programs.

Specifically, we've identified four key areas where additional controls are needed to promote efficiency and protect the integrity of FEMA's programs.

First is ensuring eligibility for Federal assistance. Our audit work has demonstrated that FEMA did not implement or enforce

front-end controls to ensure eligibility of recipients, which is a necessary means to prevent fraud, waste, and abuse in disbursement of COVID-19 relief funds.

For example, we found that FEMA implemented the Lost Wages Assistance Program without sufficient controls to counter the risk imposed by allowing self-certifications for claimants' eligibility.

This led to nearly \$4 billion in potentially fraudulent payments, over \$21 billion in overpayments, and even \$400 million in payments made without obtaining the required self-certifications.

Second is insuring allowability of costs reimbursed. Our audits have repeatedly disclosed that FEMA reimbursed recipients for unallowable costs. For example, during our audit of the COVID-19 Funeral Assistance Program, we found that FEMA improperly reimbursed over \$27 million in unallowable costs.

Additionally, we questioned over \$7 million in funds reimbursed by FEMA for the Humanitarian Assistance Program that were unallowable or unsupported.

Third is program oversight. Our audits have disclosed that FEMA did not provide sufficient oversight of its programs to ensure they were meeting their intended mission.

For example, we identified over \$45 million in funds that could have been put to better use. This stemmed from grant funds for the Emergency Food and Shelter Program that were not spent and were never reallocated to ensure that they were timely used to provide assistance for those in need.

And finally, the fourth challenge is ensuring consistent data practices. FEMA's inability to provide consistent, reliable data hinders oversight of its programs and operations.

In one example, FEMA could not provide us with detailed, comparable data across its programs and regional offices, which we needed to support our review of COVID-19 funds that had been allocated across six geographic regions.

Our audits of FEMA's nonnatural disaster management during this time have resulted in 56 recommendations that are intended to strengthen FEMA's management of its programs and operations when implemented.

However, FEMA has not yet fully implemented our recommendations and, in fact, as of today, 20 percent of our recommendations remain unresolved because FEMA either disagreed or hasn't developed an adequate corrective action plan to address them.

In addition to our audits aimed at improving FEMA's programs and operations, we also investigate allegations of criminal misconduct.

In 2020, in response to the billions of dollars appropriated to DHS for pandemic relief, Inspector General Cuffari established a dedicated unit to investigate COVID-19 fraud.

To date, our COVID-19 investigations have resulted in 87 convictions and more than \$21 million in recoveries. These criminal actions underscore the urgent need for FEMA to improve the way it administers its programs to ensure the appropriate use of taxpayer funds.

This concludes my testimony. I would be happy to answer any questions you may have.

[Ms. Bernard's prepared statement follows:]

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Prepared Statement of Kristen D. Bernard, Deputy Inspector General for Audits, Office of Inspector General, U.S. Department of Homeland Security

Chairman Perry, Ranking Member Titus, and Members of the Subcommittee: Thank you for the opportunity to discuss the Department of Homeland Security, Office of Inspector General's oversight of the Federal Emergency Management Agency (FEMA), including its non-natural disaster programs and operations.

DHS OIG's body of work specific to FEMA's use of resources for non-natural disasters has revealed that FEMA does not have sufficient controls in place to prevent fraud, waste, and abuse. We have conducted 18 audits over the past 4 years that identified overpayments, ineligible payments, and unsupported or unallowable costs totaling approximately \$3.9 billion in improper payments. We also identified an additional \$45.4 million in funds that could be put to better use.

We have issued 56 recommendations designed to address FEMA's challenges specific to its management of non-natural disaster resources. FEMA's challenges to ensure financial accountability and safeguarding of taxpayer dollars were highlighted in our fiscal year 2023 and FY 2024 reports on Major Management Performance Challenges Facing the Department of Homeland Security.¹

DHS OIG OVERSIGHT OF FEMA'S MANAGEMENT OF NON-NATURAL DISASTER RESOURCES

Historically, our disaster management oversight has focused on FEMA's response and preparedness activities for traditional natural disasters. However, in recent years, the increasing frequency and costs of disasters, the COVID-19 pandemic, and other events, have placed additional demands on FEMA. As of September 2021, FEMA had received approximately \$98 billion to assist the Nation in addressing the challenges of the pandemic. The size of these appropriations, coupled with the need to quickly distribute funds, signaled an environment ripe for fraud. We increased our oversight of FEMA's non-natural disaster programs during FY 2020, to include COVID-19 relief and humanitarian relief efforts.

Congress holds FEMA accountable for effective and efficient management of the funds it appropriates to ensure timely assistance is provided to eligible entities and individuals, in accordance with applicable laws and guidance.² Our oversight of FEMA's non-natural disaster programs and activities demonstrated FEMA lacked sufficient controls to ensure eligibility for federal assistance and allowability of costs reimbursed. FEMA also lacked reliable data. The following selection of DHS OIG work demonstrated recurring challenges in FEMA's management of non-natural disasters, as reported by six audits on COVID-19 funds and humanitarian efforts.

INEFFECTIVE CONTROLS TO ENSURE ELIGIBILITY OF COVID-19 ASSISTANCE

Lost Wages Assistance Program: In response to the COVID-19 pandemic, in August 2020, the President directed FEMA to provide up to \$44 billion in Lost Wages Assistance (LWA) from FEMA's Disaster Relief Fund to individuals unemployed/partially unemployed due to the pandemic. FEMA delivered these payments in conjunction with States' existing Unemployment Insurance Systems.

We conducted two audits³ to determine to what extent FEMA ensured states and territories distributed LWA to eligible recipients, including DHS employees. As part of these audits, we reviewed payments distributed by 21 States, which represented 80 percent of the LWA expenditures. We concluded that FEMA did not implement controls that may have prevented the 21 States from distributing more than \$3.7 billion in improper payments. The improper payments identified included:

- \$3.3 billion in potential fraudulent payments,
- \$21.6 million in overpayments to recipients, and
- \$403 million in payments that lacked the required self-certification.

¹(OIG-23-01) *Major Management and Performance Challenges Facing the Department of Homeland Security*, October 27, 2022, (OIG-24-05) *Major Management and Performance Challenges Facing the Department of Homeland Security (MMPC)*, October 26, 2023.

²*Robert T. Stafford Disaster Relief and Emergency Assistance Act*, Public Law 93-288, as amended.

³(OIG-22-69) *FEMA Did Not Implement Controls to Prevent More than \$3.7 Billion in Improper Payments from the Lost Wages Assistance Program*, September 16, 2022 and (OIG-22-73) *More than \$2.6 Billion in Potentially Fraudulent LWA Payments Were Linked to DHS Employees' Identities*, September 27, 2022.

Additionally, we identified weaknesses in FEMA and the Department's controls to prevent the payment of \$2.6 million in LWA for potentially fraudulent claims made by DHS employees or claimants who fraudulently used the identities of DHS employees to obtain LWA benefits. This included payments linked to 1,809 DHS employees who were ineligible or potentially ineligible for LWA benefits because they were actively working. In addition, we identified 167 employees who were eligible but at high or medium risk of fraudulent activity including identify theft. We referred employees with a high likelihood of fraud to the DHS OIG Office of Investigations for potential criminal action.

These improper payments occurred because FEMA launched the LWA program in 11 days without clear guidance, fraud mitigation controls, and other measures to address weak underlying Unemployment Insurance (UI) program controls, such as self-certification, to determine eligibility and prevent fraud. We determined none of the 21 States had sufficient controls to prevent fraudulent activities or overpayments, primarily because they relied on self-certifications from recipients to determine eligibility. The Department also did not have the necessary controls in its Unemployment Compensation for Federal Employees program to ensure it had accurate information to determine DHS employees' eligibility.

FEMA's practice of self-certification poses inherent risk for fraudulent claims. Without additional requirements or controls to corroborate and validate that recipients were eligible, these programs are vulnerable to a high risk of fraud. We had previously warned FEMA of our concerns with two prior audits related to Individual and Household Programs, OIG-20-23 and OIG-20-60, namely, *FEMA Has Made More than \$3 Billion in Improper and Potentially Fraudulent Payments for Home Repair Assistance since 2003*, and *FEMA Has Paid Billions in Improper Payments for SBA Dependent Other Needs Assistance since 2003*.⁴ Collectively, these two reports totaled more than \$6.3 billion in improper payments. In these reports, we found applicants may have inaccurately reported no homeowner's insurance or incorrectly reported their income and dependent information *despite penalty of perjury*. As a result, we recommended FEMA establish and implement preventive controls to mitigate the risk of improper payments. The Pandemic Response Accountability Committee (PRAC), the U.S. Government Accountability Office, and the Department of Labor OIG also reported self-certification as a top fraud vulnerability in administering unemployment benefits.

Despite our warnings about the high risk of fraud, FEMA has not implemented preventive controls such as a system to test applicant data or require applicants to sign an Internal Revenue Service release for a copy of tax information to support individual assistance programs. On the contrary, on January 22, 2024, FEMA issued an interim final rule⁵ for its Individual Assistance program that will provide greater flexibility and expand the use of self-certifications, referred to now as self-declarations, for applicants to obtain funding in a more direct and expedited manner.

INEFFECTIVE CONTROLS TO ENSURE ALLOWABLE COVID-19 COSTS

COVID-19 Funeral Assistance Program: In December 2020, Congress appropriated \$52 billion to FEMA's Disaster Relief Fund to provide funeral assistance at 100 percent Federal cost share. In August 2023, DHS OIG reported⁶ FEMA had not administered the program adequately to protect funds from waste and abuse, as it distributed \$24.4 million in ineligible expenses for this program. We determined:

- FEMA expanded the universe of reimbursable expenses for deaths related to COVID-19 without providing guardrails to ensure relief was limited to *necessary expenses and serious needs*, as required by statute.
- FEMA issued an estimated \$24.4 million in COVID-19 Funeral Assistance funds from April 12, 2021, through September 21, 2021, for expenses identified as ineligible under established FEMA policy. Examples of these questionable reimbursements include \$2,800 for a horse and carriage, \$727 for flowers, and \$790 for a limousine.
- Each of the expenses we questioned are not allowable for deaths related to other disasters. FEMA did not provide justification for why certain expenditures

⁴These two reports related to FEMA's oversight of disaster response and are therefore not included in the 18 reports since FY 2020 that we identify as related to FEMA's oversight of non-natural disasters.

⁵Federal Emergency Management Agency 44 CFR Part 206; RIN 1660-AB07 Individual Assistance Program Equity <https://www.govinfo.gov/content/pkg/FR-2024-01-22/pdf/2024-00677.pdf>

⁶(OIG-23-42) *Ineffective Controls Over COVID-19 Funeral Assistance Leave the Program Susceptible to Waste and Abuse*, August 22, 2023.

were considered allowable for deaths related to COVID-19, but unallowable for deaths related to other disasters.

- We questioned an additional \$2.5 million in costs as unallowable. Of this, we identified \$1.3 million in assistance payments to multiple parties applying for the same decedent; \$759,026 in payments more than the allowable maximum award of \$9,000; and \$591,805 in unallowable costs due to inconsistent application of program guidance.

Due to the unprecedented size of this program and the uncertainty surrounding the duration of the COVID-19 pandemic, DHS OIG issued a management alert⁷ during our review to FEMA leadership to encourage FEMA to take action that would prevent further reimbursement of ineligible expenses which wasted and abused taxpayer dollars.

In our audit report, we issued five recommendations for FEMA to improve oversight of COVID-19 Funeral Assistance by strengthening its guidance and training provided to the caseworkers tasked with processing program applications; aligning future funeral assistance policy and procedures with statutory requirements; and resolving questioned costs. In its response to both our Management Alert and full audit report, FEMA asserted that it has broad authority to determine eligible costs for funeral assistance. FEMA did not agree with DHS OIG's conclusions and stated that OIG's recommendation would slow its review of applications and limit the funds FEMA could provide to applicants. FEMA also maintained that the costs questioned by DHS OIG were in fact eligible and should not be considered debts owed by the recipients for erroneous payments.

FEMA LACKED RELIABLE DATA FOR COVID-19 RESPONSE AND RELIEF

DHS OIG conducted a study in 2022⁸ as part of a broader review by the PRAC to determine the sources and intended purposes of Federal pandemic program funds, approximately \$49.3 million, that FEMA provided to six selected geographic locations.

We determined FEMA provided data for each of its funding initiatives as requested, but in some instances, FEMA could not provide detailed data and/or supporting documentation. This was because FEMA does not always maintain data at the local level, some FEMA systems cannot provide program data as of a specific date, and FEMA did not follow a standardized process to obtain and generate program data. While this phase of the PRAC study was not designed to identify misspent funds, these data weaknesses prevented us from comparing program data across geographic locations and limited our ability to validate the accuracy of FEMA's systems.

DHS OIG is currently supporting phase 2 of the PRAC study in reviewing FEMA's oversight of Federal funds for COVID-19 Emergency Protective Measures and recipient and subrecipient compliance with Federal reporting requirements.

INSUFFICIENT OVERSIGHT OF EMERGENCY FOOD AND SHELTER PROGRAM FUNDS

In March 2021, FEMA awarded \$110 million in humanitarian relief funds to the Emergency Food and Shelter Program (EFSP) as part of the American Rescue Plan Act of 2021 to provide services to families and individuals encountered by DHS in communities most impacted by the humanitarian crisis at the Southwest border.

We conducted an audit in 2022⁹ which found unsupported costs of \$7.4 million in claimed expenses that were missing required supporting documentation. This included a local grant recipient not adequately supporting charges paid to a contractor conducting COVID-19 tests and other grant recipients claiming expenses without documenting the migrant families and individuals they assisted.

Without additional oversight and enforcement from FEMA and the National Board which governs the EFSP, local grant recipients may continue to use the funds for services without providing the required supporting documentation for reimbursement, increasing the risk of misuse of funds and fraud.

⁷(OIG-22-36) *Management Alert—FEMA's COVID-19 Funeral Assistance Operating Procedures Are Inconsistent with Previous Interpretation of Long-Standing Regulations for Eligible Funeral Expenses*, April 13, 2022

⁸(OIG-22-72) *A Review of FEMA Funding for Coronavirus Disease 2019 (COVID-19) Response and Relief*, September 16, 2022.

⁹(OIG-23-20) *FEMA Should Increase Oversight to Prevent Potential Misuse of Humanitarian Relief Funds*, March 28, 2023.

In an earlier audit of FEMA's Emergency Food and Shelter program,¹⁰ we reported on other weaknesses in FEMA's management of the program. Specifically, we questioned \$45.2 million in funds that could have been put to better use. This finding stems from the \$58 million in grant funds that were not spent from FY 2017 to FY 2020. In other words, when subrecipients were unable to spend their allocated funding, the Program's National Board was not reallocating funds in a timely manner to other recipients who had the ability to use the funds. We made 10 recommendations to reallocate unclaimed funds and improve coordination.

DHS OIG COVID-19 FRAUD UNIT

In 2020, DHS Inspector General Cuffari established a dedicated COVID-19 Fraud Unit (CFU) to focus solely on identifying and investigating fraud related to COVID-19. The findings from the audits above were turned over to the COVID-19 Fraud Unit for further investigation to determine whether criminal charges were warranted.

Due to the large scope of the potential fraud, DHS OIG used data analytics to identify large, organized fraud schemes—some of which resulted in millions of dollars being distributed to fraudsters. DHS OIG also used the Reemployed Annuitant authority provided by the Office of Personnel Management to hire retired criminal investigators to staff the CFU, ensuring we had experienced agents who were able to begin investigations as quickly as possible.

Our investigations have identified instances in which recipients, by committing fraud, received payments that they were not eligible for under the Disaster Relief Fund. Since the beginning of the pandemic, DHS OIG has received over 8,525 complaints and opened over 550 investigations into COVID-19 fraud. To date, our investigations have resulted in more than 125 indictments, 30 criminal informations, 87 convictions, and more than \$21.5 million in recoveries.

A sample of our significant cases in this area include:

- A Virginia-based supply company made fraudulent claims and was awarded a FEMA contract to deliver 6 million N95 masks totaling \$38.5 million to protect employees and patients at various Veterans Administration facilities at the height of the pandemic. The company failed to deliver because they were never in possession of the masks, which resulted in felony charges for false statements, wire fraud, and theft of government funds.
- A New Jersey man was sentenced to 6.75 years in prison for schemes to steal California UI benefits and economic injury disaster loans. The fraudster filed for over 180 California Economic Development Department (EDD) UI applications in which he sought \$7,500,000 in UI benefits; the EDD ultimately funded at least \$3,403,656 of the total. The defendant collected personally identifiable information of numerous individuals from the dark web—including names, birth dates, and Social Security numbers—and used their identities to file fraudulent UI claims.
- An employee of the Arizona Department of Economic Security, the state agency responsible for adjudicating COVID-19 unemployment benefit claims, filed 66 fraudulent UI benefits claims while employed by the agency. This resulted in fraudulent payments totaling \$32,580. The defendant pled guilty to a theft charge and received a sentence of 24 months of supervised release and restitution in the amount of \$32,580.
- Multiple subjects in Virginia fraudulently filed unemployment insurance claims for 31 prison inmates totaling over \$430,000. The investigation resulted in multiple felony theft-related charges and sentences ranging from 78 to 115 months incarceration, as well as restitution in the amount of \$290,000.

Many of the audits and investigations addressed in this testimony reflect collaboration with our external partners. For example, DHS OIG teams worked extensively with data scientists from Department of Labor OIG to obtain fraud indicators. DHS OIG participates on numerous task forces, and we are a member of the Attorney General's COVID-19 Fraud Enforcement Strike Force. We currently have special agents assigned to all three strike force teams in California, Florida, and Maryland, and we are assigning agents to the newest teams being developed in Colorado and New York. DHS OIG is also one of nine statutory members of the PRAC where we share information and model practices to help identify COVID-19 fraud.

¹⁰(OIG-22-56) *FEMA's Oversight of the Emergency Food and Shelter Program*, August 10, 2022.

CONCLUSION

DHS OIG's oversight of FEMA's use of resources for non-natural disasters has identified overpayments, ineligible payments, and unsupported or unallowable costs totaling approximately \$3.9 billion in improper payments. We also identified an additional \$45.4 million in funds that could be put to better use.

Our audits have consistently identified the need for FEMA to strengthen internal controls over its programs. Specifically, we have identified four key areas where additional controls are needed to protect the integrity of FEMA's programs and prevent fraud, waste, and abuse. These include controls for:

1. Ensuring eligibility for federal assistance;
2. Ensuring allowability of costs reimbursed;
3. Program oversight; and
4. Ensuring consistent data collection, reliability, tracking, and reporting practices.

The six audits highlighted in this testimony resulted in 31 recommendations, or approximately 55 percent of the 56 recommendations pertaining to FEMA's management of non-natural disasters over the last 4 years. The recommendations are intended to strengthen FEMA's management of its programs and operations. Many of the recommendations are aimed to help FEMA bolster its program controls, procedures, guidance, and training to prevent continued misuse of funds, including fraud, waste, and abuse. DHS OIG also has two ongoing audits and one planned audit that will continue our oversight of FEMA's expanded use of its resources on non-natural disasters. These relate to FEMA's:

- COVID-19 funding for emergency protective measures,
- Administration of the Port Security Grant Program, and
- Oversight of the new Shelter and Services Program.

FEMA has taken action to fully address 23 (41 percent) of the 56 recommendations. These actions address some of FEMA's risks by strengthening certain policies, procedures, and controls related to non-natural disaster related programs. However, far more remains to be done. As of today, FEMA has not completed action on 22 (39 percent) recommendations. Finally, 11 (20 percent) of our recommendations remain unresolved because FEMA disagrees or has not developed responsive action plans. In fact, over one-third of DHS OIG's recommendations from the reports mentioned above remain unresolved. DHS OIG, along with other oversight entities, remains deeply concerned with FEMA's long-standing practice of self-certification of applicants. We continue to work with FEMA to emphasize the need to require additional documentation to corroborate that applicants are eligible, or to audit a sample of applicant data for accuracy.

We appreciate the ongoing support of Congress and acknowledgment of our objective, independent oversight. Thank you for the opportunity to discuss DHS OIG's critical work.

Mr. PERRY. Ms. Bernard, thank you for your testimony.

Mr. Currie, you are now recognized for 5 minutes for your testimony.

TESTIMONY OF CHRIS CURRIE, DIRECTOR, HOMELAND SECURITY AND JUSTICE TEAM, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. CURRIE. Thank you, Chairman Perry, Ranking Member Davids, Ranking Member Larsen, and other members of the committee.

I appreciate the chance to be here today to talk about GAO's work at FEMA. I like to start these conversations always by recognizing the men and women at FEMA and the work they do every day.

