



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

*Operating efficiently and effectively*

# EPA Adequately Managed Hurricane Harvey Funding Received from FEMA

Report No. 20-P-0010

October 23, 2019



## Website for Those Impacted by Hurricane Harvey

The EPA has useful information for residents and others impacted by Hurricane Harvey on its [Hurricane Harvey 2017](#) website.

### Report Contributors:

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### Abbreviations

CFR	Code of Federal Regulations
EPA	U.S. Environmental Protection Agency
ESF	Emergency Support Function
FEMA	Federal Emergency Management Agency
OFPP	Office of Federal Procurement Policy
OIG	Office of Inspector General

**Cover Photo:** Depiction of local Emergency Operation Centers and FEMA Disaster Recovery Centers joint efforts, set up at the Harris County Greensport Mall in Houston, Texas, to disseminate information to residents. (EPA photo)

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# At a Glance

## Why We Did This Project

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector General (OIG) conducted this audit to determine whether the EPA, in its emergency response to Hurricane Harvey, effectively managed the Disaster Relief Funding received from the Federal Emergency Management Agency (FEMA). We also sought to determine whether the EPA implemented necessary and agreed-to corrective actions and intended program improvements resulting from prior OIG report recommendations.

Hurricane Harvey struck primarily Texas and Louisiana in late August 2017. FEMA tasked the EPA to support Hurricane Harvey disaster relief efforts. In all, 251 EPA staff from headquarters and the regions completed 281 deployments—for a total of 3,585 days—in support of the EPA's response efforts. The EPA spent over \$11 million in FEMA Disaster Relief Funding for the Hurricane Harvey response.

## This report addresses the following:

- *Operating efficiently and effectively.*

Address inquiries to our public affairs office at (202) 566-2391 or [OIG\\_WEBCOMMENTS@epa.gov](mailto:OIG_WEBCOMMENTS@epa.gov).

List of [OIG reports](#).

## ***EPA Adequately Managed Hurricane Harvey Funding Received from FEMA***

### What We Found

We found that the EPA effectively managed its Hurricane Harvey Disaster Relief Funding. We did not identify any significant issues in the EPA's contracting, logistics or resource acquisition processes. Prior to our audit, the agency had already identified strengths and areas for improvement and had implemented corrective actions in response to the OIG's recommendations in its 2006, 2008 and 2014 reports regarding its emergency responses. We did not identify any significant issues during this audit and make no recommendations.

**The EPA had policies and procedures in place for efficient and effective management of over \$11 million in FEMA Disaster Relief Funding for the Hurricane Harvey response.**



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
INSPECTOR GENERAL

October 23, 2019

**MEMORANDUM**

**SUBJECT:** EPA Adequately Managed Hurricane Harvey Funding Received from FEMA  
Report No. 20-P-0010

**FROM:** Charles J. Sheehan, Acting Inspector General

A handwritten signature in blue ink that reads "Charles J. Sheehan".

**TO:** Peter Wright, Assistant Administrator  
Office of Land and Emergency Management

Donna J. Vizian, Principal Deputy Assistant Administrator  
Office of Mission Support

Ken McQueen, Regional Administrator  
Region 6

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). The project number for this audit was OA&E-FY18-0270. This report represents the opinion of the OIG and does not necessarily represent the final EPA position.

You are not required to respond to this report because this report contains no recommendations. However, if you submit a response, it will be posted on the OIG's website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at [www.epa.gov/oig](http://www.epa.gov/oig).

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## Purpose

The U.S. Environmental Protection Agency’s (EPA’s) Office of Inspector General (OIG) conducted an audit of the management of Federal Emergency Management Agency (FEMA) funding received for the response to Hurricane Harvey. The objective of this audit was to determine whether the EPA, in its emergency response to Hurricane Harvey, effectively managed the Disaster Relief Funding received from FEMA. This audit also followed up on previously issued OIG reports about EPA emergency responses.

## Background

Three major hurricanes, Harvey, Irma and Maria, made historic landfalls in the United States in 2017. Hurricanes Harvey and Irma marked the first time two Atlantic Category 4<sup>1</sup> hurricanes hit the continental United States during the same season; with “nearly 4.5 feet of rain and 130 mph winds, Hurricane Harvey propelled a disaster response that was the largest in Texas state history,” as reported by FEMA.<sup>2</sup> Hurricane Maria made landfall in Puerto Rico with sustained winds of 155 mph.