We get to work with them all the time; they're very dedicated public servants. I also respect that they're also always willing to improve. And before I talk about some of these challenges, I think that's an important point.

FEMA is under increasing pressure every day to do more and more. States and locals are as well. It's not just the Federal level. The reason FEMA is often asked to do these additional things is because they have the funding, flexibility, and the capability to do them often when other Federal agencies don't.

The bad news about this, though, is that it takes a huge toll on the Agency. And I just want to throw out some numbers just to illustrate this.

In 2016, at the height of hurricane season, FEMA was actively managing 30 disasters. In 2023 last year, it was actively managing 71 during hurricane season.

Staff deployments have doubled, too. Before 2017, they deployed about 3,300 staff a day. After 2017, that's doubled to about 7,000 staff per day. And so, this has a huge impact on the workforce.

In COVID alone, FEMA had 59 separate disaster declarations across the country. So far, they've spent \$123 billion total on COVID, and they expect to spend \$144 billion by the end of September, the end of the fiscal year.

So, that's more than Hurricane Katrina, Sandy, Harvey, Irma, and Maria so far combined. It's a huge number. And what's happened is this led to a shortage in the Disaster Relief Fund.

Last year, as the committee knows, FEMA actually had to put many recovery projects on hold because the Disaster Relief Fund was running short on money. Congress then appropriated the money, but now they're in the same position as they were before.

They now estimate there's going to be a \$7 billion shortage at the end of this fiscal year. And I expect this to continue, mainly driven by the higher than expected costs of COVID.

While it's hard to exactly quantify the operational impact this has, it has a huge impact on the workforce. As folks noted on the panel, last year, we found that FEMA was about 6,000 people short of its staffing goal. That's about 65 percent operational capacity it was operating at.

And while FEMA is always going to prioritize response efforts and lifesaving efforts, the impact that this has is really on the long tail and recovery projects that FEMA manages.

Most people may not realize that FEMA is managing 500 open disaster declarations going back to sometimes 20 years to Hurricane Katrina still. So, it has a huge impact on the processing and efficiency of those operations.

According to FEMA itself, it recognizes these challenges. These shortages have led to burnout and attrition issues. And part of this, according to them, was COVID-19 and the never-ending disaster season that they now face.

The last point I want to make is the impact these things have on other parts of FEMA's mission. One consistent theme we've been trying to drive home in the last few years is the need for FEMA to streamline its disaster recovery programs.

We hear over and over again from State and locals that we visit that these programs are complicated, they're lengthy, they're very hard to navigate, survivors are often—they're not incentivized to pursue assistance because it's very difficult to get.

And this is something we've been driving home for a few years now. And it's very difficult to focus on these additional challenges

and improving when you're having to constantly react to additional responsibilities on top of additional responsibilities.

And some of these efforts are going to require years and years of reform work across the entire country, and it's going to be very difficult. So, we think that's a very important goal of FEMA that they need to continue to focus on.

That's my opening statement. I look forward to the conversation today. Thank you.

[Mr. Currie's prepared statement follows:]

Prepared Statement of Chris Currie, Director, Homeland Security and Justice Team, U.S. Government Accountability Office

FEMA: OPPORTUNITIES EXIST TO ADDRESS MISSION CHALLENGES AND INCREASED WORKLOAD

HIGHLIGHTS

Why GAO Did This Study

FEMA leads the nation's efforts to prepare for, respond to, and recover from disasters. In recent years, the increasing frequency and costs of disasters, the COVID-19 pandemic, and other responsibilities have placed additional pressures on FEMA.

This statement discusses GAO's prior work and recommendations related to FEMA's (1) roles and responsibilities outside of natural disasters and (2) workforce challenges.

This statement is based on products GAO issued from May 2020 through May 2023, along with selected updates to address GAO recommendations, and updates from FEMA. For those products, GAO reviewed and analyzed federal laws, agency guidance, and other agency documents. GAO also analyzed data on FEMA's workforce, and disaster assistance, among others. GAO interviewed knowledgeable officials from FEMA; other selected federal agencies; and state, local, and territorial officials impacted by disasters.

What GAO Recommends

GAO has made 24 recommendations in prior reports designed to address the various mission and management challenges discussed in this statement. FEMA has taken steps to address these recommendations. GAO will continue to monitor FEMA's efforts to determine if they fully address the challenges GAO has identified.

What GAO Found

The increasing frequency of disasters overall and the additional responsibilities for responding to other events have stretched the Federal Emergency Management Agency's (FEMA) workforce in unprecedented ways. GAO's work has identified various challenges FEMA has faced in its efforts to respond to these additional events.

The scale and scope of federal efforts and funding required to address the COVID-19 pandemic tested FEMA's and other federal agencies' capacity to mount an equitable and effective nationwide response. FEMA's role included lost wages assistance; COVID-19 funeral assistance; public assistance to state, tribal, and territorial governments; mission assignments to other federal agencies; and mobile vaccination units. For example, GAO reported in April 2022 that FEMA had received and was processing more than 444,000 applications for COVID-19 funeral assistance since April 2021—when it began accepting applications—compared to the approximately 6,000 cases of funeral assistance the agency had processed over the decade prior to the pandemic. FEMA reported that as of December 2023 it has obligated \$123 billion in response to the pandemic and projected that it will obligate a total of \$144 billion by the end of fiscal year 2024. In addition to the 59 major disaster declarations for COVID-19, as of July 2022, FEMA had about 500 non-COVID-19 active major disaster declarations in various states of response and recovery. At the same time, FEMA recently reported a projected deficit of nearly \$6.4 billion in the fund by September 2024.

GAO has also identified several gaps in FEMA's internal controls meant to prevent improper or potentially fraudulent payments in funeral assistance. In April 2022, GAO recommended that FEMA implement additional control activities to ensure that consistent and accurate data are available to prevent and detect improper

payments and potential fraud. FEMA has fully addressed this recommendation implementing additional controls but as of April 2023 has only partially addressed the recommendation on data consistency and accuracy. Until FEMA fully addresses this recommendation, they will continue limited ability oversee and prevent and detect fraud.

GAO's past work has identified longstanding challenges facing the FEMA workforce, which have been exacerbated given FEMA's additional responsibilities. Specifically, in May 2023, GAO reported that FEMA had a disaster workforce strength of approximately 11,400 employees at the beginning of fiscal year 2022, a gap of 35 percent between the actual number of staff and the staffing target of 17,670. FEMA officials stated that they faced additional responsibilities due to COVID-19, while also managing the traditional seasonal peaks of disaster activity during the year. This created burnout for many employees and increased employee attrition. GAO recommended that FEMA document plans to monitor and evaluate the agency's hiring efforts to address staffing gaps, among other recommendations. As of January 2024, FEMA has taken some steps to address these recommendations, including developing yearly hiring targets to ensure they are on pace to meet overall hiring goals. To fully address the recommendation, FEMA should finalize its staffing plans.

Chairman Graves, Chairman Perry, Ranking Members Larsen and Titus, and Members of the Subcommittee:

Thank you for the opportunity to discuss our work on the Federal Emergency Management Agency's (FEMA) mission challenges and the increasing workload and expectations on the agency.

FEMA, within the Department of Homeland Security (DHS), leads our nation's efforts to prepare for, protect against, respond to, recover from, and mitigate the risk of disasters. Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), the President's declaration of a major disaster or emergency is the key mechanism by which FEMA gets involved in coordinating and funding disaster response and recovery activities.¹ The Disaster Relief Fund is a primary source of federal disaster assistance. In addition to providing assistance after natural disasters, the Disaster Relief Fund can be used to assist in response and recovery from other disasters such as the COVID-19 pandemic.

In recent years, FEMA has faced an unprecedented demand for its services and played a significant role in various disasters and emergencies. For example, FEMA played a key role in the federal response to the COVID-19 pandemic and responded to other emergencies such as the condominium collapse in Surfside, Florida in June 2021. FEMA also assisted with the February 2023 Norfolk Southern train derailment in East Palestine, Ohio, Afghan refugee resettlement efforts and at the southwest border as directed by the President and Secretary of Homeland Security.

In August 2023, funding requirements threatened to exceed available resources in the Disaster Relief Fund. In response FEMA implemented measures to prioritize response and immediate recovery efforts, and to pause new obligations that were not essential for lifesaving and life-sustaining activities. Such steps may be necessary again in fiscal year 2024. Specifically, FEMA recently reported a projected deficit of nearly \$6.4 billion by September 2024.²

Additionally, the increasing frequency of disasters overall and the additional responsibilities for responding to other events have stretched FEMA's workforce in unprecedented ways. For example, the number of disasters FEMA reported managing at the peak of the hurricane season more than doubled in the last seven years, from 30 disasters in 2016 to 71 disasters in 2023. Similarly, the average daily deployments increased from 3,331 employees before 2017, to 7,113 after 2017.

FEMA's role during COVID-19 and other events has raised questions about its capacity to handle additional responsibilities on top of its normal natural disaster workload. My statement today discusses our prior work on FEMA's: 1) roles and responsibilities outside of natural disasters; and 2) workforce challenges.

My statement today is based on products we issued from May 2020 to May 2023, along with selected updates from FEMA's January 2024 Disaster Relief Fund Monthly Statement and FEMA's COVID-19 funeral assistance website.³ To perform our prior work, we reviewed and analyzed federal law, agency guidance, and other

¹ 42 U.S.C. §§ 5170, 5191.

² Department of Homeland Security, Federal Emergency Management Agency, *Disaster Relief Fund: Monthly Report as of December 31, 2023—January 8, 2024 Fiscal Year 2024 Report to Congress*.

³ For a complete list of products this statement is based on see GAO Related Products at the end of the statement.

agency documentation. We also analyzed data on FEMA’s workforce, and disaster assistance programs, among others. We interviewed officials from FEMA, and selected federal agencies, as well as officials from states, local jurisdictions, and territories impacted by disasters. More detailed information on the scope and methodology of our prior work can be found in each of the issued reports cited throughout this statement.

We conducted the work on which this statement is based in accordance with 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

FEMA’S ROLES AND RESPONSIBILITIES OUTSIDE OF NATURAL DISASTERS HAVE INCREASED

COVID–19 Pandemic

We have previously noted that the scale and scope of federal efforts and funding required to address the COVID–19 pandemic tested FEMA’s and other federal agencies’ capacity to mount an equitable and effective nationwide response. We continue to be concerned about challenges FEMA faces managing a significant number of concurrent disaster operations—including for remaining COVID–19 assistance—and the demands on the Disaster Relief Fund. Our concerns about the ability of the Disaster Assistance Fund to meet demands continue. In addition to the 59 major disaster declarations for COVID–19, as of July 2022, the agency had 494 open non-COVID–19 active major disaster declarations in various states of response and recovery. We previously reported that the number of concurrent demands on the Disaster Relief Fund and the unpredictability of future response needs raised questions about its availability for the significant number of active disasters in different stages of recovery, including the ongoing recovery in Puerto Rico—one of the largest recovery efforts in FEMA history and other events.⁴ As of December 2023, FEMA reported \$123 billion in obligations for COVID–19 and projected obligations to increase to \$144 billion by the end of fiscal year 2024.⁵ FEMA’s COVID–19 pandemic response efforts are discussed below.

Individual Assistance. FEMA provides Individual Assistance to eligible individuals and households who have sustained losses as a direct result of a disaster. For weather- and climate-related and earthquake disasters, many of these needs consist of sheltering and housing, and assistance includes repairing damaged dwellings and providing immediate and interim shelter for individuals whose homes were damaged. For COVID–19, Individual Assistance consisted primarily of Lost Wages Assistance and COVID–19 funeral assistance.

Lost Wages Assistance. In response to COVID–19, the President issued a presidential memorandum that directed that up to \$44 billion be made available from the Disaster Relief Fund to provide Lost Wages Assistance to supplement unemployment insurance programs.⁶ FEMA approved Lost Wages Assistance grant applications totaling more than \$37.3 billion in grant obligations for 49 states, four territories, and the District of Columbia. As of April 2022, \$36.5 billion had been expended by the state workforce agencies. This program resulted in particularly rapid expenditures from the Disaster Relief Fund. In order to administer supplemental payments for lost wages FEMA leveraged existing state unemployment insurance systems or agencies.⁷

⁴GAO, *COVID–19: Urgent Actions Needed to Better Ensure an Effective Federal Response*, GAO–21–191 (Washington, D.C.: November 30, 2020).

⁵Department of Homeland Security, Federal Emergency Management Agency, *Disaster Relief Fund: Monthly Report as of December 31, 2023—January 8, 2024 Fiscal Year 2024 Report to Congress*.

⁶The White House, Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (Aug. 8, 2020).

⁷A state’s or territory’s delivery of supplemental payments for lost wages was contingent upon an approval of a state’s administrative plan, which describes the partnership between FEMA and the state or territory for delivering assistance. We have reported on unemployment insurance programs and their programs’ susceptibility to fraud. See GAO, *Unemployment Insurance: Data Indicate Substantial Levels of Fraud during the Pandemic; DOL Should Implement an Antifraud Strategy*, GAO–23–105523 (Washington, D.C.: Dec. 22, 2022). For example, in December 2022, we reported that measures and estimates indicate substantial levels of fraud and potential fraud in unemployment insurance programs during the pandemic. We found that based on formal determinations of fraud by states and territories, unemployment insurance fraud dur-

COVID-19 Funeral Assistance. We previously reported that from April 2021—when it began accepting applications—through February 2022, FEMA received and was processing more than 444,000 applications for COVID-19 funeral assistance and had awarded more than \$1.92 billion for more than 296,000 approved applications, as shown in the figure below.⁸ According to FEMA, as of January 1, 2024, there were more than 488,338 applications totaling more than \$3.15 billion for 499,096 decedents.⁹ Prior to the COVID-19 pandemic, FEMA had processed approximately 6,000 cases of funeral assistance over the past decade. FEMA announced that it will continue to provide funeral assistance until September 30, 2025, to those who have lost loved ones due to the pandemic.

In April 2022, we identified several gaps in FEMA’s internal controls meant to prevent improper or potentially fraudulent payments in funeral assistance. We recommended that the FEMA Administrator implement additional control activities, where needed, and ensure that consistent and accurate data are available to prevent and detect improper payments and potential fraud. FEMA has fully addressed our recommendation on implementing additional control activities. In April 2022, we also recommended that FEMA address deficiencies in the COVID-19 Funeral Assistance data by updating data records as data are verified, and adding data fields where necessary, to ensure that consistent and accurate data are available for monitoring of potential fraud trends and identifying control deficiencies. However, as of April 2023, the agency had only partially addressed this recommendation. FEMA officials noted that it has established a new payment integrity and fraud prevention section tasked with the review and analysis of potentially fraudulent funeral assistance cases. Additionally, agency officials stated that they were performing an audit of a random sample of applications intended to assess the agency’s controls more broadly. While these efforts could help identify inconsistent data elements and lead to improvements, we continue to believe that the agency should make targeted efforts to improve the consistency and accuracy of the COVID-19 funeral assistance data to facilitate oversight and prevent and detect fraud.

Public Assistance. FEMA provides disaster assistance through its Public Assistance program to state, local, tribal, and territorial governments, and certain types of private nonprofit organizations so that communities can quickly respond to, and recover from, major disasters or emergencies. After natural disasters, Public Assistance tends to be used for emergency cleanup and for permanent reconstruction projects—for example, to rebuild damaged public infrastructure. For all 59 major disaster declarations for COVID-19, FEMA authorized Public Assistance for emergency protective measures only. This included eligible medical care, purchase and distribution of food, non-congregate medical sheltering, operation of Emergency Operations Centers, and the purchase and distribution of personal protective equipment. As of December 2023, FEMA has reported obligating a total of approximately \$74.3 billion for thousands of COVID-19 Public Assistance projects.¹⁰

In October 2021, we found that FEMA inconsistently interpreted and applied its policies for expenses eligible for COVID-19 Public Assistance within and across its 10 regions.¹¹ These inconsistencies were due to, among other things, changes in policies as FEMA used the Public Assistance program for the first time to respond to a nationwide public health emergency. FEMA officials stated that it was difficult to ensure consistency in policies as different states and regions were not experi-

ing the pandemic is at least \$4.3 billion. However, this does not account for potential fraud that has not been formally determined as such.

⁸GAO, *COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments*, GAO-22-105397 (Washington, D.C.: Apr. 27, 2022).

⁹Department of Homeland Security, Federal Emergency Management Agency, *COVID-19 Funeral Assistance*, accessed on Feb. 1, 2024, COVID-19 Funeral Assistance. FEMA.gov

¹⁰Department of Homeland Security, Federal Emergency Management Agency, *Disaster Relief Fund: Monthly Report as of December 31, 2023—January 8, 2024 Fiscal Year 2024 Report to Congress*.

¹¹GAO, *COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response*, GAO-22-105051 (Washington, D.C. October 27, 2021). FEMA has 10 regional offices located across the United States as follows: Region I: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; Region II: New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands; Region III: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and W. Virginia; Region IV: Alabama, Florida, Georgia, Kentucky, Mississippi, N. Carolina, S. Carolina and Tennessee; Region V: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin; Region VI: Arkansas, Louisiana, New Mexico, Oklahoma and Texas; Region VII: Iowa, Kansas, Missouri and Nebraska; Region VIII: Colorado, Montana, N. Dakota, S. Dakota, Utah and Wyoming; Region IX: Arizona, California, Hawaii, Nevada, American Samoa, Guam, Commonwealth of the Northern Mariana Islands, Republic of the Marshall Islands, and Federated States of Micronesia; and Region X: Alaska, Idaho, Oregon and Washington.

encing the same things at the same time. We recommended that FEMA ensure consistency of the agency's interpretation and application of the COVID-19 Public Assistance policy and require training to ensure policies are applied consistently nationwide. FEMA has implemented both recommendations. For example, to ensure consistency of COVID-19 guidance, as of November 2023, FEMA has conducted continued outreach to all FEMA regions to further clarify and communicate Public Assistance eligibility requirements nationwide. FEMA also conducted trainings with staff to help ensure staff interpret and apply COVID-19 policies consistently.

Mission Assignments. FEMA issues mission assignments—work orders directing other federal agencies to provide direct assistance to state, local, tribal, and territorial governments—to support disaster response and recovery, which FEMA may reimburse through the Disaster Relief Fund. FEMA issued mission assignments to multiple federal agencies—the U.S. Department of Agriculture, Department of Labor, Environmental Protection Agency, and Department of Defense, among others—to assist in the COVID-19 response. For example, FEMA issued mission assignments to the National Guard to help set up public vaccination sites in some U.S. territories.¹² As we reported in April 2022, according to FEMA, the estimated cost for National Guard assistance totaled nearly \$6.6 billion as of February 28, 2022.¹³

Mobile Vaccination Units. FEMA personnel along with other federal personnel also ran mobile vaccination units that offered primary vaccinations, booster shots, and pediatric vaccines for children ages 5 and above. All states, tribes, and territories could request mobile vaccination units. FEMA started 10 mobile vaccination units between December 15, 2021, and January 18, 2022; two in Washington, four in New Mexico, three in Oregon, and one in Pennsylvania. FEMA reported that as of March 4, 2022, the 10 mobile vaccination units had administered 136,770 vaccinations.

FEMA Assistance in Sheltering at U.S. Southern Border

Outside of declared disasters, FEMA has taken on additional responsibilities to help local communities around the country better manage the costs of noncitizen arrivals in their communities. FEMA's Emergency Food and Shelter Program has provided funding to organizations assisting individuals and families encountered by the Department of Homeland Security.¹⁴ In fiscal years 2019–2023, FEMA provided \$715 million in humanitarian relief grants to nonprofit and governmental organizations that provided services to noncitizens.¹⁵

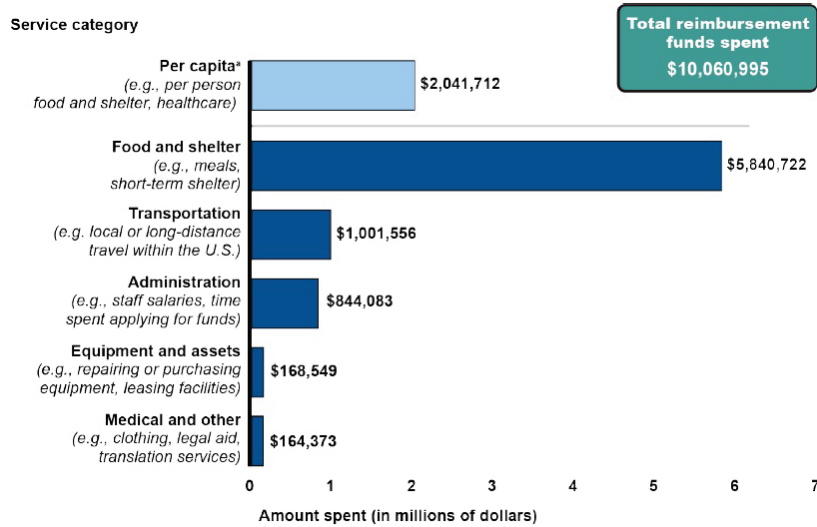
¹²GAO, *COVID-19: U.S. Territory Experiences Could Inform Future Federal Relief*, GAO-23-106050, (Washington D.C.: Sept. 19, 2023).

¹³GAO, *COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments*, GAO-22-105397 (Washington, D.C.: Apr. 22, 2022).

¹⁴GAO, *Southwest Border: DHS Coordinates with and Funds Nonprofits Serving Noncitizens*, GAO-23-106147, (Washington D.C.: Apr 19, 2023).

¹⁵The Consolidated Appropriations Act, 2023, appropriated \$800 million for a new Shelter and Services Program that is to be administered by FEMA. Pub. L. No. 117-328, 136 Stat. 4459, 4730 (2022). The Shelter and Services Program is to replace the humanitarian relief funding provided as part of FEMA's Emergency Food and Shelter Program, which has provided funding to organizations assisting individuals and families encountered by the Department of Homeland Security. A portion of the appropriation for the Shelter and Services Program for fiscal year 2023 was awarded through the Humanitarian Emergency Food and Shelter Program while FEMA establishes the new program.

Figure 1: Fiscal Year 2021 Emergency Food and Shelter Program Humanitarian Relief Funding, Nonprofit Spending by Service Category



Source: GAO analysis of Emergency Food and Shelter Program data. | GAO-24-107351

Note: Emergency Food and Shelter Program Humanitarian Relief Funding is provided as advanced funding and reimbursements. Advanced funding is for designated nonprofits or governmental organizations that further disburse the funds to local service providers in their area and may also use the funds for services they provide directly. Reimbursements are payments made to nonprofits to reimburse them for expenses incurred when providing services to noncitizens. In fiscal year 2021, of the nearly \$123 million distributed, about \$113 million was advanced funding and about \$10 million was reimbursement funding. Figure 1 shows the nonprofit spending of reimbursement funding on different categories of services. Per capita represents a set reimbursement rate that nonprofits can receive for each noncitizen they serve. Nonprofits can choose to request reimbursement at a per capita rate instead of requesting reimbursement for their actual expenditure amounts in the food and shelter and medical and other categories.

FEMA also assists in other DHS efforts at the border. For example, in February 2022, DHS launched the Southwest Border Coordination Center—comprised of officials from U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, and FEMA, among others—to establish a unified approach to the increased number of noncitizens encountered at the southwest border. According to responsible officials, the Southwest Border Coordination Center works with DHS field locations and nonprofits located along the southwest border to increase the efficiency of that coordination. The Center also works to build a network of nonprofits, cities, and counties located in the interior of the U.S. to further support noncitizens traveling to their communities.

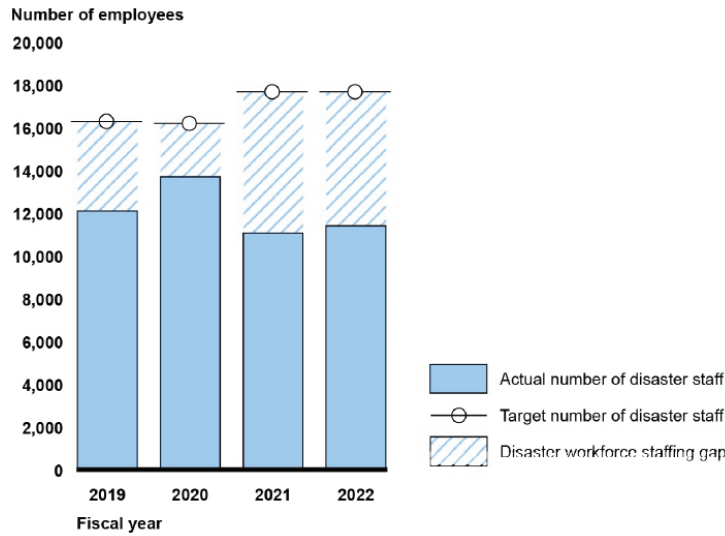
INCREASING WORKLOAD CONTRIBUTES TO CONTINUING WORKFORCE MANAGEMENT CHALLENGES

Our past work has identified longstanding challenges facing the FEMA workforce which have been exacerbated under FEMA’s additional responsibilities. Specifically, we reported on issues related to: (1) staffing shortages; (2) workforce qualifications; (3) staff development; and (4) workplace morale. We have made recommendations to address challenges we have identified, and FEMA has taken steps to address our recommendations. We will continue to monitor staffing shortages and other workplace challenges as they affect staff’s morale and FEMA’s ability to deliver required assistance.

Staffing shortages. Increasingly complex and severe natural disasters coupled with the COVID-19 pandemic and responsibilities at the southern border have created an unprecedented demand for FEMA’s disaster workforce. In May 2023, we reported that as of the beginning of fiscal year 2022, FEMA had approximately 11,400 disaster employees on board and a staffing goal of 17,670, creating an overall staff-

ing gap of approximately 6,200 staff (35 percent) across different positions.¹⁶ This means that FEMA’s disaster workforce was operating at 65 percent force capacity during the pandemic.

Figure 2: Staffing Gaps for the Federal Emergency Management Agency’s (FEMA’s) Disaster Workforce, Fiscal Years 2019 through 2022



Source: GAO analysis of FEMA data. | GAO-24-107351

FEMA officials attributed these staffing gaps to the loss of staff due to the year-round pace caused by the COVID-19 pandemic and increasing number of disasters, a combination which officials said caused burnout for many employees and increased employee attrition. During fiscal year 2020, which included the beginning of the COVID-19 pandemic, the disaster workforce lost 20 percent of its staff (over 2,600 employees). These losses resulted in staffing gaps in certain positions, and an overall decline in force strength.

Specifically, the Public Assistance cadre lost over 400 staff (approximately 16 percent) in fiscal year 2020.¹⁷ With the increase in staffing targets and reduction in staff, the Public Assistance cadre’s force capacity decreased from over 100 percent to about 55 percent during the pandemic. This cadre serves important functions including administering assistance to state, territorial, and local governments, a responsibility that greatly increased during the COVID-19 pandemic.

We recommended that FEMA document plans to monitor and evaluate the agency’s hiring efforts to address staffing gaps, among other recommendations. Such plans would help FEMA determine how effective hiring efforts are at closing staffing gaps and prioritize these efforts accordingly. FEMA has taken steps to address these recommendations, including developing yearly hiring targets to ensure they are on pace to meet overall hiring goals. We will continue to monitor FEMA’s implementation of its efforts to determine if they address the challenges we identified.

Workforce qualifications. In May 2020, we also reported that FEMA faced challenges deploying staff with the right qualifications and skills at the right times to meet disaster needs.¹⁸ Qualification status in the qualification and deployment systems FEMA uses to identify staff qualification status and skillsets, was not a reliable indicator of staff’s ability to perform in the field. For example, in 14 of the focus groups we held with FEMA staff, participants said that staff who were designated

¹⁶ GAO, *FEMA Disaster Workforce: Actions Needed to Improve Hiring Data and Address Staffing Gaps*, GAO-23-105663 (Washington, D.C.: May 2, 2023).

¹⁷ Cadres are groups of FEMA employees organized by type of work (organizational or programmatic function). These groups are based on skills and experience and generally deploy to an incident at varying points in the response and recovery phases, depending on their functions.

¹⁸ GAO, *FEMA Disaster Workforce: Actions Needed to Address Deployment and Staff Development Challenges*, GAO-20-360, (Washington D.C.; May 4, 2020).

as qualified in FEMA's system did not always have the necessary skills for their position. We recommended that FEMA develop a plan to address challenges in providing quality information to field leaders about staff qualifications. In June 2022, FEMA developed plans to inform field leadership about staff skills and abilities, among other things. We also recommended that FEMA develop mechanisms to assess deployment outcomes. FEMA said it is modifying its force structure targets, with input from field leadership, and has implemented continuous data collection efforts. FEMA has fully addressed these recommendations as we believe these actions could better enable the agency to use its disaster workforce as flexibly and effectively as possible to meet mission needs in the field.

Staff development. In May 2020, we also found shortcomings in FEMA's ability to ensure staff training and development for the skills needed in the field.¹⁹ For example, Reservists—often comprising the greatest proportion of FEMA staff in the field during a disaster—faced barriers to staff development and inconsistently received performance evaluations.²⁰ We recommended that FEMA create a staff development program that addresses access to training, development, and feedback. FEMA has fully addressed this recommendation by, for example including process improvements for development opportunities, and creating a plan to consistently conduct performance reviews.

Workplace morale. We have reported multiple times that workforce challenges can affect FEMA staff's morale.²¹ For example, in May 2020 we reported that planning managers in a joint field office we visited said that staff inaccurately designated as qualified in FEMA's qualification system were sometimes only able to complete half of the tasks expected of them, which hindered the cadre's ability to support mission needs. They noted that this affected morale, added to others' workload, and could turn a 12-hour day into a 14-hour day.²² Additionally, in September 2020, we reported that for several years leading up to our reporting, FEMA's call center workforce faced challenges using program guidance to assist survivors and struggled with low morale.²³ In that report, we also found that opportunities existed to improve employee engagement and morale among these staff. Staff we spoke to consistently cited engagement challenges that undermined morale in all four call center locations. According to staff at all four locations, poor employee engagement from their management and supervisors resulted in pressures related to productivity, among other challenges, particularly since the 2017 hurricane season generated a high work volume for certain call center staff. Staff in all four locations stated they felt pressured to meet productivity standards, which conflicted with providing quality service to the survivor.

We recommended FEMA use desirable characteristics of employee engagement—including performance feedback, career development, communication, and attention to work-life balance—while completing planned activities for improving morale. FEMA has since fully addressed this recommendation by implementing a Wellness and Morale program and providing additional resources, such as peer support and professional support through its Employee Health and Wellness Hub.

Thank you, Chairman Graves, Chairman Perry, Ranking Members Larsen and Titus, and Members of the Subcommittee. This concludes my prepared statement. I would be happy to respond to any questions you may have at this time.

RELATED GAO PRODUCTS

COVID-19: U.S. Territory Experiences Could Inform Future Federal Relief, GAO-23-106050. (Washington D.C.: September 19, 2023)

FEMA Disaster Workforce: Actions Needed to Improve Hiring Data and Address Staffing Gaps, GAO-23-105663 (Washington, D.C. May 2, 2023)

Southwest Border: DHS Coordinates with and Funds Nonprofits Serving Noncitizens, GAO-23-106147, (Washington D.C.: Apr 19, 2023).

Unemployment Insurance: Data Indicate Substantial Levels of Fraud during the Pandemic; DOL Should Implement an Antifraud Strategy, GAO-23-105523 (Washington, D.C.: Dec. 22, 2022).

¹⁹ GAO-20-360.

²⁰ Reservists are on-call FEMA employees that work intermittently as required during a disaster or emergency incident.

²¹ GAO, *FEMA Workforce: Long-Standing and New Challenges Could Affect Mission Success*, GAO-22-105631 (Washington, D.C.: Jan. 20, 2022).

²² GAO-20-360

²³ GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's Individuals and Households Program*, GAO-20-503 (Washington, D.C.: Sep. 30, 2020).

Disaster Recovery: Actions Needed to Improve the Federal Approach, GAO-23-104956 (Washington, D.C. Nov 15, 2022)

FEMA Workforce: Additional Actions Needed to Help Prevent and Respond to Discrimination and Harassment, GAO-23-105243 (Washington, D.C., Oct 20, 2022)

COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments, GAO-22-105397 (Washington, D.C.: Apr. 27, 2022).

FEMA Workforce: Long-Standing and New Challenges Could Affect Mission Success, GAO-22-105631 (Washington, D.C.: Jan. 20, 2022).

COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response, GAO-22-105051 (Washington, D.C. October 27, 2021).

COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response, GAO-21-191 (Washington, D.C.: November 30, 2020).

Disaster Assistance: Additional Actions Needed to Strengthen FEMA's Individuals and Households Program, GAO-20-503 (Washington, D.C., Sep. 30, 2020).

FEMA Disaster Workforce: Actions Needed to Address Deployment and Staff Development Challenges, GAO-20-360, (Washington D.C.; May 4, 2020).

Mr. PERRY. Thank you, Mr. Currie, for your testimony. We will now turn to questions, and the Chair will recognize himself for 5 minutes of questions.

We already kind of have briefly discussed the ever-expanding role of FEMA to include what I refer to as non-Stafford Act disasters.

And as I highlighted in my opening statement, they seem to be increasing every single year.

Now, Administrator Criswell, I think that you are dedicated to your mission. I think your staff, your employees are as well, and I think that in many cases, you've got this huge responsibility that's almost untamable under your purview, and the people, like I said, are good people that are trying to get the job done. You don't have the resources. And quite honestly, I don't think Congress has helped you very much by throwing more at you, but you've taken the job, so, you're going to have to take the tough questions.

One of the disasters we're talking about is the Nation's southwest border. The Biden administration and the DHS Secretary claim there's not a crisis, but, obviously, it's at least invoked some kind of disaster response, right? I mean, that's what we're talking about here.

Can you tell us how much money FEMA has spent to address the illegal foreign national crisis on the border?

Ms. CRISWELL. Chairman Perry, thank you for the question. FEMA's role in supporting the border operations has been limited to the grant programs that Congress has directed us to administer.

As I stated in my opening statement, it started with the EFSP Humanitarian Program and now has moved into the Shelter and Services Program. That is the money that we have committed, is what has been appropriated for us by Congress.

Mr. PERRY. So, how much is that?

Ms. CRISWELL. I can get you the numbers, and I'll have the staff get you the exact year over year. I know that's available on public record. I just don't have it right now.

Mr. PERRY. I mean, I'm seeing the Emergency Food and Shelter Humanitarian is \$900 million; Shelter and Services Program is

\$425 million; the Emergency Food and Shelter itself I think is \$775 million or something like that.

The money that has been spent here, particularly by the charities that make up the board of the Emergency Food and Shelter Program, would you say it encourages—I mean, maybe not by design, but some people believe it is by design—do you think it encourages illegal crossings at the border by foreign nationals?

Ms. CRISWELL. Well, what I can tell you, Chairman Perry, is that we are facing a broken immigration system, and—

Mr. PERRY [interposing]. I understand that.

Ms. CRISWELL [continuing]. This program that Congress has directed us to administer is providing relief to those border agencies, border communities, nonprofit organizations, small communities to help them with the cost that they are incurring.

Mr. PERRY. I understand that, but what I am saying is if you are on the other side of the border, and you know that when you come to this side of the border, you are going to receive, at a minimum, shelter, food, transportation, acute medical care, personal hygiene supplies, and everything necessary to manage that, does that encourage people to stay on the other side of the border where they have none of that, or does that encourage them to come to this side of the border where they get all that?

Ms. CRISWELL. Chairman Perry, I am not an immigration expert on what the causes of people coming across the border are, but we will continue to support Congress' direction to help support those communities that are experiencing costs.

Mr. PERRY. All right. Well, I am going to tell you that it does encourage them to come. And, like I said, you are forced to, I guess, manage this program, so to speak.

If FEMA was its own agency, outside of the Department of Homeland Security, do you think that it would still repeatedly be called on to respond to the disaster at the southwest border?

Ms. CRISWELL. The role of emergency managers continues to get more well understood. And I would say the role of FEMA and our technical ability to provide coordination and collaboration, we provide that level of support to many different Federal agencies, not just the Department.

Mr. PERRY. No, I get it, but do you have a direct line to the President in times of disaster?

Mr. PERRY. Correct.

Ms. CRISWELL. Right? You have direct, otherwise, you generally work through the Secretary. Have you had a conversation with the President regarding your work on the southwest border and the funds that are being expended there?

Ms. CRISWELL. My conversations with the President have focused around the responses that we have been doing for natural disasters.

Mr. PERRY. Does it include the border?

Ms. CRISWELL. Just natural disasters.

Mr. PERRY. Did you say just natural disasters?

Ms. CRISWELL. Those are the things that I work with the President on—

Mr. PERRY [interrupting]. OK. So, you haven't had a conversation with the President regarding your role as the Administrator of FEMA and the money being spent at the southwest border?

Ms. CRISWELL. I work through the Department of Homeland Security and the Secretary.

Mr. PERRY. But you have or have not had a conversation with the President? It should be easy.

Ms. CRISWELL. No, I have not had a conversation with the President regarding the border. We are just administering the grant dollars that have been directed by Congress.

Mr. PERRY. All right. Thank you. My time has expired.

The Chair now recognizes the gentleman, Mr. Larsen, for his questions.

Mr. LARSEN OF WASHINGTON. Thank you, Mr. Chair.

So, a report for the FY 2022 House Homeland Security appropriations bill directed the OIG to review FEMA's Individual Assistance Program and identify whether recommendations from oversight entities, including OIG, may have inadvertently led FEMA to develop policies and procedures that are overly restrictive and prevent disaster survivors from accessing aid.

Ms. Bernard, can you summarize the IG's findings and explain how the IG considers the hardships that disaster survivors are experiencing and the need for quick assistance when issuing recommendations to minimize waste, fraud, and abuse?

Ms. BERNARD. Certainly. Thank you for that question. I'd be happy to.

The work that we've done on Individual Assistance has been primarily focused on FEMA's administration of the Individual Assistance Programs in terms of its management and oversight.

We have not done specific work to look at whether the administration was equitable or streamlined, but what we have found is FEMA should make improvements to be sure that applicants are eligible for the benefits that they're receiving and that costs are allowable.

Mr. LARSEN OF WASHINGTON. Were the findings from your review incorporated into recent reports, including the 2023 report on FEMA's COVID-19 Funeral Assistance Program delivery?

Ms. BERNARD. I'm sorry, can you repeat the question?

Mr. LARSEN OF WASHINGTON. Were the findings from the review incorporated into recent IG reports, including the 2023, then 2022, report on FEMA's COVID-19 Funeral Assistance Program delivery?

Ms. BERNARD. Yes, we did release, I believe you're asking if we released a report on FEMA's oversight of the Funeral Assistance programming. Yes, we did issue findings.

Mr. LARSEN OF WASHINGTON. And were the findings from the 2022 review that the Homeland Security appropriations bill asked for, were the results from those findings incorporated into your report?

Ms. BERNARD. I would have to check to make sure.

Mr. LARSEN OF WASHINGTON. Great, thanks. I will say, reading your testimony just made me think that we have a pre-COVID-19 set of policies and procedures that we're applying to a global pandemic response and perhaps they don't fit.

But those are the rules and procedures that you have to apply when in fact, maybe they weren't the best things to apply to a situation where we're all scrambling to a randomness that came with COVID-19.

Not that you didn't find legitimate fraud, waste, and abuse, but some of your testimony, though, talks about things that maybe in your judgment weren't allowable, but it's not really firm that it wasn't allowable.

It's just that you or the OIG made a judgment about things as opposed to put it up against a hard metric.

Ms. BERNARD. I will say in conducting our audit work, using the Funeral Assistance Program as an example, we do use our criteria—the criteria is the Stafford Act and whether the expenses are necessary or allowable.

So, we do have a very specific set of criteria that we're testing against, so, I don't believe the findings are open for interpretation, but FEMA does certainly have the latitude to issue waivers or to interpret its policies.

I believe our findings—the key message was that FEMA was interpreting the Stafford Act requirements differently for COVID-19 deaths than it had for deaths from other disasters.

So, we just asked FEMA to be consistent in its application of the Stafford Act.

Mr. LARSEN OF WASHINGTON. I try not to be too flippant around here, but to the family that spent \$727 in flowers for their loved one's funeral, I'm glad they spent it on that.

Administrator Criswell, in 2023, NOAA reported the damages, and I covered this, the damages from disasters totaled \$92.9 billion and 28 separate climate disasters. Can you give us some guidance on pre- and post-disaster mitigation resources and how you would better use them in order to deal with this increasing frequency of extreme weather events and climate change-based disasters?

Ms. CRISWELL. Yes, Ranking Member Larsen.

We are seeing an increase in the number and the severity of the severe weather events that we are responding to, which are creating more complex and complicated and costly recoveries.

Our focus this year has really been to lift up the part of our Agency that does the work before disasters, the "before" part of our mission statement, investing in our mitigation programs like the Building Resilient Infrastructure and Communities, as well as our Flood Mitigation Assistance, and our post-disaster mitigation through the Hazard Mitigation Grant Program.

These are three programs that can really help communities build to a level of resilience that they can reduce the impact that they can expect to see in the next 5 or 10 years, even 20 years, from these severe weather events that are happening.