A major disaster was declared for Texas on August 25, 2017, and for Louisiana on August 28, 2017, because of Hurricane Harvey. Under the Stafford Act,<sup>3</sup> FEMA is authorized to task other federal agencies using a “mission assignment.” FEMA coordinates disaster response efforts through mission assignments—work orders that direct another federal agency to utilize its authorities and the resources granted to it under federal law.

FEMA tasked the EPA, using mission assignments under the Emergency Support Function (ESF) #10—Oil and Hazardous Materials Response—on August 28, 2017, to support the Hurricane Harvey disaster relief efforts. The EPA’s mission under ESF #10 focused on the detection, identification, clean up and/or disposal of hazardous waste and materials (see Table 1).

Table 1 – EPA’s activities under FEMA’s ESF #10
Detect, identify, contain, clean up or dispose of released oil or hazardous materials.
Remove drums, barrels, tanks or other bulk containers that contain oil or hazardous materials.
Collect household hazardous waste.
Monitor debris disposal.
Monitor and protect water quality monitoring and protection.
Conduct sampling and monitoring for air quality.
Protect natural resources.

Source: EPA Order #2071, National Approach to Response.

<sup>1</sup> Per the National Hurricane Center’s “Saffir-Simpson Hurricane Wind Scale” [webpage](#), Category 4 hurricanes are major storms in which catastrophic damage occurs and wind speeds can reach up to 156 miles per hour.

<sup>2</sup> See FEMA, *Historic Disaster Response to Hurricane Harvey in Texas*, FEMA HQ-17-133, September 2017.

<sup>3</sup> The act’s full title is the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

The EPA’s response to Hurricane Harvey lasted 35 days, from August 24, 2017, to September 28, 2017. EPA Region 6 was tasked to lead the EPA’s Hurricane Harvey response, with support from offices and personnel agencywide. In all, 251 EPA staff from headquarters and the regions completed 281 deployments—for a total of 3,585 staff days—in support of the EPA’s response efforts.

## Responsible Offices

The EPA offices responsible for the issues in this report are the Office of Emergency Management, within the Office of Land and Emergency Management; the Office of Mission Support; and Region 6’s Emergency Management Branch, within the Region 6 Superfund Division.

## Scope and Methodology

We conducted this audit from September 2018 to June 2019 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.



EPA and Texas Commission on Environmental Quality command posts. (EPA photo)

To address our objectives, we reviewed the following relevant laws, regulations, procedures and guidance:

- Stafford Act, Title V, Emergency Assistance Programs, Section 501.
- 48 CFR Chapter 1, Federal Acquisition Regulation, Parts 1 and 18.
- 48 CFR Chapter 15, Environmental Protection Agency Acquisition Regulation.
- *Emergency Acquisitions Guide*, Office of Federal Procurement Policy (OFPP), Office of Management and Budget (Jan. 14, 2011).
- Various EPA procedures and guidance, including:
  - EPA Emergency Contracting Procedures.
  - EPA Acquisition Guide.
  - EPA Order 2071, *National Approach to Response*.

We reviewed the EPA’s mission assignments, contracts and expenditures related to the EPA’s emergency response to Hurricane Harvey that FEMA reimbursed and the associated documentation to determine whether purchases were made in accordance with laws, regulations and EPA policies, procedures and guidance. We interviewed EPA staff from the responsible offices in headquarters and Regions 4 and 6 to obtain an understanding of the nature of the program related to EPA’s disaster response to Hurricane Harvey. We cross-referenced the data collected with the information in the EPA’s Acquisition System<sup>4</sup> and Financial Data Warehouse. Specifically, we performed the following actions:

- Assessed whether the controls had been properly designed and implemented.
- Determined whether the EPA’s planning efforts before the emergency were adequate and what problems the EPA encountered.
- Reviewed and analyzed all FEMA mission assignments.
- Reviewed and analyzed all acquisition purchases, contracts and expenses related to the EPA’s emergency response to Hurricane Harvey and the associated documentation to determine compliance.
- Reviewed sources of funding, including amounts billed and collected from FEMA’s funding.