But we also focus on individual resilience and helping communities become better prepared, so individuals know the steps that they need to take to protect themselves and their families in the event that they are in the path of one of these storms.

Mr. LARSEN OF WASHINGTON. Thanks.

I yield back.

Mr. PERRY. The Chair thanks the gentleman.

The Chair now recognizes Chairman Graves from Louisiana.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. Chairman.

Administrator, thank you very much for being here, and I want to echo the comments of the chairman. A job where all you do is deal with disasters is certainly a challenging one, and I question you and other people's judgment of taking that job, but thanks for your service anyway.

I first want to see if I can dispense with two quick questions. Number one, you and I have had numerous conversations on Risk Rating 2.0. I wanted to ask if you would commit to give this committee access to the methodology for Risk Rating 2.0, as well as how levees and other protection systems are treated in determining rates?

Ms. CRISWELL. Representative Graves, we will be happy to continue to provide briefings on the methodology that we are using for Risk Rating 2.0. I know that we have provided several briefings so far, but I am committed to continuing that process.

Mr. GRAVES OF LOUISIANA. So, briefings but not the actual methodology? FEMA is going to continue to not provide us access to that information?

Ms. CRISWELL. I believe that we have shared all of the methodology and the techniques in how we are implementing Risk Rating 2.0, but I am committed to—

Mr. GRAVES OF LOUISIANA [interrupting]. In addition to how protection systems are treated, things like levees are treated, in calculating the methodology?

Ms. CRISWELL. Can you repeat that, sir?

Mr. GRAVES OF LOUISIANA. Including how levees are treated in regard to how they provide protection or lower rates?

Ms. CRISWELL. They are definitely a factor in the risk rating calculation to determine what the premium is. Again, we'll be happy to continue to have these conversations on how the different factors are incorporated into an individual's premium.

Mr. GRAVES OF LOUISIANA. I would very much appreciate that. Second one, look, the purpose of this hearing is to discuss, I guess, FEMA's sort of expanded role in getting involved in areas like dealing with illegal immigrants coming into the country and the shelter and housing programs.

At home, we represent 750,000 Americans, and as you know, we have dealt with devastating consequences of hurricanes, and I want to thank you for coming down and touring the community with us after Hurricane Ida.

We still have parishes that still have PWs outstanding for schools. We have parishes that have PWs outstanding for other public needs or I should say school boards, for the schools, particularly in Lafourche and Terrebonne Parishes. We have Ochsner Hospital System that I think still has like a couple hundred million dollars in outstanding reimbursements under their PWs. They even went back and worked with RAND Corporation to use their methodology for duplication of benefits, resubmitted, still don't have anything.

We have Thibodaux Regional Hospital, which was the only hospital system that was fully operating in that region during the disaster, that still has at least \$10 million in outstanding PWs in category D and E, as I recall.

Can I get a commitment that you will please prioritize the work on actually American citizens and outstanding debts there? This has a profound impact on their ability to provide services, whether it's teaching our kids if they're operating in substandard facilities or broken or shared facilities, as well as our hospital systems.

Ms. CRISWELL. Congressman Graves, that is our priority. The priority of our Agency is to assist these communities that have been impacted by the severe weather events as a result of climate change.

Mr. GRAVES OF LOUISIANA. Administrator, that—

Ms. CRISWELL [interrupting]. So, we will continue to prioritize that work.

Mr. GRAVES OF LOUISIANA. Administrator, I would rather if you didn't say "continue to" because I feel like it hasn't been dealt with the urgency that it needs to be dealt with. And, just going back to the comments that the chairman made, as I recall, the Agency's been operating with about 65 percent of its staffing needs, and so, if you're being pulled into directions that do not prioritize Americans, then that clearly deprioritizes or it jeopardizes how our own citizens are being treated, and so, it does raise very significant concerns.

Look, I am going to say it over and over again. I think as an agency of the United States Government, we need to prioritize United States citizens and their needs. If our hospital systems are waiting years for reimbursement, if our school systems are waiting years for reimbursement, I don't think I can go back to people at home and say, yes, they're properly triaging the needs of our own citizens.

I can't do that, and so, I would just rather if you didn't say you will "continue to." I just want to ask you to please redouble efforts to address the needs of our own citizens.

Ms. CRISWELL. I will go back with my team and see if there's anything we can do to expedite some of the projects that you have mentioned, but that is our priority.

Mr. GRAVES OF LOUISIANA. Thank you. Director Currie, I am out of time, but I do want to follow up with you on better synchronizing HUD and FEMA and other resources from disasters, and I will do that on the record. Thank you.

Mr. PERRY. The Chair thanks the gentleman from Louisiana and recognizes the other gentleman from Louisiana, Mr. Carter.

Mr. CARTER OF LOUISIANA. Thank you, Mr. Chairman. And thank you to all of our witnesses who are joining us today.

The ability for FEMA to adequately respond to all types of disasters is a major concern in my home district in southeast Louisiana.

The threats to my district and our Nation are increasing each year as impacts from the climate crisis worsen, making storms more deadly and weather more unpredictable.

Louisiana has witnessed major hurricanes, record heat waves, droughts, wildfires, and Mississippi River level so low that it threatened the drinking water in New Orleans and the metropolitan area that I proudly represent.

Another looming disaster for Louisiana is Risk Rating 2.0 and the rising cost of insurance, particularly flood insurance.

Administrator Criswell, increased rates from the National Flood Insurance Program's Risk Rating 2.0 are exacerbating housing affordability issues in my district and may cause homeowners to opt out of the program altogether.

In the past, Secretary Mayorkas has admitted that Risk Rating 2.0 is, in fact, flawed and needs some tweaking. What steps have been taken, if any, to fix these flaws and provide affordable flood insurance for all Americans?

Ms. CRISWELL. Congressman Carter, I appreciate our continued conversation regarding the policyholders in Louisiana regarding Risk Rating 2.0.

I think the most important fact that I will continue to talk about is that Risk Rating 2.0 now bases your flood insurance premium on your actual risk. And so, while this does mean an increase for some homeowners, it also means a decrease.

In fact, 20 percent of our policyholders have seen a decrease.

However, as you and I have discussed, there is a certain group of individuals that are caught in this "I don't have an expensive home, but I live in this high-risk area and cannot afford the flood insurance."

And we are committed to continuing to work with Congress on the affordability proposal that we have put forth as part of the NFIP reauthorization.

We believe this is the best way for people to truly understand their risk, but also have the ability to purchase the insurance to protect their families.

Mr. CARTER OF LOUISIANA. Twenty-percent decrease—

Ms. CRISWELL [interposing]. Across the Nation.

Mr. CARTER OF LOUISIANA [continuing]. Eighty-percent increase. I don't like those odds. I'm only talking about Louisiana, and I appreciate your mentioning a broader swath. But for me and Congressman Graves and the Louisiana delegation, other Members that represent areas throughout this country that are impacted, those aren't good odds for us.

And so, I appreciate that. We are going to keep hammering home the danger and the catastrophe that it's causing the people of Louisiana.

FEMA released a mitigation discount visualization tool for Risk Rating 2.0, but it does not show in actual dollars how this affects your premium. Can FEMA create a more comprehensive public-facing premium calculator so policyholders can see their rating factors and how rating factors affect their annual premiums?

Ms. CRISWELL. Congressman Carter, I'll certainly take that back to my team and have a conversation with them. I do believe that one of the benefits of Risk Rating 2.0 now is that a policyholder can sit with their insurance agent and put in different scenarios to determine what the impact will be on their insurance premium.

But I'll certainly take that back and see what we can continue to do to increase that awareness for individuals to know what will impact their premiums.

Mr. CARTER OF LOUISIANA. And I am going to come and further question as Congressman Graves just did relative to the algorithm, the methodology.

I think everyone deserves to be able to evaluate and explore how you arrive at these numbers. And I get it. You've tried to work with us, and I appreciate that.

I know you've got a very difficult job, but we do, too. And so, it's very difficult for us to stand before audiences and constituents and not be able to explain what methodology is being used to arrive at these numbers, many of which make no sense to us.

So, and I know that it's been asked multiple times, and I know it may be—obviously, it's difficult to get to us, but I'd ask you to redouble your efforts on finding a way that we can better explain to our constituencies how you arrive at these numbers.

And I've got just a few seconds. So, I want to, after a storm, getting people back into their homes is one of your Agency's most important priorities. Sometimes, but not always.

FEMA can make repairs to somebody's house to get them back in quickly. However, this was often limited to prohibitions of making permanent repairs. How is this addressed in your new Individual Assistance Program through its regulations?

Ms. CRISWELL. So, through the new interim final rule, we do have some expanded ability to do some repairs to homes. But the Disaster Survivors Fairness Act, which Congress is moving forward on a bipartisan level, will actually give us greater capability to do direct repairs to homes, as well as provide grants to States to help us along the way.

I think the combination of both the Disaster Survivors Fairness Act, as well as our interim final rule, are going to really help individuals jump start their road to recovery in a more commonsense approach, for us to be able to use our funding more efficiently and more effectively.

Mr. CARTER OF LOUISIANA. And so, the prohibition where a person can fix their home and make it even better, but they've been prohibited from doing so because it's deemed a permanent fix. Is that something that's addressed in these regulation changes?

Ms. CRISWELL. We have expanded slightly the ability to do some of those repairs within the regulation. It will be addressed more fully if the Disaster Survivors Fairness Act passes.

Mr. CARTER OF LOUISIANA. Thank you. I yield back.

Mr. PERRY. The Chair thanks the gentleman.

The Chair now recognizes the gentleman from Wisconsin, Representative Van Orden.

Mr. VAN ORDEN. Thank you, Mr. Chairman.

Ms. Criswell, you mentioned in your testimony that you had several of your FEMA folks working on the southern border, helping with the illegal immigrants. And you've said that at one point you had 250; is that right?

Ms. CRISWELL. Yes, sir. At our peak, we did not have more than 250 people engaged.

Mr. VAN ORDEN. OK. You didn't have more than 250. OK. Great. So, what's the pay grade of those 250 people?

Ms. CRISWELL. I would have to have my staff get back to you.

Mr. VAN ORDEN. Let's have a look at that please. So, let's just say they are 13's, you've got 250, that's \$33.5 million. Did you calculate that into your cost of what you expended for the—I don't even know what program that would be.

Is that out of the \$715 million provided for humanitarian assistance? Did you count the salaries of these people?

Ms. CRISWELL. The majority of the people that we have sent to support the southern border have been reimbursed to us through the Economy Act by the Department.

Mr. VAN ORDEN. OK. So, they are being paid by taxpayers' dollars?

Ms. CRISWELL. Correct.

Mr. VAN ORDEN. OK. How many of these people were working on the southern border, immediately following the fires in Maui?

Ms. CRISWELL. Immediately following what? Sorry, I didn't hear you.

Mr. VAN ORDEN. The wildfires in Maui, the most devastating wildfire in the history of the United States and the most horrendous tragedy that has ever happened to the State of Hawaii?

Ms. CRISWELL. I would have to get back to you as to exactly how many were there at that particular time, but I can tell you that currently today we have less than 50 people out of our workforce of nearly 24,000—

Mr. VAN ORDEN [interrupting]. I got you. My point is this: if there is one single member of FEMA working on the border processing illegal aliens coming into the country when our Hawaiian brothers and sisters are without homes, that's one too many, and I think that you have lost your way. Are you familiar with the term "mission creep"?

Ms. CRISWELL. I am.

Mr. VAN ORDEN. OK. Although, as you know, FEMA is not an immigration or law enforcement agency; however, FEMA has recognized expertise in executing grant programs. So, you are good at giving away taxpayers' dollars?

Ms. CRISWELL. The expertise that we have, sir, is to bring collaboration and—

Mr. VAN ORDEN [interrupting]. Ma'am, this is your testimony. You are recognized experts in executing grant programs. OK? So, you are good at giving away other people's money. And I believe that if I read this stuff and I see how your Agency's been working in particular at the southern border, you are confusing emotion with progress.

Ms. Bernard, I am looking at this stuff, and I see there are billions and billions of dollars that were fraudulently expended, right? And you say repeatedly, FEMA has interpreted these things. FEMA made these decisions. FEMA decided to do these additional duties.

FEMA is not a person. FEMA is an agency. Do you have the names of the individual people that made these, I think, very poor decisions to expend billions of taxpayers' dollars fraudulently?

Do you have anybody's names attached to these expenditures?

Ms. BERNARD. So, if I'm understanding your question, you're asking if we have the names of the fraudsters?

We do have a very robust COVID Fraud Unit that's conducting over 500 investigations.

Mr. VAN ORDEN. Yes. I see that. I mean, the names of the people at FEMA that made these incredibly poor decisions. Because FEMA is—that's an agency, it's not a person.

An agency is made up of people that make bad decisions. Do you have their names?

Ms. BERNARD. We do not have their names. No. But we have, generally, across the board, made several recommendations for FEMA to improve its ability to get money into the right hands and keep money from the wrong hands.

Mr. VAN ORDEN. OK. So, you make recommendations to an agency, not individual people, so, the individual person is not—they don't even know if they made a good decision or bad? Is that right?

Ms. BERNARD. That's correct in this context, yes.

Mr. VAN ORDEN. OK. Has anyone been fired for the misuse of billions of taxpayers' dollars, to your awareness?

Ms. BERNARD. I wouldn't want to speak to the outcome of investigations because we do have so many investigations underway.

Mr. VAN ORDEN. You can say no. To the best of your knowledge, has anyone been fired for misusing billions of taxpayers' dollars?

Ms. BERNARD. I wouldn't want to speculate. No.

Mr. VAN ORDEN. I'm going to take that as a no. Has anyone been disciplined?

Ms. BERNARD. Again, I would point to our investigative work.

Mr. VAN ORDEN. Has anyone been retrained? OK. Hold on a sec.

Ms. Criswell, has anyone been fired, disciplined, or retrained for the misuse of billions of taxpayers' dollars, from your Agency?

Ms. CRISWELL. Congressman, as it relates to the findings in the OIG reports and those, especially, that we have disagreed with, no.

Mr. VAN ORDEN. OK. All right. Then how do we learn? We keep doing the same thing.

You people are spending billions and billions of American taxpayers' dollars fraudulently. And if I don't know who did it, we can't hold them accountable, and we are going to keep doing the same thing over and over again.

This is why people hate Washington, DC. You people are giving billions of dollars that you throw willy-nilly around because you can, Mr. Currie, and you keep doing it over and over again. And we don't learn. That's why people hate bureaucracies.

Ms. Bernard, you need to be empowered. You need to be empowered to recognize individuals, not an agency. And you need to be empowered to recommend them being fired and held financially accountable and put into prison for fraud.

Ms. Criswell, you are the leader. You are the captain of this ship. And if you are not cleaning house right now, you are not doing your job, ma'am. Because you've been put—you are responsible for billions of taxpayers' dollars and thousands of people's jobs and tens of thousands of Americans' well-being and tragedy, and if you have leakers on your team, it is not going to work out.

Sorry for—

Mr. PERRY [interrupting]. The Chair thanks the gentleman.

Mr. VAN ORDEN. I yield back.

Mr. PERRY. The Chair thanks the gentleman.

Administrator Criswell, you mentioned the Economy Act that was used to reimburse. Is there an interagency agreement that we can see regarding the use of those funds? Is there documentation regarding that that the committee can have?

Ms. CRISWELL. For anything that we would be reimbursed for the Economy Act on, there should be paperwork. We'll be happy to follow up with you.

Mr. PERRY. All right. We're going to formally request that at this time.

The Chair now recognizes the gentleman from Arizona, Representative Stanton.

Mr. STANTON. Thank you very much, Mr. Chairman, for allowing me to waive onto the subcommittee to discuss critical issues to my home State of Arizona.

Administrator Criswell, when you were before this subcommittee last September, I raised concerns with the implementation of FEMA's Shelter and Services Program or SSP.

As you know, Congress designed the SSP program to reimburse local governments and nonprofits that provide essential services to migrants after processing by border patrol.

But inexplicably, FEMA hasn't prioritized border communities while allocating this funding. The southern Arizona coalition, a network of local governments and nonprofits, was only eligible to apply for a total of \$12 million under this program, a fraction of the total funds available, while New York received 10 times that.

It makes no sense. Arizona is on the front lines of the border crisis. In just the first 4 months of this fiscal year, border patrol in the Tucson sector apprehended more than 250,000 migrants, the highest number on record, and now Arizona nonprofits are about to run out of their tiny slice of funding.

Last month, I visited Casa Alitas, a nonprofit in Tucson that works with Federal law enforcement to support asylum seekers and prevent street releases. They do incredible work, taking in as many as 1,000 migrants a day and providing casework services that help asylum seekers find sponsors, reducing the flow of people seeking services from interior locations like New York.


But without additional Federal funding, they will be forced to close their doors. A Pima County executive described what they are about to experience as, "homeless on steroids."

I have been calling on House leadership for months to pass additional funds for this program.

Mr. Chairman, I ask for unanimous consent to add a letter from the Arizona Border Counties Coalition requesting additional SSP funding to the record.

Mr. PERRY. Without objection.

[The information follows:]



Letter to Members of Arizona's Congressional Delegation from the Arizona Border Counties Coalition and Attached Pima County, AZ, Southwest Border Executive Situational Report, Submitted for the Record by Hon. Greg Stanton



Senator KYRSTEN SINEMA
 Senator MARK KELLY
 Representative RUBEN GALLEGRO
 Representative RAÚL GRIJALVA
 Representative GREG STANTON
 Representative JUAN CISCOMANI

HONORABLE MEMBERS OF ARIZONA'S CONGRESSIONAL DELEGATION:

Since early 2021, our border Counties have seen steady increases in the number of migrants crossing the border with Mexico seeking asylum in the United States. The past six months alone the numbers have been unprecedented, 271,000 border encounters in our four counties. Customs and Border Protection (CBP) reported more than 87,000 encounters in December 2023 alone.

Under current provisions, CBP releases Legally Processed Asylum Seekers (LPAS) into our communities within 24 hours of their completion of the asylum screening process. Before 2019, the number of LPAS releases into our communities were minimal, perhaps a few dozen a week.

Several charitable organizations, including some critical partners from faith-based organizations, provided shelter and transportation assistance to ensure a humanitarian treatment while the LPAS arranged for transportation to other parts of the country while they wait for the adjudication of their application.

The attached report from Pima County shows how the LPAS releases have increased, month over month to unprecedented levels. To keep up, a coalition of nearly 30 organizations—federal, state, county and local governments, and numerous non-governmental organizations—contracted with dozens of private sector contractors to provide migrants with temporary shelter and travel assistance. Since 2019, more than 400,000 people have been released in the Tucson Sector by the Border Patrol, with more than half of that number occurring in 2023. As of the date of this letter an average of 1,000 LPAS are being released per day in Pima, Cochise, and Santa Cruz counties.

In the Yuma Sector, the state and Phoenix-area charities assisted Somerton and Yuma County mitigate the effects of releases there by transporting the releases to shelters in Maricopa County in addition to assistance by local NGOs.

The efforts of this complex coalition have been entirely paid for with federal funds. To put it simply, since 2019, the federal government, through its immigration enforcement policies, has been creating daily humanitarian catastrophes in our communities. We have mitigated those daily occurrences through a cobbled coalition relying greatly on federal funds, but the situation has been tremendously taxing on our limited resources at the county and local level.

As you know, federal funding will run out on March 31, 2024. We don't have the resources to continue this effort without federal funding.

Without the funding there will not be any shelter from the extreme weather in our region, there will not be any food or other basic humanitarian services.

By now, the nation has recognized that this is not a border problem or an Arizona problem, this is a national crisis that requires and deserves your immediate attention.

We ask that you work with your colleagues in Congress to secure the necessary funding before the end of March so that we can continue to fulfill the tasks that are clearly a federal responsibility. Action is needed now or a thousand people per day will be released into our streets which will stress our assistance resources, tax our first responder agencies, limit our ability to provide services and programs to

legal residents and citizens, harm tourism industries, and degrade quality of life across the state but especially in our four border counties.

Attachment

Respectfully,

THE HONORABLE DR. SYLVIA LEE,
Pima County Representative.

THE HONORABLE ANN ENGLISH,
Cochise County Representative.

THE HONORABLE BRUCE BRACKER,
Santa Cruz County Representative.

THE HONORABLE MARCO A. "TONY" REYES,
Yuma County Representative.

C: Richard Karwaczka, Cochise County Administrator
Jesus Valdez, Santa Cruz County Manager
Ian McGaughey, Yuma County Administrator
Jan Leshner, Pima County Administrator



Southwest Border Executive Situational Report
Prepared: PCOEM & GMI Research and Analysis
Reporting Period: **February 15th to February 21st, 2024**



HIGHLIGHTS:

This reporting period the Tucson Sector Border Patrol (BP) continued Community Safe Releases of Legally Processed Asylum Seekers (LPAS) in Tucson (referred to as Tucson Soft-Sided), Nogales, and Douglas throughout the day. CBP Nogales Port of Entry (POE) also processed and released. BP Tucson Soft-Sided releases were transported by BP directly to Casas Alitas Welcome Center (CAWC) Drexel. BP Nogales Station and CBP Nogales POE were transported to CAWC Drexel by transportation coordinated by Arizona Department of Emergency and Military Affairs (DEMA) and Pima County transportation focused resources to support local needs. Due to the size of the BP Tucson Sector, this is a regional support operation covering three counties.

CAWC received from BP and CBP a daily average of 955 arrivals and 6,686 total arrivals for the week, a 255 LPAS decrease from previous period. There were over 1933 more family members released than single adults. County, CAWC, and City are monitoring the situation daily and will surge support as needed. Federal (FEMA/CBP Shelter and Services Program) funding continues to cover cost of the response. Operations are optimized to reduce the potential of street releases and there were no street releases in Tucson. When federal funding runs out, operations will be drastically reduced. The additional funding of EFSP will support operations and partners are working with GMI (fiscal agent) to determine parameters.

- **BP Safe Community Release:** Term used for BP released LPAS at a public location with access to transportation services (i.e. bus station, transportation hub) during daylight hours and BP communicates the release to stakeholders. For releases in border towns like Nogales and Douglas, Pima County and/or DEMA transport LPAS directly to a CAWC or other humanitarian partner to prevent overwhelming border communities with limited resources.
- **BP Station:** Nine Stations are located within the Tucson Sector and the Tucson and Nogales Stations currently process and release LPAS into the local community. In the past Douglas and Naco have processed and released. The vast majority of LPAS released daily are from BP Stations.
- **CBP Port of Entry (POE):** There are five POE in Arizona and four within Pima, Santa Cruz, and Cochise counties. CBP Nogales POE currently processes and releases approximately 100 LPAS per day. During normal operations there is a transition of the LPAS to the humanitarian network.
- **Legally Processed Asylum Seeker (LPAS):** A reference for those that BP have qualified and gained legal status into the United States. It has been stated that to gain that status, BP interviews, collects biometric and biographic information, and completes a background check before individual is released. During normal operations there is a transition of LPAS to the humanitarian network.
- **Street Release:** Term used when BP initiates a release other than to a humanitarian or other partner and LPAS are released into the local community with

little to no support resources and LPAS will navigate their own way. Can occur when CAWC is at over-capacity with no shelter space available, when transportation support is not available to move LPAS to a humanitarian partner, federal funding no longer support operations, and BP can no longer detain. The release location has been coordinated between BP and the local government. When street release occurs Pima County will work with CAWC, the City of Tucson, Santa Cruz, and Cochise County to prioritize who will enter shelter as shelter space is available.

WEEKLY ARRIVALS RECEIVED BY CAWC AFTER RELEASE BY BP AND CBP:

CCS/CAWC received from BP and CBP a daily average of 919 arrivals and 6,431 total arrivals for the week.

Historical operational volumes

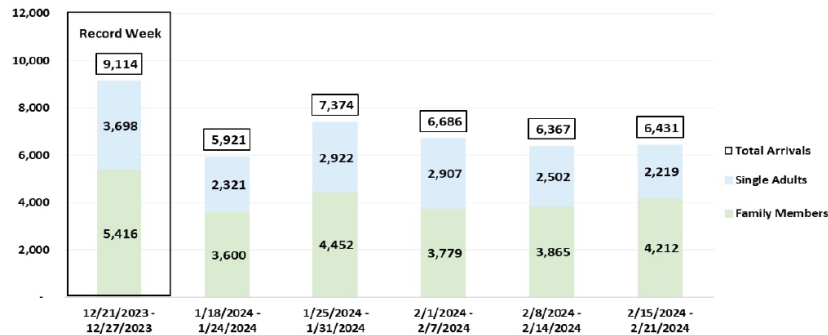
(*The cumulative total of LPAS arrivals in Pima County and LPAS transported to Phoenix with Pima County support)

- Record Day of Releases = 1,642 (12/22/23)
- Record Week of Releases = 9,114 (12/21/23–12/27/23)
- Record Month of Releases = 39,561 (12/23)
- Total Releases to Date = 411,434 (since 1/1/2019)

Weekly Arrivals	Total Arrivals	Single Adults	Family Members	Family Units
Current Week Total	6,431	2,219	4,212	1,486
Daily Average	919	317	602	212

*Family Members: The total number of individuals who arrived as part of a family group.
Family Units: The overall count of separate families that arrived on a given day.*

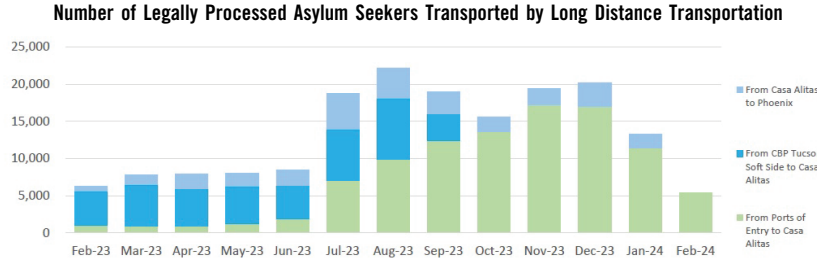
5-week Overview of Legally Processed Asylum Seeker Arrivals Compared to the Record Week of Arrivals



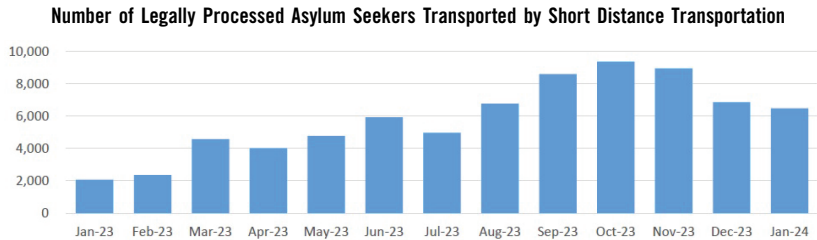
TRANSPORTATION

BP can transport LPAS only as far as the closest safe community location. BP Tucson Soft-Sided transports directly to CAWC. BP Nogales Stations will transport to the Nogales Reception Center and BP Douglas Station to a local church when required. In Nogales and Douglas, BP works with Santa Cruz and Cochise OEM. Santa Cruz OEM reports that from 9/13/23 to 1/31/24 when BP shifted to current release pattern, 56,804 single adults and family members were released in Nogales. Cochise County OEM reports that 5927 LPAS were released in the same time-frame in Douglas and includes a short period in Naco. DEMA after receiving additional state level funds is back to support operations. DEMA and Pima County both have the ability to utilize buses to transport LPAS from Nogales and Douglas to CAWC and from CAWC to other humanitarian partners to decompress CAWC operations. Other transportation options are considered as needed. DEMA also has the ability to transport from Nogales and Douglas directly to Phoenix humanitarian partners and to humanitarian partners in New Mexico during critical need. The flexibility of transportation enables the shelter community to support each other and maximize available space. County utilizes vans and cabs to move LPAS between CAWC shelter network and to airport or bus station. The County has contracts with four long

distance vendors and one short-distance vendor. The City utilizes SunTran for the local operation.



- A total of 230,368 Legally Processed Asylum Seekers have been transported by Long Distance Transportation from May 2021–February 2024.
- Forty-seven (47%) percent of long-distance trips are from BP Stations and Ports of Entry to Casa Alitas.



- A total of 97,007 Legally Processed Asylum Seekers have been transported by Short Distance Transportation from August 2021–January 2024.

CONGREGATE AND NON-CONGREGATE SHELTERS

Congregate Shelters are CAWC Ajo and CAWC Drexel. CAWC Ajo provides support and shelter to LPAS that require specialized assistance and include vulnerable families. CAWC Ajo is uniquely suited with individual rooms and common spaces. CAWC Drexel is a large communal facility where one demographic of LPAS can be served and currently family units are sheltered at Drexel. This facility can transition easily to serve single adults depending on release demographics or operational changes. CAWC Drexel serves as the Intake Center when LPAS are released by BP and CBP. During Intake, LPAS are processed, and it is determined if LPAS can travel immediately or require respite, shelter, and supportive assistance. Non-Congregate locations are the hotels needed to support surge beyond the congregated locations and reduce the chance of a street release. These locations provide “rooms as needed” and are flexible because they can support both family units and single adults. It is at the shelter location where staff provide quality of life support like showers, acquire a change of clothes, diapers, care kits, etc. and work with LPAS family or sponsor on their forward travel arrangements. LPAS stay on average 1–3 days. County manages contracts with two hotel properties (Comfort Inn Suites and Red Roof Inn) and City with four hotel properties (La Palma formally known as Ramada, two Quality Inns, and a Best Western). Comfort Inn Suites contract was revised from whole hotel to a block of rooms needed to provide medical isolation plus additional rooms for CAWC. Humanitarian partners that provide additional Shelter support when available include Phoenix based International Rescue Committee (IRC), Helping With All My Heart, Monte Vista Cultural Church, and Tongan United Methodist. Those shelters are now reporting decreased to no capacity due to lack of federal funding. A shelter in New Mexico and a church in Douglas have also provided critical support when available.

Pima County and NGO partner (CCS) Shelter Summary

Shelter	Total LPAS Served	Total LPAS Sheltered	Total Overnight Rooms Used	Available
Drexel	8,307	2,016	2,016	400
CAWC	645	645	33	39
Red Roof	—	—	—	As Needed
Comfort Suites Airport	808	148	48	40
Additional Non-Congregate Shelter	815	446	207	As Needed
Total	10,575	3,255	2,304	523

- Total LPAS Served: The cumulative total of LPAS who have received services at a shelter, encompassing both daytime and nighttime use.
- Total LPAS Sheltered: The cumulative total of LPAS who stayed one or more nights.
- Total Overnight Rooms Used: The cumulative total of rooms that were used for an overnight stay.
- Available: The number of cots (Drexel) and rooms (CAWC, Comfort Inn Suites Airport) allocated for use.

PUBLIC HEALTH / INFECTIOUS DISEASE PREVENTION

All LPAS undergo medical screening by federal paramedical staff prior to release. LPAS are assessed again when they arrive at CAWC during the Intake process. Trained staff ask all single adults and heads of family a series of medical questions and the staff visually assess all individuals for signs of sickness. If there is a positive response to the screening questions or if there is suspicion based on the assessment, the individual is tested for COVID and undergoes a clinical evaluation. Individuals (and their contacts) testing positive for COVID or suspected of other communicable illness are provided isolation and medical care in a hotel room setting until cleared for travel. Additional medical evaluation and care may be provided as needed by El Rio and coordinated by Southeast Arizona Health Education Center.

From 1/1/23 to the 1/12/24 almost all LPAS underwent medical screening; 66,217 LPAS were identified as at risk for COVID and subsequently tested for COVID. 7316 tested positive and followed the PCHD COVID positive LPAS protocol including isolation until medically cleared for travel. Public Health identified 74 cases of Varicella (Chicken Pox) and <10 cases each of Malaria, Tuberculosis, and Scabies infestation.

In general, LPAS are healthy and have low levels of disease.

Please note: All data is a “snapshot” reported in real time and is subject to change because of new information, data is verified, changes in process requirements, and the availability of resources.

Mr. STANTON. Administrator Criswell, if and when Congress does appropriate additional funding for SSP, does FEMA have a plan to adjust the allocation formula to better prioritize border communities?

Ms. CRISWELL. Congressman, we recognize the incredible amount of value that the SSP program has brought to our border communities. And in the first iteration of that, because of the limitation on time, we did determine to do a direct allocation based on some previous requests.

If appropriated by Congress, our plan is to go forward with a competitive program so we can take in current data and current needs within different communities to help determine the appropriate amount to go to each of the different jurisdictions.

Mr. STANTON. OK, I appreciate you saying that, although I think Arizona has dealt with the disproportionate burden and should be in front of the line, if you will, for the next round of funding when Congress does pass additional SSP support.

I want to switch gears now to the ongoing effort of the city of Maricopa to develop a regional flood control solution to address the flooding of the Lower Santa Cruz River.

In December 2021, the city submitted a Conditional Letter of Map Revision, a CLOMR, for its flood channelization project at the time. FEMA estimated that it would be completed within 12 months.

That was 26 months ago. CLOMR is still pending with FEMA. I am extraordinarily frustrated that the significant delay in advancing this project is causing harm to the community.

So, the city of Maricopa, as every day goes by, the city remains vulnerable to flooding. Last week, the city met FEMA representatives here in Washington and with region 9, and I understand they committed to reducing the response time to 45 days and adding consultations to the city to improve communication.

I further understand that FEMA acknowledged that delays on the Agency's behalf in 2022 contributed to the current situation and indicated the CLOMR should be completed by the end of July this year.

The city values its partnership with FEMA, understands that this is a complicated issue, but it is important to know that an estimated \$1 billion in property tax revenue and \$50 million in flood control solution cannot be realized until this CLOMR is completed.

Administrator Criswell, can you provide me assurance here today that this CLOMR will be completed within this recently agreed to time plan?

Ms. CRISWELL. Congressman, I know that our teams have been working with your staff as well as the city of Maricopa. I am committed to making sure that we can continue this on time, that we can complete it on time.

If we run into any roadblocks with that, I'll be certain to reach out with you so I can have the conversation with you personally.

Mr. STANTON. I appreciate you doing that. Lack of communication has been a significant issue. The delay is a significant issue, and it is a project not just important to the city of Maricopa, but really the entire Maricopa County because flooding in that area would be devastating.

I appreciate your leadership in getting this done. Thank you so much. I yield back.

Mr. PERRY. The Chair thanks the gentleman.

The Chair now welcomes—her first hearing—the gentlelady from Utah, Ms. Maloy.

Ms. MALOY. Thank you, Mr. Chairman.

Ms. Bernard, Mr. Currie, thank you for the work you are doing to increase accountability and transparency. That is really important work.

The taxpayers deserve to know how these funds are being spent, and so, I appreciate what you are doing.

Administrator Criswell, I share the concerns that have already been expressed about mission creep and focus on non-Stafford Act disasters. And in the meantime, I am hearing from constituents in Utah that they have concerns with FEMA that are clearly within FEMA's authority and FEMA's mission.

We have flood plain maps that aren't being updated, and locals who are reaching out to FEMA about updating flood plain maps, and they are having a hard time getting answers. People aren't being responsive.

Is this something you can help us with? Will your staff work with us on making sure we can get responses?

Ms. CRISWELL. Yes, Congresswoman, I am not familiar with the specific flood maps, but I will certainly take that back personally and talk to my team about the status and what we can do to help them.

Ms. MALOY. Thank you. And then I also have concerns that are being shared with me by my constituents about Risk Rating 2.0, including that we have homeowners who aren't in the flood plain, but are adjacent to the flood plain and their insurance rates are going up so that they are dropping their flood insurance.

It seems like that's counterproductive to the mission. So, I just want to echo, Utah is very different from Louisiana, but I want to echo the concerns by my colleagues from Louisiana that we need to understand the methodologies.

We probably need to address the methodologies because if people are dropping their flood insurance, it's not serving the purpose. So, will you work with us on that as well?

Ms. CRISWELL. Absolutely.

Ms. MALOY. OK. Then I have no further questions.

Mr. Chairman, I yield back.

Mr. PERRY. The Chair thanks the gentlelady.

The Chair now recognizes the gentlelady from the Nation's capital, Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman.

Administrator Criswell, I understand that it is GSA's intention to modernize the Federal building at 7th and D Streets Northwest here in the District of Columbia, known as the regional office building, to house FEMA's headquarters.

How did FEMA and GSA determine that the renovation of the regional office building to house FEMA's headquarters is the most effective option?

Ms. CRISWELL. Congresswoman Norton, as you know, our lease is coming up in 2027, and we have been working closely with the Department, as well as GSA, to identify the most suitable building for us to move into.

I believe that the building at 7 and D is going to make the most cost-effective use of Federal funding by using an existing Federal facility. It also provides improved security features to support our staff and our interagency that come together when we activate our National Response Coordination Center.

It's also co-located with one of our DHS partners. And so, we'll continue to work with the Department and GSA as they move forward with this move.

Ms. NORTON. What is the timeline for completion of each phase of the regional office building construction, and when do you expect to request funding for phase 2?

Ms. CRISWELL. I don't have the specifics on the timeline or additional funding. I know we've already been appropriated funding for

this move, but we'll be happy to get back with you with those details.

Ms. NORTON. I would appreciate that.

Administrator Criswell, please provide to the committee in writing within 7 days of today's hearing: the cost-benefit analysis conducted of FEMA continuing operations in its existing headquarters location under its current lease, through purchase of the leased building, and for the renovation of the regional office building, if you will.

Ms. CRISWELL. Yes, ma'am. We'll be happy to provide that for the record.

Ms. NORTON. Thank you.

Mr. Currie, climate change has fueled an alarming rise in natural disasters with once in a century storms becoming a matter of course.

It is critical to invest in our emergency management workforce to respond to these continuing emergencies and to help rebuild affected communities.

Yet, the Government Accountability Office found that in recent years, FEMA is significantly understaffed, falling 6,200 employees short of staffing goals in 2022.

Director Currie, what are your recommendations for improving the hiring and retention of FEMA staff?

Mr. CURRIE. Thank you, ma'am. This has been a historical problem. For over a decade, we've been looking at this, and it's been the case over and over again.

Ms. NORTON. Why is that a problem?

Mr. CURRIE. Attrition. It's tough at FEMA because a lot of these are part-time positions, a lot of these are intermittent positions, so, you can only recruit certain types of people that are willing to fill those.

Also, FEMA has told us that there's definitely been a burnout factor in recent years because of COVID-19 and the nonstop disaster season.

It used to be that someone would deploy for a number of months, take a break, and maybe deploy months later. With back-to-back-to-back disasters, a lot of times they're asked to deploy sequentially, especially people that have specialized skills, and they don't have a lot of them.

I think a number of things need to happen. One, some steps have been taken through the CREW Act to give FEMA reservists and employees similar protections to, like, the military reserve would have, where their jobs are secure.

I think those things need to go further. I think there needs to be almost like the National Guard, the military reserve, there needs to be a training component of that when they're not deployed to disasters, a development component of that, a hierarchy structure, a transition structure into full-time positions. So, there's more of a pipeline starting early all the way through to the end of a career, to where you're not just able to recruit people, frankly, that don't have full-time jobs or have other part-time jobs.

Ms. NORTON. Administrator Criswell, in the past year, this year, since the release of the GAO report, what steps has FEMA taken to improve staff hiring and retention?

Ms. CRISWELL. Ma'am, I really appreciate that question because I just had the opportunity to visit our Center for Domestic Preparedness yesterday. And what I saw there was I had the opportunity to swear in 78 of our new reservists.

They come in every 2 weeks to go through training. And I asked them, how many of them have benefited from some of the new programs that we have put in place to include the CREW Act, which we really appreciate Congress' passing of that legislation, as well as some of the incentives for bonuses.

And more than half of the individuals in that room have benefited from those programs. Every 2 weeks, we're continuing to see this, and so, those types of legislation and new program changes that we have made will increase the most important part of our workforce, which is our reservist workforce.

They are the ones that go out to each of these disasters to support them. We'll continue to look for additional ways that we can enhance that level of recruitment, as well as retention.

Ms. NORTON. Thank you. I yield back.

Mr. PERRY. The Chair thanks the gentlelady.

The Chair now recognizes the gentleman from Mississippi, Mr. Ezell.

Mr. EZELL. Thank you, Mr. Chairman, and thank you to all three of you for being here today.

You have a monumental task, and I have been a recipient of your assistance. But like everything else, there's always room for improvement.

Ms. Criswell, it's good to see you again. I appreciate you being here. As you know, South Mississippi is uniquely threatened by major natural disasters, and your Agency is responsible for completing many of the recovery projects.

One of the projects that I have focused on since my first day in office is addressing the flood insurance crisis.

My constituents on the Mississippi gulf coast are being hammered by the unaffordable flood insurance premiums under Risk Rating 2.0. On top of this, many families in my district are inaccurately included in a high-risk flood zone due to the outdated flood maps.

Combining the high risk and flood insurance prices with outdated maps, people in my communities are being forced to move. My hometown of Pascagoula has been completely changed because of this.

It's frustrating to watch, and it's beyond time that we get this fixed. I'm glad that the Mississippi State Legislature fully funded a project to update the flood maps in partnership with the Southern Mississippi Planning and Development District.

This project has partnered with experts in the field to create more reliable flood maps. I understand the group has submitted to FEMA their findings and the data required to revise the flood map for the Mississippi coast.