## Prior Reports

We followed up on the prior EPA OIG reports below that relate to hurricane and emergency response topics (Table 2):

**Table 2: Prior EPA OIG reports reviewed**

Report no.	Report title	Date issued
<a href="#">14-P-0109</a>	Internal Controls Needed to Control Costs of Emergency and Rapid Response Services Contracts, as Exemplified in Region 6	February 4, 2014
<a href="#">08-P-0055</a>	EPA Should Continue to Improve Its National Emergency Response Planning	January 9, 2008
<a href="#">2006-P-00038</a>	Existing Contracts Enabled EPA to Quickly Respond to Hurricane Katrina; Future Improvement Opportunities Exist	September 27, 2006
<a href="#">2006-P-00033</a>	Lessons Learned: EPA’s Response to Hurricane Katrina	September 14, 2006

Source: EPA OIG website.

<sup>4</sup> The EPA’s Acquisition System serves as a modern, integrated, web-based, centralized system for all of the EPA’s products and services acquisitions. It enables all stakeholders in the procurement process to use one automated system throughout the acquisition life cycle, from requisitioning to contract closeout.

## Results

Our audit found that the EPA effectively managed its Hurricane Harvey Disaster Relief Funding. We did not identify any significant issues in the EPA's contracting, logistics or resource acquisition processes. Prior to our audit, the agency had already identified strengths and areas for improvement. Specifically, the EPA performed the following tasks:

- Used existing Emergency and Rapid Response Services and Superfund Technical Assessment and Response Team contracts to avoid awarding new contracts.
- Maintained documentation that showed the EPA was effectively awarding and managing its Hurricane Harvey contract acquisitions.
- Used feedback, surveys and after-action reports to identify strengths, weaknesses and corrective actions.

The EPA implemented corrective actions in response to the recommendations in our 2006, 2008 and 2014 reports of the EPA's management of Disaster Relief Funding.

### ***EPA Acquisition Flexibilities Implemented***

In September 2017, the EPA issued an internal notice titled *Hurricane Harvey Special Emergency Acquisition Flexibilities*. This document implemented acquisition flexibilities available to EPA Contracting Officers—as outlined in Part 18 of the Federal Acquisition Regulation, OFPP's Emergency Acquisition Guide and EPA's Emergency Contracting Procedures—to obtain supplies or services in support of its Hurricane Harvey response. The majority of the EPA's spending in support of Hurricane Harvey resulted from five contracts. Table 3 details the EPA's Hurricane Harvey disaster response spending, all of which was approved and reimbursed by FEMA.

**Table 3: EPA's Hurricane Harvey spending**

<b>Category</b>	<b>Total Expended</b>
Personnel compensation and benefits	\$1,664,024.86
Travel subject to ceiling	660,019.49
Site-specific travel	7,006.98
Expenses	35,122.21
Contracts	8,668,404.42
<b>Total</b>	<b>\$11,034,577.96</b>

Source: OIG analysis of EPA's spending detailed in the Financial Data Warehouse.

When exercising this acquisition authority, the agency required Region 6 personnel to log all purchases made and specify how each purchase directly supported Hurricane Harvey response efforts, as outlined in Table 4. The EPA reported its

acquisitions via the Federal Procurement Data System, which showed specifically how contracting actions directly supported the response to Hurricane Harvey.

**Table 4: Hurricane Harvey acquisition documentation requirements**

Prices were reasonable.
Small businesses were used to the maximum extent practicable.
Preference was given to local firms.
Periods of performance were brief. Contracts under this authority should not go any longer than necessary to respond to the emergency.
If making a purchase at the request of another agency, the requesting agency had the authority and funding authorization to make the purchase.

Source: EPA, *Hurricane Harvey Special Emergency Acquisition Flexibilities*.

### ***EPA Maintained Ample Supporting Documentation for Acquisitions***

We reviewed contract files to verify that the EPA’s activities were consistent with emergency acquisition requirements. We found that those contract and project files included the following information:

- Acquisition planning information and purchase requests.
- Justification and approvals.
- Original contract award, modifications and supporting documents.
- Cost/price proposals and analyses.
- Scopes of work.
- Cross-references to pertinent documents filed elsewhere.