As you can see, this is a very important issue to me and my constituents. You and I both know that the success of these projects relies on good communications between FEMA, the review team, and the local stakeholders.

Will you commit to making sure that all the groups working on this project are communicating properly?

Ms. CRISWELL. Congressman, I will personally go back and check in on the flood maps that you just mentioned to ensure that they are being included appropriately into the risk rating calculations for premiums. And I would be happy to continue working with you and other Members of Congress as we work on an affordability framework so everybody that needs flood insurance can afford flood insurance.

Mr. EZELL. Thank you very much.

My district is still dealing with projects dating back to Hurricane Katrina. And so, I am glad we are talking about why FEMA must effectively use its resources.

This becomes more challenging when FEMA employees are forced to work on nondisaster emergencies such as the border crisis.

What is FEMA doing to ensure the Agency's mission is not causing further project delays, especially as the Agency works to address staffing issues?

Ms. CRISWELL. FEMA has been continuously called on for the last several decades in supporting some of the non-Stafford Act events. Back as far as 2014 and again in 2019, and we are still being called on to support some of the non-Stafford events because of our ability to provide technical assistance and technical expertise in establishing a coordination and a collaboration function.

That is the expertise and the skillset that our emergency managers across the Nation bring to the table. That's what FEMA brings to our Federal partners to help them with some of these challenging issues that we are facing today.

Mr. EZELL. Thank you. Several cities have also complained to me about the long wait times between their request for reimbursement and the time they finally receive the Federal relief money under the FEMA PA Program.

These loans can often be outstanding for years, collecting interest the entire time. In a high interest rate environment, this is very costly to the taxpayer. If this reimbursement money gets out faster, I believe it would help FEMA and the community save money by ultimately reducing the cost of these loans.

Do you think improving and clarifying the interest reimbursement process would help FEMA and communities better utilize resources?

Ms. CRISWELL. We do continue to hear frustration with the length of time for reimbursement. And one of the changes that we recently made last year was simplifying procedures by increasing the dollar amount for the small project threshold to \$1 million.

That is up significantly from, it was just under \$200,000 before, which is the majority of the projects that people are waiting for reimbursement on. Through these new procedures, we feel that we are going to be able to get the reimbursements out into the hands of these communities faster.

Mr. EZELL. Thank you.

Ms. Bernard and Mr. Currie, can you speak about this a little bit?

Mr. CURRIE. I can take that, sir.

In our work over the years, we've been to every State and Territory in the country, and a consistent theme is complexity of FEMA grant programs.

You mentioned it. I know you probably still have open projects in the Mississippi gulf coast and Gulfport and Long Beach. And it's a consistent theme, and I think while there have been some steps taken to reduce some complexity in some of the steps, I think an overhaul of the system needs to happen in order to sort of relook at how we apply Public Assistance projects.

I mean, the way it is now is that you do a damage assessment, and then for years and years later, you're basically going back and forth, back and forth between the Federal Government and the State and the locality for small changes.

That's going to have to change. The structure of that is going to have to change if this is ever going to get more efficient. And so, I think that's what needs to be focused on.

Mr. EZELL. Thank you very much.

Thank you all again for your help and support. We really want to work together to get this done because, ultimately, our people are suffering. And so, thank you for what you have done and what you are going to do.

And Mr. Chairman, I yield back.

Mr. PERRY. The Chair thanks the gentleman.

We are going to have another round of questioning with the Members that are present or still may be present.

I am going to start. This Chair is going to start with himself.

Administrator, the Emergency Food and Shelter Program, as I understand it, is essentially the money that is allocated is then distributed or decided to be distributed by the National Board; is that correct?

Ms. CRISWELL. The legacy program, EFSP Humanitarian Program, yes. It was an existing program that we had that we adapted to meet the original or the initial direction by Congress to administer funding. The SSP Program that it has now evolved into will not be.

Mr. PERRY. That's a grant program, but I want to focus on the Emergency Food and Shelter Program, which does have a board. How many FEMA individuals oversee their work?

Ms. CRISWELL. I would have to get back to you on the number. I know that we have a member of FEMA that sits on the board. Again, this was an existing program that does need—

Mr. PERRY [interrupting]. I am not blaming you for it, ma'am. I am just trying to get clarification. Just to get clear here, but—

Ms. CRISWELL [interrupting]. Yes, I don't know how many, but I'd be happy—

Mr. PERRY [interrupting]. And our understanding, just to let you know, it's one person, and you say that one person does sit on the board. This is an enormous amount of money.

Since the members of the board also have affiliate organizations in the States and in the various communities within those States, does it seem to you to be a good idea to have this board then decide where the money is going and who is getting it, knowing that, in many cases, they are picking their own affiliate organizations in the members' States, cities, and political subdivisions.

Does that seem to be—does that at all seem incestuous to you from a relationship of spending money, and the fact that the organizations, the members of that board, exclusively decide where that money is being spent?

Ms. CRISWELL. The legacy or the initial Emergency Food and Shelter Program that we have is one that, again, we adapted to meet the needs of the direction back in 2019. It was an ill-suited program to meet the needs and the scale of the support that we were providing under the humanitarian side of that program.

That's why we were grateful for Congress to direct the SSP program as the board no longer has a role in making these decisions.

Mr. PERRY. I understand, but this program still exists—

Ms. CRISWELL [interrupting]. It does not exist.

Mr. PERRY. It does not exist?

Ms. CRISWELL. It has been sun-setted and is now being replaced by the SSP program. We are still closing out—

Mr. PERRY [interrupting]. How much money is left in the program?

Ms. CRISWELL. I would have to get back with the specifics.

Mr. PERRY. All right. I would like to know how much money is left in that program, and when is the timeline for that to expire?

Ms. CRISWELL. We will not be doing any new obligations under that program. Everything will fall under the SSP program.

Mr. PERRY. And when is that going to happen? I understand—

Ms. CRISWELL [interrupting]. The SSP program started last fiscal year, and, if appropriated, it will continue into this fiscal year.

Mr. PERRY. OK.

The inspector general reviewed 18 audits that they conducted related to FEMA's involvement in nonnatural disasters. These 18 audits took place over the past 4 years, and Ms. Bernard, I have \$3.8 billion in fraud, but I think you cited a different number.

Can you clarify that?

Ms. BERNARD. 3.8 is the correct number.

Mr. PERRY. 3.8? OK.

So, Administrator Criswell, I mean, apparently, like, my question kind of was, does FEMA have sufficient controls in place to prevent fraud? But obviously they don't.

What I mean, I am sure you are taking the recommendations, or at least you are hearing the recommendations of Ms. Bernard, but what are you offering in regard to changing that circumstance so we don't see that level?

I mean, \$3.8 billion might not seem much in the face of \$7.2 trillion, but still a lot of money where I come from, and it's still a lot of money to taxpayers of America. What are you recommending be done?

Ms. CRISWELL. Chairman Perry, we take all concerns about fraud against our programs very seriously, and we appreciate the continued partnership and cooperation with the IG.

Again, many of these recommendations we have already closed out, but there are some that we did not agree with the data that they used to provide that. We don't necessarily agree with the dollar amount cited by the IG, but we'd be happy to have a session with you in a closed session about our fraud controls—

Mr. PERRY [interrupting]. I would like to you know your—

Ms. CRISWELL [continuing]. I would prefer not to talk about that in public.

Mr. PERRY. I understand Ms. Bernard's doing it, but you don't agree, that's fine. But what do you, you know, you are the guy, you are the captain of the ship, as one of my colleagues said.

Let me ask you this about these self-certifications and the potential for using that in the Lost Wages Assistance Program. To me, that is rife with fraud and self-certification is one of the roots of that.

Are you literally considering self-certification regarding the cash assistance, the changes to the Individual Assistance Program, which would see \$750 in cash assistance prior to, for upfront housing?

Are you still considering self-certification for that in light of what you have seen in the other programs?

Ms. CRISWELL. So, as it relates to the Lost Wages Assistance Program that was administered by the previous administration, and I was of course very concerned when I came into this role to learn about the potential fraud.

This was a program that was the responsibility for executing between the State workforce agencies, and we continue to work with them to repay us for any of the amounts of money that was fraud.

And to date, we have over \$165 million that has been returned to FEMA. As it relates to our new program for serious needs assistance, it's an expansion upon an existing program that we have. Self-certification is just one of many steps that we use to make determinations on whether to issue that money.

Mr. PERRY. So, you are going to use self-certification?

Ms. CRISWELL. It will be one of the steps that we use. Yes.

Mr. PERRY. Well, if you are self-certifying, what other steps would you use that would negate self-certification?

Ms. CRISWELL. We also use identity verification and a number of other things that we'd be happy to provide a full briefing on—

Mr. PERRY [interrupting]. So, I just want to make sure I understand. So, FEMA is saying we are going to make sure that you are who you say you are, that's identification, but still allow you to self-certify in the face of what you just rightly criticized as the previous administration's fraud based on self-certification, but you are still going to use it in this instance, even though, essentially what you are saying, we are just going to make sure you are who you say you are?

Ms. CRISWELL. Chairman Perry, we believe that the processes that we are using are sufficient to make sure that we are determining that we are giving money appropriately. We put fraud controls in place, and I would be happy to have a separate session with you, not on public camera, about our fraud controls that we have in place.

Mr. PERRY. All right, well, I will tell you, and my time is way overdue for this round, but the self-certification process is very concerning to me and the fact that we just identify the individual, that might be great after the fact to try and go collect that money that is fraudulently taken from the American people.

But I think the self-certification process, even by your own admission—not that you handled it, that was another administra-

tion—is a problem, and I am concerned that you would consider that as some kind of reasonable methodology to disburse money prior to, as a matter of fact, in advance.

In any case, I would yield now to the gentlelady from Washington, DC, Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman.

Administrator Criswell, you will recall that, in my round of questions, I asked you about your recommendations for hiring and retention. Let me ask you further, has FEMA done outreach on college campuses, and what are your thoughts on establishing a training program for recent graduates?

Ms. CRISWELL. Congresswoman Norton, we do outreach to college campuses. We have intern programs. In fact, during this administration, we have instituted an HBCU and MSI intern program, which we've had several individuals participate across FEMA.

We have a number of ways that we try to create that pipeline for future employees. Part of it can be our FEMA Corps Program, which is our youth that are out there supporting us through a partnership within Triple C, as well as through our existing reservists, as you heard from my previous answer, have been great recruiters for us.

I would be happy to work with you on what type of training program would be beneficial to our employees to retain them and to make sure that they have a career pathway that allows them to be able to succeed within this field.

Ms. NORTON. That would be very helpful. I would be happy to work with you.

Administrator Criswell and Director Currie, this is a question for both of you. What action should Congress take to increase the emergency management workforce?

Ms. CRISWELL [to Mr. Currie]. Do you want to start?

Mr. CURRIE. I'll start. A couple things, I think. We talked about how important legislation is because so much of how we recruit, train, and deploy our workforce is tied up in the Stafford Act and how that money can and can't be used.

A lot of the Stafford Act dollars and Disaster Relief Fund dollars have to be used for a specific disaster. I think there possibly needs to be more flexibility in how some of those moneys can be used on blue sky days when there's not a disaster to make sure that we have a constant recruitment, training, exercising, and retention program for our intermittent disaster workforce.

I think there's always going to need to be an intermittent part of the workforce because you have to scale up and down with the disaster, but the extent to which we can make that more consistent all the time would be better.

Similar to how we do it with the National Guard, and the military reserves.

Ms. NORTON. That's an interesting idea.

Do you have any ideas, Ms. Criswell?

Ms. CRISWELL. Congresswoman Norton, first off, we are very appreciative of Congress passing the CREW Act, which provides the USERRA-level protection for our reservists, and it has had a tremendous impact on our ability to recruit and retain a larger number of reservists across the country.

I do agree with something that Mr. Currie said earlier. I believe, having been a National Guard member myself, having a training academy, training program that is well suited to help individuals enter in and go through the appropriate level of training and having annualized training that gives them the opportunity, if they aren't deployed, that they can maintain their skill proficiency is a way that we can retain and continue to promote the individuals across the workforce.

Ms. NORTON. Thank you very much, and I yield back.

Mr. PERRY. The Chair now recognizes the gentleman, Mr. Larsen.

Mr. LARSEN OF WASHINGTON. Thank you, Mr. Chair.

I am going to kind of go around the panel here. Administrator Criswell, just to clarify, does the board exist at all anymore?

Ms. CRISWELL. The board for EFSP?

Mr. LARSEN OF WASHINGTON. Yes.

Ms. CRISWELL. The board exists for the Pre-Humanitarian Program. It was the same board that was being used to adapt and deliver the humanitarian side of EFSP.

The original EFSP program still exists, and the board is still there. But they are also closing out the original EFSP allocations.

Mr. LARSEN OF WASHINGTON. And so, then—

Ms. CRISWELL [clarifying]. Humanitarian allocations.

Mr. LARSEN OF WASHINGTON. Yes. So, the oversight for the SSP, Shelter and Services Program, grant then rests with you or rests with FEMA as an agency now?

Ms. CRISWELL. Our Grant Programs Directorate will administer it on behalf of the Department, and yes, it falls within the Grant Programs Directorate now.

Mr. LARSEN OF WASHINGTON. Just to clarify that. Yes, thanks.

Inspector General Bernard, on the self-certification, you mentioned in your statement, \$403 million in payments lacked the required self-certification.

Is the IG making any judgment about the process of self-certification, generally?

Ms. BERNARD. Yes sir. Yes sir, we do. And we have issued several recommendations for FEMA to just consider how it can better mitigate the risk when it does rely on self-certification.

And as you noted, we did find \$403 million in costs that had been distributed for applicants without a self-certification as a form of documentation.

Mr. LARSEN OF WASHINGTON. In COVID-19—in the Lost Wages Assistance Program?

Ms. BERNARD. In the Lost Wages Assistance, yes.

Mr. LARSEN OF WASHINGTON. Generally, self-certification, have you looked at self-certification FEMA programs generally as in—

Ms. BERNARD [interrupting]. Yes. Yes, sir, we have. So, we've conducted four audits over the last few years of FEMA's programs that rely on self-certification. And across those four audits, we found \$10 billion in potentially fraudulent and improper payments.

Mr. LARSEN OF WASHINGTON. Yes. Yes. And then as a use of self-certification, are there uses for it that the IG says, yes, that it should be used?

Ms. BERNARD. That's a great question. And I don't think our position is one where we're asking FEMA to overhaul its process or replace self-certification. We're just asking for risk mitigating steps to consider what else can be done when it's relying on self-certification.

And I think the key there is to consider preventative controls, and there are a number of very timely and free options to help FEMA put in place preventative controls.

Mr. LARSEN OF WASHINGTON. Mr. Currie, what policy changes did FEMA and Congress prioritize to ensure mitigation dollars, getting back to the mitigation side of things, are disbursed fairly and to reduce demand for post-disaster FEMA resources?

Mr. CURRIE. Oh, I'm glad you made that comparison, because I think mitigation is one of the only options we have to reduce the post-disaster costs. Because we're going to continue to have disasters, and the Federal Government's going to continue to pay for them.

I think some of the things that are being done right now are helpful through like the BRIC Program. So, over the years, we've talked about how little funding actually came in on the pre-disaster side versus the post-disaster side.

Now with BRIC, you have a lot more available funding. However, when you spread it across the country and all the Territories, it's still hard—it's not that much money per State.

So, I think being able to allocate that to the most effective and most impactful resilience projects is key. And I think these should be the ones that we see the most damage and the most cost on the back end.

So, for example, in every disaster, the electric grid, wastewater treatment facilities, public buildings, those are the big costs. Those are probably 90 percent of Federal disaster, FEMA disaster costs.

The extent of which we can mitigate the huge expensive pieces of infrastructure, we're going to save money on the back end.

Mr. LARSEN OF WASHINGTON. Yes. Thanks. And then, Administrator Criswell, Ranking Member Titus couldn't be with us today, which is unfortunate because she's long advocated for improving post-disaster housing outcomes for disaster survivors, and she has the Disaster Survivors Fairness Act to fill in additional assistance gaps for families.

And this is on both supporting and perhaps expanding the interim rule that you all have on Individual Assistance. So, this is kind of the softball question first, like, isn't the Disaster Survivors Fairness Act the best piece of legislation ever? Right?

Ms. CRISWELL. I would think so.

Mr. LARSEN OF WASHINGTON. Yes, exactly. That's kind of the gist of the question, but I mean, is it your assessment that those reforms would make an additional difference, a significant difference, beyond the interim rule that you currently have on IA?

Ms. CRISWELL. It will continue to expand on the interim rule that we put in place, and it will have a tremendous impact on our ability to actually use Federal dollars in a way that makes sense, instead of having them build back to a temporary place, only to have to replace it with permanent dollars and permanent structures later.

It just makes sense to be able to help people on their road to recovery. Gets them back in their homes sooner. Gets them out of shelters, out of hotels sooner.

Mr. LARSEN OF WASHINGTON. So, does your interim rule then, in your view, push—are you allowed to push only as far as you believe you legally can and to have the authority to push for the interim rule and Representative Titus' bill is necessary to provide you additional authorities to go farther than the interim rules?

Ms. CRISWELL. The interim rule focuses, I would say the majority of it focuses on authorities we have to provide funding for different areas, like helping to cover uninsured costs to be able to support rental assistance in a different way.

It has some clarification on how we can build back to a habitable level. But the permanent construction pieces that we're talking about really would take hold with the Disaster Survivors Fairness Act.

Mr. LARSEN OF WASHINGTON. Yes. OK.

Thanks, Mr. Chair. Appreciate that. I yield back.

Mr. PERRY. The Chair thanks the gentleman.

Just because of your questioning, Administrator, I just need further clarification.

I understand the Emergency Food and Shelter Humanitarian Program is being moved, or the functions of that, over to the Shelter and Services Program under the grant format for driving those resources out, but the original legacy Emergency Food and Shelter Program, which has a board, will remain. Is that my understanding or am I missing something?

Ms. CRISWELL. So, I know it can sound confusing. There was an existing program, Emergency Food and Shelter Program, that supported communities across the U.S. with some of their homeless populations.

Mr. PERRY. Right.

Ms. CRISWELL. That program will continue.

Mr. PERRY. OK.

Ms. CRISWELL. The adaption to that program for EFSP Humanitarian has sun-setted, and it has been replaced with the Shelter and Services Program.

Mr. PERRY. So, just for further clarification, for the legacy program that exists and has a board, is there anything to preclude those funds that will come or that remain in that program from—anything that will preclude that money to be spent on people existing and residing in the United States who are illegal foreign nationals?

Ms. CRISWELL. So, we have eligible expenses within that program, and we reimburse jurisdictions, organizations for the list of eligible expenses that have been identified. I'd be happy to get you the list of what those eligible expenses are.

Mr. PERRY. So, if you know, and if you don't know, it's OK to say so, but that list, would it include—because these are homeless people in America living in some city or some town in America—does it preclude money from being spent on people residing illegally that are illegal foreign nationals in this country who are also homeless?

Ms. CRISWELL. So, you're talking about, I just want to make sure I'm clear, you're talking about the original program?

Mr. PERRY. Yes. That has—

Ms. CRISWELL [interrupting]. I do not know that specifically. I'd have to get back to you on that.

Mr. PERRY. I would appreciate it if you would.

With that, I want to thank, let's see, OK, I want to thank our witnesses and the members of the committee for their participation.

I don't think there are any other further questions, so, seeing none, that concludes this hearing for today. I would like to thank each of the witnesses for your testimony and for taking the hard shots.

This committee stands adjourned.

[Whereupon, at 11:39 a.m., the subcommittee was adjourned.]

APPENDIX

QUESTION TO HON. DEANNE CRISWELL, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY, FROM HON. LORI CHAVEZ-DE REMER

Question 1. I have a question related to wildfires that have plagued the western states and communities, and most recently, Texas. What steps are FEMA taking to ensure States, Territories and Tribes have access through FEMA grant programs to advancing technologies related to predicting and reducing or eliminating the threat of wildfires, particularly as part of the Hazard Mitigation Assistance Grants?[†]

ANSWER. Wildfire mitigation measures are eligible under the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Assistance (HMA) grant programs, including the Hazard Mitigation Grant Program (HMGP), HMGP Post Fire, Safeguarding Tomorrow through Ongoing Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow Revolving Loan Fund), and Building Resilient Infrastructure and Communities (BRIC). The most common wildfire mitigation measures funded by HMA grant programs are hazardous fuels reduction, defensible space, and ignition-resistant construction. Other eligible wildfire mitigation measures include post-fire soil stabilization, post-fire flood risk reduction, and early warning systems. Additional information regarding wildfire mitigation under HMA grant programs is available at Part 12.B.9. Wildfire Mitigation and Part 12.B.12. Warning Systems of the 2023 HMA Program and Policy Guide.

FEMA continues to work toward improving access to grant funding opportunities for state, local, Tribal, and territorial (SLTT) communities. For example, FEMA developed a number of application support materials for the most common mitigation project types to help streamline the application development process. These materials include application templates specific to various mitigation project types, along with instructions and job aids for technical and environmental and historic preservation (EHP) reviews.

FEMA also administers the Fire Prevention and Safety (FP&S) Grant program as part of the Assistance to Firefighters Grants (AFG), focusing on enhancing safety of the public and firefighters with respect to fire and related hazards. The Research and Development (R&D) Activity is aimed at improving firefighter safety, health, or well-being through R&D that reduces firefighter fatalities and injuries. In 2005, Congress reauthorized funding for FP&S and expanded the eligible uses of funds to include Firefighter Safety R&D.

In addition, FEMA implements the Building Science Disaster Support Program (BSDS) to assess the performance of buildings and other structures affected by natural hazard events. BSDS has deployed Mitigation Assessment Teams (MATs) to Colorado for the Marshall Fire [https://www.fema.gov/sites/default/files/documents/fema_marshall-fire-mat-decreasing-structure-fire-spread.pdf] and Maui for the Lahaina Fire to assess the performance of buildings in areas destroyed by wildfire. The MATs produce actionable recommendations and best practices such as Recovery Advisories and Fact Sheets to aid the community its recovery. This information is critical in identifying Hazard Mitigation Activities and resources like grants to implement solutions that will expedite recovery, reduce future losses, and save lives by strengthening a community's capability for superior building performance.

[†] Representative Celeste Maloy of Utah submitted the same question to Ms. Criswell. To avoid duplication, it is not included here.

QUESTIONS TO HON. DEANNE CRISWELL, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY, FROM HON. RICK LARSEN

Question 1. The Government Accountability Office published a report February 2024 titled “Puerto Rico Disasters: Progress Made, But the Recovery Continues to Face Challenges”, which stated that “certain permanent recovery work projects face challenges due to cost increases.” In past conversations, FEMA has advised the Committee that the Agency is reviewing permanent work projects in Puerto Rico obligated under the Accelerated Awards Strategy (FAASt) to determine whether cost overruns for projects with fixed cost estimates are anticipated due to inflation. Please provide an update on FEMA’s review of possible cost overruns for projects with fixed cost estimates.

ANSWER. While FEMA already includes an inflation adjustment factor in all fixed cost offers, and fixed cost offers are generally not adjusted after award, FEMA is working closely with Puerto Rico’s Central Office for Recovery, Reconstruction and Resiliency (COR3) to compare recent actual costs of project implementation to the awarded fixed cost estimates (FCEs). In March 2024, FEMA held several meetings with COR3 leadership to provide the background, methodology, and results of the Future Price Forecast (FPF) allowance and cost escalation factors used for the FCEs in DR-4339 and DR-4473.

In addition to working with COR3, FEMA engaged with the Government Accountability Office (GAO) as part of the development of the February 2024 report titled “Puerto Rico Disasters: Progress Made, But the Recovery Continues to Face Challenges.” While the GAO identified inflation as a potential risk, it also found that “it is too early to determine the full effect of the increased project costs on the recovery of Accelerated Award Strategy subrecipients’ facilities.” This determination aligns with FEMA’s own findings; comparisons of recent actual costs of project implementation to the awarded FCEs have not found widespread instances of actual costs coming in higher than the fixed cost estimate because of inflation.

FEMA has identified that improved projects, which are cases where an applicant is expanding the Scope of Work (SOW) beyond the FEMA approved SOW at their own cost, are likely to require additional funding beyond the original awards. For example, for the Vieques Health Center, the applicant deviated from the FEMA approved original SOW. Prior to Hurricane Maria, Vieques Health Center was approximately 33,000 sq ft, FEMA’s original approval for a replacement of the facility includes a number of upgrades to bring the facility to the latest building codes and industry standards, increasing the size of the replacement facility to 38,613 sq ft, in addition to adjustments for inflation and the FPF factors. After approval of the project, the applicant then elected to go out to bid for a new Vieques Health Center of 59,210 sq ft which was an increase of 65 percent over the original FEMA approved SOW, and 79 percent over the pre-disaster size of the facility. FEMA carefully reviewed the bids on the contract to the original estimate, and the final bid costs for this project are proportional to the increased scope of the improved project. While it not possible to determine what the exact effect inflation would have had on the original version of the project, the analysis indicates that the included inflation adjustment would have been sufficient for the original approved SOW, and that the increased costs are primarily attributable to the applicant expanding the SOW at their own cost.

FEMA remains committed to meeting with the Recipient to discuss any concerns raised about inflation costs and the potential impact on the recovery projects in Puerto Rico. As of March 12, 2024, COR3 still has over \$8.9 billion in funding remaining under the collective FEMA Accelerated Awards Strategy, and FEMA is closely monitoring the available funding with COR3 to ensure they have sufficient resources to complete their recovery. As recommended by the GAO, FEMA will continue to identify, assess, and manage risks in coordination with Puerto Rico.

Question 2. Public Assistance is a complex and lengthy grant program that has long been a source of frustration for state and local officials. Complicating this is the fear that if rules are not followed or changed later, certain funding may be recouped years down the road.

Question 2.a. Can you please tell us what steps, in your view, are needed to streamline public assistance to speed up recovery?

ANSWER. FEMA has been innovating the PA Program for efficiency and effectiveness since creating the National Delivery Model in 2016. This model allows for greater transparency of the PA grant delivery process as well as more comprehensive documentation retention through the web-based Grants Portal/Grants Manager

system. Furthermore, PA has implemented the following changes based on recommendations from the Public Assistance Steering Committee (PASC), which is comprised of FEMA regional staff and representatives from SLTT governments:

- Simplified documentation requirements for unobligated projects.
- Waived the requirement that unobligated projects with completed small projects must be prepared based on actual costs.
- Adjusted the deadline for projects with work already completed.
- Began deploying technical experts from FEMA Consolidated Resource Centers to aid project scoping and development for complex operations and projects.
- Released the “Public Assistance Sampling Procedure” to reduce documentation level requirements.
- Provided examples allowing a FEMA Regional Administrator to approve time extensions for project closeout.

FEMA has also taken the following steps to streamline the PA Program:

- Raised the simplified procedures threshold to \$1 million. Annual inflation adjustments will continue each fiscal year pursuant to the Sandy Recovery Improvement Act.
- Allowed additional flexibility in costs claimed for power restoration work.
- Eliminated size requirements for the eligibility of the removal of hazardous trees, limbs, branches, and stumps for debris removal projects.
- Allowed applicants to develop cost estimates faster without using consensus-based codes in 50 percent rule calculations.
- Not requiring separate cost analysis from work performed through the Emergency Management Assistance Compact (EMAC).
- Simplified documentation requirements for Management Costs for force account labor by accepting a summary of force account labor and equipment costs.

Additionally, the PA Program is in the process of updating its cornerstone document, the Public Assistance Program and Policy Guide. The updated version emphasizes the importance of equitable application of the program and is written to be more accessible to Recipients and Subrecipients by using more plain language. FEMA PA meets monthly with the PASC to discuss continued program improvement and simplification recommendations.

Question 2.b. Are changes to the Stafford Act needed to address this issue?

ANSWER. At this time, no changes are recommended.

Question 3. Federally-recognized Tribes have struggled to build and maintain emergency management capacity to manage grants and other assistance in the wake of a disaster. What is FEMA doing to help Tribes build and maintain capacity?

ANSWER. Tribal Nations have worked to build and maintain emergency management capacity within the confines of limited access to many of the preparedness grants and resources that build state capacity. For example, due to statutory constraints, Tribal Nations do not have direct access to the Emergency Management Performance Grant and cannot participate in the EMAC. To support Tribal Nations, FEMA’s Recovery Directorate focuses on providing program flexibility when possible and technical assistance through FEMA regional offices. FEMA provides Tribal Nations as much self-determination in the disaster assistance process as is allowable under the Stafford Act. This means they can pick the path that best suits their unique emergency management capabilities and resource needs.

Tribal Nations can request their own disaster declarations, they can be subrecipients under a state declaration, they can be recipients under a state declaration (with a direct relationship with FEMA), or any combination of these options that does not result in a duplication of benefits. Currently, FEMA is in the process of updating its Tribal Declarations Pilot Guidance. This document provides guidance on evaluating whether a Tribal Nation has been overwhelmed by a disaster and the process to request a disaster declaration. After consultation with over 120 Tribal Nations, FEMA will make updates to the Guidance to streamline the assistance process for Tribal Nations and eliminate unnecessary administrative barriers when appropriate.

At any point, before, during, or after disasters, Tribal Nations can request technical assistance from FEMA through their Regional Administrator to support their needs navigating any number of steps in the assistance process. Each region has Regional Tribal Liaisons that can connect Tribal Nations with the appropriate FEMA program support staff, who in turn can provide hands on guidance on the identified need. Examples of provided guidance include how to develop a Tribal Mitigation Plan, conduct preliminary damage assessments, request a disaster declaration, or create an administrative plan.

Additionally, the annual Tribal Nations Training Week, hosted by the FEMA Center for Domestic Preparedness in Anniston, Alabama, plays a pivotal role in enhancing emergency preparedness capabilities and fostering relationships among Tribal Nations and their partners. Aligned with FEMA's overarching goal of instilling a culture of preparedness across all communities, this event serves as a crucial platform for non-federal employees engaged in emergency management and affiliated with Tribal Nations or the Indian Health Service, as well as those directly involved with Tribal Nations.

The 2024 Tribal Nations Training Week, which occurred from March 9th to March 16th was hosted by the FEMA Center for Domestic Preparedness in Anniston, Alabama. These sessions include various workshops and discussions focusing on continuity of government operations planning, the National Incident Management System overview, disaster declaration processes, and all-hazards preparedness.

The importance of the Tribal Nations Training Week is emphasized through several executive orders that recognize and affirm the Federal government's commitment to engaging in meaningful consultation and coordination with Indian Tribal Governments. Executive Orders such as 13175, 13647, and 14112 emphasize the principles of Tribal sovereignty, self-determination, and trust responsibilities:

- Executive Order 13175 Consultation and Coordination with Indian Tribal Governments (2000) recognizes tribal rights of self-government and tribal sovereignty, and affirmed and committed the Federal government to a work with Native American tribal governments on a government-to-government basis.
- Executive Order 13647 Establishing the White House Council on Native American Affairs (2013) establishes a national policy to ensure that the Federal Government engages in a true and lasting government-to-government relationship with Federally recognized tribes in a more coordinated and effective manner, including by better carrying out its trust responsibilities.
- Executive Order 14112 Reforming Federal Funding and Support for Tribal Nations to Better Embrace Our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination (2023) highlights the federal government's obligation to reform federal funding and support for Tribal Nations, ensuring accessibility, flexibility, and equity in funding allocation. It establishes mechanisms to streamline access to federal funding, better embrace trust responsibilities, and assess unmet obligations to support Tribal Nations.

FEMA is committed to engaging in government-to-government listening sessions and tribal consultations to better understand the needs of Tribal Nations to meet them where they are and create unique solutions to support them before, during, and after disasters.

QUESTIONS TO HON. DEANNE CRISWELL, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY, FROM HON. MIKE EZELL

Question 1. Homeowners, homebuilders, and floodplain managers in my district have expressed their concerns that mitigation measures, such as elevating a home, are not significantly reducing National Flood Insurance Program premiums. Specifically, how does FEMA consider mitigation measures that either local governments or individual homeowners take to lower their flood risk profile? Will FEMA provide greater transparency into how those measures factor into the algorithm and reduce premiums?

ANSWER. Specific to property owner mitigation efforts, the National Flood Insurance Program (NFIP) provides premium discounts based on a building's first floor height (elevation above the ground), foundation type, flood openings, flood proofing, and location of machinery and equipment (referred to as mitigation discounts). In contrast to NFIP legacy rating, the updated rating approach, which FEMA implemented in phases from October 1, 2021, through April 1, 2022, provides mitigation discounts to all properties regardless of the building's flood zone. For detailed information on how individual policyholder mitigation credits are applied, please see the Discount Explanation Guide and the Appendix D Rating Factors online at <https://www.fema.gov/flood-insurance/risk-rating>. In the Appendix D Rating Factors file, the tabs for Foundation Type, First Floor Height, and Machinery and Equipment elevation above First Floor contain the specific rating factors used for each category or value for each of these three variables. FEMA encourages property owners to discuss mitigation options with their insurer and community officials. FEMA has also published a Flood Insurance Mitigation Discount tool to [floodsmart.gov](https://www.floodsmart.gov). This esti-

mator provides discount information on certain rating variables that are generally applied to the building and contents premium. The tool can be publicly accessed at <https://www.floodsmart.gov/flood-insurance-mitigation-discount-tool>.

Specific to community mitigation efforts, NFIP rate setting includes the impact of levee systems on flood risk reduction. FEMA partnered with the U.S. Army Corps of Engineers (USACE) to identify and use credible and consistently available information and methods to account for the level of risk reduction that levees provide to the buildings located behind them. The National Levee Database (NLD), developed and maintained by USACE, is the primary source for comprehensive information about all the nation's levees, as authorized by Congress. The NLD is a dynamic database that is continually updated to add or refine levee data from federal agencies, states, tribes, territories, and local sources. As levee systems are added to the NLD, the risk reduction they provide will be accounted for in subsequent rate updates. Community mitigation actions may also be incorporated into premiums through underlying datasets. The updated rating approach relies on the United States Geological Survey National Hydrography Dataset for delineation and classification of individual hydrographic features such as lakes and rivers.

Stormwater management features, such as ditches, detention ponds, and weirs, may be reflected in both the elevation data from the United States Geological Survey and third-party catastrophe models. To the extent that these features are present in the elevation data and the flood models, they would implicitly be incorporated into rates for a local area. In addition, Risk MAP regulatory and non-regulatory products are used in the development of rates. As these products are updated to reflect local mitigation projects, these data will continue to inform the rates when rates are updated.

Question 2. Per the National Flood Insurance Program's (NFIP) authorizing statute, NFIP has the "objective of making flood insurance available where necessary at reasonable rates as to encourage prospective insureds to purchase such insurance." However, since the implementation of Risk Rating 2.0., NFIP has lost 215,000 policyholders, or 4.39% of all policyholders.

Question 2.a. Why is NFIP seeing such a large reduction in policyholders?

ANSWER. There are many reasons behind a property owner's decision to buy or not buy flood or other catastrophic insurance, including recent large scale flood events, inflation, and "optimist bias" (i.e., "It has not flooded here in many years."). At this time, there is no evidence to suggest the decline in NFIP policy count is solely connected to the new rating approach. By statute, FEMA is required to estimate and charge actuarially sound rates for most properties. The National Flood Insurance Act of 1968 (NFIA) requires FEMA to estimate actuarial premiums for all policyholders. 42 U.S.C. 4014(a)(1). Additionally, FEMA is required to charge most policyholders an actuarial premium, unless the statute requires FEMA to offer discounted premiums, such as the annual premium increase caps and properties newly mapped into special flood hazard areas. 42 U.S.C. 4015(c),(e) and (i). For a limited class of properties, certain primary residential homes built before FEMA published a flood insurance rate map (FIRM) for the community in which the home is located, (Pre-FIRM properties), FEMA has the authority to offer less than actuarial rates "which would be reasonable, would encourage prospective insureds to purchase flood insurance ..." 42 U.S.C. 4014(a)(2); 4015(c). However, amendments to the NFIA in 2012 and 2014, have reduced the types of properties eligible for less than actuarial rates and mandated FEMA to increase premiums on these remaining properties by no less than 5 percent a year until the property reaches its actuarial rate. 42 U.S.C. 4014(e)(2).

FEMA began using the updated rating approach in October 2021. Prior to the implementation of the updated approach, the NFIP policy count decreased at rates higher than those experienced post-updated rating approach implementation. While there was modest policy growth in the years after Hurricane Harvey (2017), the NFIP continued to see declines leading up to the implementation of the updated rating approach.

After implementation of the updated rating approach in April 2022, the declining policy count began to level off. As of April 2024, the NFIP saw only a 1.8 percent decrease in policies (reflects the year over year average from April 2022 through April 2024), and the NFIP is seeing growth in some areas. For example, Florida has seen considerable growth over this same period (+2.2 percent or 37,000+ policies). While some policyholders experienced an increase in premiums under the updated rating approach, nearly 90 percent of all policyholders experienced premium adjustments in line with annual increases under the NFIP Legacy Rating System and approximately one million policyholders saw lower premiums under updated rating approach.

Finally, to address policyholder affordability concerns, the U.S. Department of Homeland Security (DHS) submitted to the 118th Congress seventeen (17) legislative proposals to reform the NFIP in April 2023. The proposals include legislative language for instituting a sound and transparent financial framework that allows the NFIP to balance affordability and fiscal soundness to ensure that more Americans are covered by flood insurance. Specifically, the legislative package includes a means-tested affordability program which will make insurance more affordable to low-and-moderate income policyholders. Further, the NFIP accrues \$1.7 million in interest per day in debt incurred from previous catastrophic flood disasters post-Hurricane Katrina. Currently, the agency is paying \$619 million annually on interest payments. Canceling the NFIP's debt creates a more fiscally sound framework that improves the NFIP's ability to pay claims for the program's 22,648 communities that rely upon the NFIP for financial protection against flooding.

Question 2.b. How will this drop in policyholders affect NFIP's ability to cover their policyholders' claims?

ANSWER. The NFIP is dedicated to helping people withstand the financial impact of flood risk and recover faster through flood insurance coverage. FEMA is statutorily mandated to charge actuarially sound rates for properties. This means that premium rates are calculated to pay for expected losses and the cost of an individual risk transfer. At actuarial rates, a hypothetical decrease in NFIP policyholders would not impact the ability for the NFIP to pay claims. The new rating approach is intended to address the NFIP legacy rates and augment the NFIP's financial position and ability to pay claims. Under the legacy approach, the NFIP borrowed from Treasury and paid interest on the loans to cover claims when premium reserves were insufficient. Currently, the NFIP pays approximately \$619 million annually in interest on its Treasury loans and has paid over \$6 billion in interest since it began to borrow after Hurricane Katrina. Once all policyholders are paying their full risk rate, under the updated pricing approach, premiums and reinsurance are estimated to be sufficient to cover all claims based on expected average annual losses up to a 1 in 20-year event.

Question 3. FEMA has released a "mitigation discount tool" to help property owners assess their risk and provide insight into how certain mitigation measures can reduce their premiums. However, it does not show in actual dollars how this affects your premium. Does FEMA plan to create a more comprehensive, public-facing premium calculator, so that policyholders can see their rating factors and see how their rating factors affect their annual premium?

ANSWER. Yes, FEMA is currently developing a direct-to-customer flood insurance quoting and sales tool. The tool will be rolled out in phases. During the first phase, customers will be able to generate a quote and locate an insurance agent to assist with purchasing a policy. This tool will enable property owners to discuss mitigation measures and their potential premium impacts with agents and community officials. Phase two will enable customers to purchase flood insurance entirely online. The goal of the tool is to eliminate the barriers some face accessing flood insurance, educate the public on the coverages and benefits of a flood insurance policy, and help property owners better assess their flood risks.

Question 4. In the "Risk Rating 2.0 Methodology and Data Sources" document, FEMA's contractor (Milliman) said regarding their data reliability, "In performing the services, we relied on data and other information provided to us by FEMA and other sources. We did not audit, verify, or review the data and other information for reasonableness and consistency. Such a review is beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. In that event, the results of our analysis may not be suitable for the intended purpose." If Risk Rating 2.0 seeks to assess the flood risk of each property individually, it is imperative the underlying data is accurate and complete. Unfortunately, there have been reports to the contrary. For example, the Office of the Flood Insurance Advocate has reported cases where Risk Rating 2.0 incorrectly identifies latitude and longitude for a structure.

Would FEMA support a peer review for Risk Rating 2.0, to ensure that mitigation, other rating factors, and all data sources are accurate and as granular as possible?

ANSWER. FEMA is using the best available data sources to support the development of rates. FEMA is pairing state-of-the-art industry technology (for example, catastrophe models) with the NFIP's mapping data to establish a new flood risk-informed rating approach. Catastrophe models have been used by private insurance companies to generate rates for over a decade. This work provides a comprehensive

understanding of flood risk at both the national and local levels. Data sources being used include:

- FEMA sourced: Existing mapping data, NFIP policy and claims data.
- Other Federal Government sourced: Publicly available U.S. Geological Survey data, National Oceanic and Atmospheric Administration's Sea, Lake, and Overhead Surges from Hurricanes data, and USACE data sets.
- Third-party sourced: Commercially available structural and replacement cost data and catastrophe flood models.