We verified that the EPA Acquisition System and the hard-copy files contained documentation to support the EPA’s *Hurricane Harvey Special Emergency Acquisition Flexibilities* requirements affirming prices were reasonable and local and small businesses were used. Contract periods of performance were reasonable, with the one exception discussed in the following sections.

### ***EPA Used Feedback, Surveys and After-Action Reports to Identify Areas for Improvement***

The Office of Emergency Management solicited input from responding and impacted personnel through interviews, surveys and feedback to provide an overall review of the EPA’s emergency response efforts. This information was consolidated into the *2017 Hurricane and Wildfire Response After-Action Report* that highlighted strengths, best practices, areas for improvement and corrective action recommendations. We concluded that the EPA collected feedback on its relief efforts, which can impact future disaster relief efforts.



Dive team assessing the San Jacinto River Waste Pits Superfund site. (EPA photo)

### ***EPA Did Not Repeat Fiscal Responsibility Issues Previously Identified***

During the Hurricane Harvey audit, we noted two potentially relevant issues identified in OIG Report No. [2006-P-00038](#) pertaining to price reasonableness determinations and longer-than-necessary contract performance periods.

The EPA obtained trailers to house its Hurricane Harvey responders—including EPA employees and contractors—for the following reasons indicated in the *2017 Hurricane and Wildfire Response After-Action Report*:

- A room block was not available to EPA responders to make hotel reservations at a government rate.
- EPA contractors did not have the authority to obtain hotel rooms.

In its *2017 Hurricane and Wildfire Response After-Action Report*, the EPA stated, “While obtaining trailers through the logistics contract provided flexibility, given the costs of approximately \$2,110,000, other options should have been explored.” The report further mentioned that some staff believed the trailers were too expensive. During our audit, we found that the Contracting Officer performed market research and obtained quotes and cost estimates, consistent with Federal Acquisition Regulation Section 15.404-1, to make an adequate determination of price reasonableness for the trailers.

We did find that the contract for the trailers was longer than necessary. The EPA contracted lodging trailers for 60 days, but the EPA’s disaster relief efforts did not last the entire length of the contract. EPA staff told us that they believed the relief efforts would last at least 60 days based on experience. However, although the contract period for the trailers (60 days) extended beyond the response period (35 days), the EPA determined that it would have spent *more* money to terminate the contract. While the EPA could have established a shorter period of performance up front, we found overall that the EPA’s management of Disaster Relief Funding did not repeat issues concerning fiscal responsibility that were raised in prior OIG reports.

## ***Corrective Actions Implemented for Prior Reports' Recommendations***

Office of Management and Budget requirements emphasize the need for management to take corrective actions when issues or deficiencies are identified. Per the EPA's Management Audit Tracking System, the EPA implemented corrective actions in response to the OIG's recommendations in our 2006, 2008 and 2014 reports on the EPA's management of Disaster Relief Funding. These reports all addressed—either in part or in whole—financial issues and contract management.

## **Conclusion**

Overall, we found that the EPA's management of Disaster Relief Funding did not repeat issues concerning fiscal responsibility that were identified in prior OIG reports. As a result, we concluded that the EPA had corrected issues found in prior reports, had policies and procedures in place for emergency acquisition flexibilities to effectively manage Disaster Relief Funding received from FEMA, and adequately documented the support needed for the EPA's Hurricane Harvey acquisitions. Therefore, we make no recommendations resulting from this audit.

## **EPA Response and OIG Evaluation**

We issued a discussion document presenting our audit results to the EPA on June 18, 2019. In addition, we met with the EPA on June 27, 2019, to discuss our audit results. The EPA concurred with our results and with proceeding directly to a final report. The EPA elected not to provide a written response.

## ***Distribution***

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Associate Deputy Administrator  
Chief of Staff  
Deputy Chief of Staff  
Assistant Administrator for Land and Emergency Management  
Assistant Administrator for Mission Support  
Regional Administrator, Region 6  
Agency Follow-Up Official (the CFO)  
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Principal Deputy Assistant Administrator for Land and Emergency Management  
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