Since April 2021, the Methodology Data Source, Premium Calculation Worksheet Examples and Appendix D Rating Factors have been publicly available online at <https://www.fema.gov/flood-insurance/risk-rating>.

Stakeholders and the public have the ability today to review details about Risk Rating. For anyone interested in looking deeper into the making of the approach, the Methodology Data Source, Premium Calculation Worksheet Examples and Appendix D Rating Factors have been publicly available since April 2021 on NFIP's Pricing Approach at FEMA.gov [<https://www.fema.gov/flood-insurance/risk-rating>]. A 2023 Report by the Government Accountability Office which conducted an in-depth review of the approach found that "The new methodology substantially improves ratemaking by aligning premiums with the flood risk of individual properties". The language referenced from Milliman is standard practice to include such contracts and required according to Actuarial Standards of Practice (ASOP), ASOP 23-Data Quality and ASOP-41 Actuarial Communications. The statement after the one quoted in question 4 describes Milliman's review of the data for reasonableness and consistency. Milliman's data was used for larger rate-setting that doesn't apply to the accuracy of latitude and longitudinal inputs for an individual structure.

Question 5. Typically, an overhaul of the size of Risk Rating 2.0 to NFIP would warrant a rulemaking process, which would give the public the opportunity to submit additional information and comments. The absence of this rulemaking process concerns me and my constituents that the agency did not consider all the stakeholders impacted by this decision. Can you please explain why FEMA believes it had the administrative authority to implement Risk Rating 2.0—the largest change to NFIP in its 56-year history—without a rulemaking process?

ANSWER. This question is one of the issues that is currently the subject of litigation in *State of Louisiana, et al., v. FEMA* (ED LA Case No.23-1839). In response to Plaintiffs' motion for preliminary injunction [ECF 14], the U.S. Department of Justice, on behalf of FEMA, filed an opposition to the motion for preliminary injunction (Opposition, [ECF 47]) and explained why rulemaking was not required for Risk Rating 2.0. The NFIP conducted extensive stakeholder engagement in advance of implementation of the pricing approach.

Question 6. The Global Catastrophic Risk Management Act (GCRMA, 6 U.S.C. §821-§825) requires updates to the Federal Interagency Operational Plans at the core of FEMA's strategic plans to respond to global catastrophes. Has FEMA started updating these plans and has the agency been coordinating with the state, local, tribal, and territorial governments in doing so? When can the Committee expect to get an update on this completion?

ANSWER. The Federal Interagency Operational Plans (FIOPs) describe how the federal government aligns resources and delivers core capabilities to implement the five National Planning Frameworks. The FIOPs provide a federal concept of operations, integrating and synchronizing national-level capabilities, for prevention, protection, mitigation, response, and recovery to support all levels of government. These plans also help federal departments and agencies develop and maintain department-level operational plans. The Response and Recovery FIOP guides federal departments and agencies in executing response and recovery operations following a disaster or incident for which an interagency response is required. The FIOP is reviewed and updated periodically by an interagency collaborative planning team including SLTT governments.

This team, led by FEMA, ensures consistency with both new and existing policies, addresses emerging threats, and hazards, and incorporates experience gained from interagency partners. In March 2023, FEMA revised and published the Response and Recovery FIOP to meet the goals of its strategic plan, including highlighting the importance of response and recovery to catastrophic disasters. The new Response and Recovery FIOP is the first national-level plan to combine the response and recovery mission areas and connect the stabilization of lifelines with outcome driven recovery. It establishes the foundational plan that guides federal agencies and departments' response and recovery operations, replacing both the Response

FIOP and the Recovery FIOP. It provides all-hazards strategic guidance to integrate and deliver response and recovery functions and core capabilities.

Question 7. It has been shown that FEMA's administrative costs during disaster recovery stabilize during the first two years after they have occurred. However, actual administrative costs are not realized until a disaster is closed, and all financial transactions are complete. FEMA doesn't have a grasp on their true administrative costs until closeout, and closeout for some disasters isn't until almost 20 years or later. What can FEMA do to speed up these closeouts and get the FEMA workforce back in the office and off these deployments?

ANSWER. FEMA is implementing ways to speed up the processing time for closeouts including the Validate-As-You-Go Closeout Benefit (VCB), increasing the Small Project Threshold to \$1M, and development of an administrative project closeout process. These efforts help to speed up and streamline the closeout of projects and disasters, which also reduces administrative costs. The VCB allows qualified Recipients to close large projects by submitting a certification, instead of submitting all the supporting documentation that is normally required for closeout. Small projects also are closed with a certification of review, thus increasing the Small Project threshold to \$1M significantly increases the number of projects that will be closed as small projects. As part of an initiative to reduce the closeout backlog, FEMA is implementing an administrative project closeout process for Public Assistance grants. This will have a significant impact on reducing the backlog of open grants, the average time that grants stay open beyond their period of performance, and the associated administrative cost.

Question 8. As originally introduced, the Disaster Recovery Reform Act (DRRA) proposed that FEMA would incentivize communities to take proactive steps before a disaster by increasing federal recovery assistance available after a disaster. Can you please provide an update on the status of the delayed implementation of these provisions?

ANSWER. Since the President signed Disaster Recovery Reform Act (DRRA) into law, the following actions or initiatives have taken place in the Public Assistance (PA) program:

- Section 1206 authorizes FEMA to provide assistance to state and local governments for building code and floodplain management ordinance administration and enforcement. This resource provides communities with support to effectively administer and enforce building codes and floodplain management ordinances for a period of no longer than 180 days after the date of the major disaster declaration. The final policy was published Oct. 19, 2020, following a 45-day public comment period. To support the implementation of Section 1206, the PA program partnered with other areas within FEMA to draft the Public Assistance Companion Guide, Disaster Recovery Reform Act Section 1206. The PA program also developed a Building Code and Floodplain Management Administration and Enforcement Project Application which was approved by the Office of Management and Budget on Aug. 17, 2023. The project application provides help text and resources to guide applicants and recipients that may be unfamiliar with the provision.
- Section 1208 requires FEMA to develop guidance and annual training for state, local, tribal and territorial governments, first responders and utility companies. The Healthcare Facilities and Power Outages Guidance for State, Local, Tribal, Territorial, and Private Sector Partners [https://www.fema.gov/sites/default/files/2020-07/fema_DRRRA-1208-healthcare-facilities-power-outages_guide.pdf] was released on August 22, 2019. It highlights the prioritization of power restoration for hospitals and nursing homes and the need to coordinate response plans before power outages occur.
- Section 1215 expanded the definition of management costs to include both direct and indirect administrative expenses by the SLTT government. It also allows FEMA to reimburse PA management costs up to 12 percent of the total award amount (up to 7 percent for the recipient and 5 percent for the subrecipient). In November 2018, FEMA issued the Public Assistance Management Costs Interim Policy to implement the new management costs authority. In March 2023, PA simplified documentation and information requirements to streamline the program. This change significantly reduces detailed documentation as a starting point for applicants to demonstrate their actual costs incurred, and only request detailed documentation if additional review is necessary to clarify costs.
- Section 1219 provides for arbitration of disputes from the Civilian Board of Contract Appeals (CBCA) in lieu of a second appeal, under the PA program. The CBCA arbitrates at no cost to the parties. However, each party is directly re-

sponsible for all other expenses it incurs in the arbitration process. FEMA published a Fact Sheet providing additional guidance to help applicants understand their options and rights.

- Section 1228 requires FEMA, in coordination with the Federal Highway Administration, to issue guidance regarding the eligibility of inundated and submerged roads under the PA program. In April 2021, FEMA published the Public Assistance Guidance on Inundated and Submerged Roads policy. The policy will be incorporated into the Public Assistance Program and Policy Guide v5 to be published later this year.
- Section 1233 authorizes funding for earthquake risk reduction activities under the HMGP and BRIC. Specifically, DRRRA Section 1233 revised the Stafford Act by adding a new Section 404(g) to allow recipients of hazard mitigation assistance to leverage such funding to support building capability for earthquake early warning (EEW) systems. EEW systems use seismic instrumentation to monitor seismic activity in real time to detect significant earthquakes near the source and transmit those signals to a seismic monitoring network that can quickly send out a warning to alert people within the region before shaking arrives. Section 404(g) lists three categories of activities that support building capability for EEW: 1) regional seismic networks; 2) geodetic networks; and 3) seismometers, Global Positioning System receivers, and associated infrastructure. The FEMA Fact Sheet [https://www.fema.gov/sites/default/files/2020-09/fema_drira-earthquake-early-warning-systems_fact-sheet_September-2020.pdf] published on September 30, 2020 explains how Section 1233 is implemented under the Hazard Mitigation Assistance grant programs.
- Section 1235(b) authorized the Consensus-based Codes, Specifications, and Standards Policy for consistent and appropriate implementation of the consensus-based design, construction and maintenance codes, specifications, and standards for PA to promote resiliency and achieve risk reduction. FEMA's policy implementing this provision was issued for PA on December 20, 2019. An update to the policy is currently open for public review and comment.
- Section 1237 prohibits FEMA from recovering funds from a local government that received PA if the DHS Office of Inspector General finds that the local government relied on inaccurate information provided by a FEMA Technical Assistance Contractor. To address the identified deficiency, FEMA issued a memo to Region VI on February 15, 2019, and relevant project worksheets were reinstated. In this instance, FEMA interpreted DRRRA Section 1237 to apply solely to a specific recoupment. FEMA acknowledges that in future instances where DRRRA 1237 may apply, evaluation may be made on a case-by-case basis.
- Section 1238(b) supports the addition of center-based childcare to the definition of eligible Private Non-Profit facilities. A Fact Sheet describing this change was published in July 2019.
- Section 1241 directs FEMA to develop guidance, including best practices, for post-disaster evaluation of buildings by licensed architects and engineers to ensure that design professionals properly analyze the structural integrity and livability of buildings and structures after an array of natural hazard events, including: earthquakes; hurricanes; floods; tornadoes; tsunamis; landslides and other land instabilities; volcanoes; snow, hail, and ice storms; and fire; as well as damage from explosions. FEMA P-2055, Post-disaster Building Safety Evaluation Guidance [https://www.fema.gov/sites/default/files/2020-07/fema_p-2055_post-disaster_buildingsafety_evaluation_2019.pdf] was published in November 2019.

Question 9. Recent reports suggest that there's been a competition issue across the country, and in Mississippi, in FEMA's Building Resilient Infrastructure and Communities program. For example, FEMA, in its recent updates to policies, such as the Interim Policy on Consensus-Based Codes and the Public Assistance Program and Policy Guide, has faced criticism for omitting major plumbing, mechanical, and electrical codes approved by the American National Standards Institute (ANSI). While FEMA has clarified that funding is not contingent on specific code adoption, concerns persist about the exclusion of important hazard-resistant design criteria. Can FEMA confirm its commitment to include all consensus-based codes, including those approved by ANSI, in its current policy review and future marketing materials? Additionally, can FEMA provide a timeline for the release of its upcoming Interim Policy on Consensus-Based Codes and the Public Assistance Program and Policy Guide?

ANSWER. The adoption and enforcement of building codes, specifications, and standards is an important mitigation activity that provides significant resilience benefits. The importance of these activities is explicitly highlighted as one of the four intended BRIC program priorities, as referenced in the BRIC Fiscal Year (FY) 2023 Notice of Funding Opportunity (NOFO): “For FY 2023, the priorities for the program are to incentivize natural hazard risk reduction activities to include those that . . . increase funding to applicants that facilitate the adoption and enforcement of the latest published editions of building codes.” For BRIC scoring in the National Competition, there are a maximum of 20 points (out of a possible 200) for building code criterion under the FY 2023 funding cycle. The BRIC program is currently in the process of developing the FY 2024 NOFO.

Question 10. The State of Mississippi, in conjunction with the Southern Mississippi Planning and Development District and the coastal communities, have completed the MS Coastal Map Revision Project. A total of fifteen (15) Letter of Map Change applications were submitted through FEMA’s Letter of Map Change portal on Monday March 11, 2024, representing each of the counties along the MS Gulf Coast and the comprising communities. This project has been closely coordinated with region 4 over the last 6+ years. At a recent Transportation and Infrastructure Economic Development, Public Buildings and Emergency Management Subcommittee hearing, you committed to ensuring these updates are included appropriately in the Risk Rating 2.0 calculations.

Question 10.a. Can FEMA confirm funds have been allocated for the review of this project?

ANSWER. Yes, FY 2024 funding is available for this project, and FEMA’s Region 4 office has re-allocated funds so work can begin immediately.

Question 10.b. What is the anticipated timeline for the Mississippi Coastal Map Revision Project from application submission through production of the Preliminary Flood Insurance Rate Maps?

ANSWER. Preliminary products are expected to be released in Calendar Year 2025 based on the schedule provided by the Cooperating Technical Partner who will be managing the map issuance. Prior to preliminary product issuance, the submittal requires a review and digital FIRM production work that will extend into 2025.

QUESTION TO KRISTEN D. BERNARD, DEPUTY INSPECTOR GENERAL FOR AUDITS, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY, FROM HON. RICK LARSEN

Question 1. The report for the House Department of Homeland Security Appropriations Bill, 2022 included language directing OIG to consider inequities in the delivery of disaster assistance to disaster survivors. On page 23–24, the report states:

“The Committee is aware of concerns raised about inequities in the delivery of disaster assistance to disaster survivors, especially through FEMA’s Individual and Household Program (IHP), including concerns expressed by constituents, media reports and a recent GAO Report, Disaster Assistance Additional Actions Needed to Strengthen FEMA’s Individuals and Households Program GAO–20–503. Among these concerns are that FEMA’s programs provide disproportionately less assistance to minority communities and those in urban and rural disadvantaged communities; and that FEMA’s application process and procedures are too complicated, causing many to discontinue their applications or forego appeals due to a mistaken belief that they are not eligible. In addition, FEMA’s attempts to prevent fraudulent applications may be so restrictive as to inadvertently screen out many who may appropriately qualify for assistance. The OIG is directed to review FEMA’s application process and procedures for IHP, including its methods to prevent fraudulent applications, and to brief the Committee on its findings within 120 days of the date of enactment of this Act. The briefing shall detail whether recommendations from oversight entities, including the OIG, may have inadvertently led FEMA to develop policies and procedures that are overly restrictive and, as a result, may be preventing disaster survivors who need IHP from receiving that assistance.”

Please provide a summary of the briefing provided to the Appropriations Committee that was requested in the House Department of Homeland Security Appropriations Bill, 2022 report language. If no briefing was provided, provide a written response to the requests outlined in the report language.

ANSWER:

BACKGROUND

On July 15, 2022, the Department of Homeland Security (DHS) Office of Inspector General (OIG) provided written correspondence to the Senate Appropriations Committee and House Appropriations Committee, Homeland Security Subcommittees (SAC–HS and HAC–HS, respectively), serving to satisfy the mandated reporting included in the Joint Explanatory Statement [<https://docs.house.gov/billsthisweek/20220307/BILLS-117RCP35-JES-DIVISION-F.pdf>] for the Omnibus Appropriations bill for Fiscal Year 2022 (H.R. 2471, Consolidated Appropriations Act, 2022).

Our correspondence provided links to three audit reports that addressed certain aspects of FEMA's applicating process and procedures for the Individuals and Household Program (IHP):

- *FEMA Did Not Sufficiently Safeguard Use of Transportation Assistance Funds*, OIG–19–66 (September 30, 2019)
- *FEMA Has Made More than \$3 Billion in Improper and Potentially Fraudulent Payments for Home Repair Assistance since 2003*, OIG–20–23 (April 6, 2020)
- *FEMA Has Paid Billions in Improper Payments for SBA Dependent Other Needs Assistance since 2003*, OIG–20–60 (August 12, 2020)

Our correspondence explained that of the eight recommendations we issued to FEMA, seven were open and unresolved (meaning FEMA did not concur with and did not implement seven of the eight recommendations). These recommendations related to documentation and verification to discern eligibility, and performance of risk assessments. As of April 1, 2024, the seven recommendations remain unresolved and unimplemented. Because FEMA never implemented these seven recommendations, it is reasonable to conclude that FEMA was not influenced by the recommendations. The Department/FEMA, not DHS OIG, is responsible for, and has statutory authority for, all operational and programmatic decisions related to its programs, including IHP assistance.

STAFF BRIEFING

On August 29, 2022, DHS OIG also conducted a staff-level briefing for SAC–HS and HAC–HS. DHS OIG provided an overview of IHP and explained that it is one of several assistance programs designed to support disaster survivors. Through IHP, FEMA provides assistance in the form of rent, home repair or replacement, transportation repair or replacement, funeral expenses, personal property, medical, dental, or other miscellaneous expenses. Each type of assistance may have distinct eligibility requirements that vary by disaster and can vary by state.

We also briefed SAC–HS and HAC–HS about the three completed audits referenced above. We reiterated that seven of the eight recommendations remained open and unresolved and provided information about three ongoing audits. We again stated that FEMA did not agree with and did not implement those seven of the eight recommendations that we issued, and therefore it was inappropriate to conclude that FEMA was influenced by our recommendations.

ONGOING AUDITS

The three ongoing audits addressed during the August 29, 2022 briefing have been completed. The reports disclose similar findings and recommendations:

- *FEMA Did Not Prevent More than \$3.7 Billion in Improper Payments from the Lost Wages Assistance Program*, OIG–22–69 (September 16, 2022) [<https://www.oig.dhs.gov/sites/default/files/assets/2022-09/OIG-22-69-Sep22.pdf>]
- *The Identities of DHS Employees Were Linked to More than \$2.6 Million in Potentially Fraudulent Lost Wages Assistance*, OIG–22–73 (September 27, 2022) [<https://www.oig.dhs.gov/sites/default/files/assets/2022-09/OIG-22-73-Sep22.pdf>]
- *Ineffective Controls Over COVID–19 Funeral Assistance Leave the Program Susceptible to Waste and Abuse*, OIG–23–42 (August 22, 2023) [<https://www.oig.dhs.gov/sites/default/files/assets/2023-08/OIG-23-42-Aug23.pdf>]

As of April 1, 2024, these three reports also have eight recommendations that remain unresolved. Here is a summary of the more recent unresolved recommendations:

- *6 unresolved recommendations for OIG–22–69*: FEMA does not agree with our report message or recommendations because the agency believes it will never execute another Lost Wages Assistance type program in the future. FEMA's belief is unresponsive to the recommendations which are aimed to improve proc-

esses for when FEMA faces a new challenge in the future and must build another program from the ground up.

- *1 unresolved recommendation for OIG-22-73:* FEMA did not agree with our recommendation that it develop and implement a process to review state administrative plans for consistency and ensure they include fraud prevention and mitigation strategies.
- *1 unresolved recommendation for OIG-23-42:* FEMA continues to disagree with our recommendation to resolve questioned costs totaling \$24.4 million for expenses deemed ineligible by FEMA’s Individual Assistance Program and Policy Guide and determine the amount of debt owed by recipients for erroneous payments. FEMA argues the costs we questioned were eligible because it had broad authority to determine eligible costs for funeral assistance.

GAO AUDIT

In a related audit issued in September 2022, *FEMA Made Efforts to Address Inequities in Disadvantaged Communities Related to COVID 19 Community Vaccination Center Locations and Also Plans to Address Inequity in Future Operations*, OIG-22-74 [<https://www.oig.dhs.gov/sites/default/files/assets/2022-09/OIG-22-74-Sep22.pdf>], we made two recommendations. One recommendation addressed collecting demographic data of applicants for FEMA assistance, recipients, and sub-recipients. In response, FEMA began collecting certain demographic information from applicants on a voluntary basis during the IHP registration process. At the time we closed the recommendation, 88.65 percent of the applicants provided demographic data. According to FEMA officials, this data will enable FEMA to respond to a recommendation from the Government Accountability Office to “help ensure the availability and use of quality information that includes (1) information requirements, (2) data sources and methods, and (3) strategies for overcoming information challenges—to support federal agencies involved in disaster recovery in identifying access barriers or disparate outcomes” (GAO-22-10439)¹.

FEMA RULEMAKING

Finally, on January 2024, FEMA announced significant changes through an Interim Final Rule for Individual Assistance with a goal to reach more survivors and deliver assistance faster and to reduce equity issues. According to FEMA, with these updates, survivors of disasters declared on or after March 22 will have access to a wider range of assistance that is easier to understand and tailored to their unique needs.² We will consider a review of the implementation of this new regulation as we plan future work.

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¹DISASTER RECOVERY: Additional Actions Needed to Identify and Address Potential Recovery Barriers, GAO-22-104029 (December 2021) <https://www.gao.gov/assets/720/718175.pdf>

²<https://www.fema.gov/fact-sheet/fema-updates-individual-assistance-program>