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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

November 28, 2017

The Honorable Brock Long
Administrator
Federal Emergency Management Agency
500 C Street SW
Washington, DC 20024

Dear Mr. Long:

I write to request information about how the Federal Emergency Management Agency (FEMA) is managing contracts to support response and recovery efforts in the wake of Hurricanes Harvey, Irma, and Maria.

As you are aware, FEMA relies heavily on contractors to deliver goods and services to meet the urgent needs of the communities affected by these disasters. From the time Hurricane Harvey made landfall on August 25, 2017, through November 27, 2017, FEMA had obligated more than \$2 billion on contracts related to hurricane response and recovery.¹ FEMA's contract spending will likely continue to increase as contractors support long-term recovery efforts.

Historically, FEMA has faced significant challenges with its contract management.² Recent reports indicate that FEMA may be repeating past mistakes as it awards new contracts in the wake of Hurricanes Harvey, Irma, and Maria. According to one recent news article, in the first month of Fiscal Year (FY) 2018, FEMA awarded \$189 million in noncompetitive, no-bid contracts to fund food shipments, provide temporary housing, or to restore communications in Texas, Florida, and Puerto Rico—the highest monthly total since 2005.³ Contractors with questionable track records have signed agreements with the federal government, including a company that received a \$215 million award to distribute bottled water. The same company

¹ Data obtained from the Federal Procurement Database System (fpds.gov) (accessed Nov. 6, 2017).

² See e.g. Government Accountability Office, *Disaster Contracting: FEMA Needs to Cohesively Manage Its Workforce and Fully Address Post-Katrina Reforms* (GAO-15-783) (Sep. 2015); Department of Homeland Security, Office of Inspector General, *Improvements Needed in FEMA's Disaster Contract Management* (OIG-10-53) (Feb. 2010); and Department of Homeland Security, Office of Inspector General, *Challenges Facing FEMA'S Disaster Contract Management* (OIG-09-70) (May 2009).

³ *FEMA Ramps Up No-Bid Awards While Faulting Puerto Rico*, Bloomberg (Nov. 2, 2017) (www.bloomberg.com/news/articles/2017-11-02/as-fema-faults-puerto-rico-contract-it-ramps-up-no-bid-awards).

reportedly missed deadlines, submitted inaccurate documentation, and received payment for unsupported costs during the response to Hurricane Katrina in 2005.⁴

In particular, I am concerned about FEMA's contracts for call centers, temporary housing, and home inspections, all of which are key components of the response phase of a disaster. According to a recent report, survivors of Hurricanes Harvey and Irma have experienced long delays before receiving Individual Assistance grants from FEMA, in part due to insufficient call center staffing. Applicants who have called FEMA call centers with questions have reported waiting on hold for up to four hours before speaking to a live representative.⁵ These call centers are staffed in part through a \$95 million contract that FEMA awarded competitively and a \$13 million contract awarded without competition.⁶

FEMA is providing temporary housing to disaster survivors in a variety of ways, including hotel rooms through the Transitional Shelter Assistance program, apartment units through the Multi-Family Lease and Repair program, and mobile homes through the Direct Temporary Housing Assistance program. Contractors will handle much of this work. According to one news article, FEMA has already spent nearly \$300 million on 4,500 mobile homes.⁷ Additionally, one mobile home contractor, with a limited record in disaster relief, received a \$74 million award, and reportedly had only five full-time employees and annual revenue of \$200,000 at the time of the contract award.⁸

Under FEMA's Individual Assistance program, residential properties must undergo a damage inspection before a homeowner can receive funding for repairs. In areas affected by Hurricanes Harvey and Irma, the average wait for an inspection is reportedly between 30 and 45 days. FEMA has cited "staffing challenges" as the primary cause of these delays and has

⁴ *FEMA is Spending Billions, and Some Questionable Companies Are Getting Work*, Bloomberg (Oct. 19, 2017) (www.bloomberg.com/news/articles/2017-10-19/fema-is-spending-billions-and-some-questionable-companies-are-getting-work).

⁵ *Still Waiting for FEMA in Texas and Florida After Hurricanes*, New York Times (Oct. 22, 2017) (www.nytimes.com/2017/10/22/us/fema-texas-florida-delays-.html).

⁶ Data obtained from the Federal Procurement Database System (fpds.gov) (accessed Oct. 21, 2017).

⁷ *With Thousands Still in Shelters, FEMA's Caution About Temporary Housing Hinders Hurricane Recovery*, Washington Post (Oct. 28, 2017) (www.washingtonpost.com/investigations/with-thousands-still-in-shelters-femas-caution-about-temporary-housing-hinders-hurricane-recovery/2017/10/28/58bd2ae0-acdf-11e7-be94-fabb0f1e9ffb_story.html?utm_term=.9944d3ca55b5).

⁸ *FEMA is Spending Billions, and Some Questionable Companies Are Getting Work*, Bloomberg (Oct. 19, 2017) (www.bloomberg.com/news/articles/2017-10-19/fema-is-spending-billions-and-some-questionable-companies-are-getting-work).

indicated that the agency is the process of hiring hundreds of personnel and contractors in the coming weeks.⁹

FEMA must take appropriate steps to manage and oversee hurricane relief contracts to ensure that the taxpayer dollars reach disaster survivors and are not wasted or mismanaged. To assist me in my oversight of FEMA's contract management and oversight, I request you provide the following documents and information.

1. Please describe how FEMA evaluates a potential awardee's past performance before awarding a new contract, including:
 - a. Whether FEMA takes into consideration findings made by the Department of Homeland Security's Office of Inspector General (DHS OIG) regarding contracts previously awarded to a prospective contractor, or violations of state or federal law; and
 - b. Whether FEMA uses different policies and procedures for evaluating past performance when it awards contracts under the statutory exception of the "full and open competition" requirement.
2. Please describe how FEMA determines whether a potential awardee that has not previously held a federal disaster relief contract is qualified to meet the requirements of a particular contract.
3. Please provide a list of awardees, contract amount, scope and nature of work for all single-source, no-bid contracts that FEMA has issued to date for Hurricanes Harvey, Irma, and Maria.
4. Please provide the following information regarding FEMA's call centers for disaster assistance:
 - a. A list of all call center contracts awarded to date in response to Hurricanes Harvey, Irma, and Maria, and information sufficient to understand the process for awarding each (including the selection of the contract vehicle, competition, duration and scope, and funding);
 - b. The current average wait time to speak with a live representative; and
 - c. The respective numbers of employees and contractor personnel FEMA currently has in place to handle call center inquiries and the numbers FEMA plans to hire.

⁹ *Still Waiting for FEMA in Texas and Florida After Hurricanes*, New York Times (Oct. 22, 2017) (www.nytimes.com/2017/10/22/us/fema-texas-florida-delays-.html).

5. Please provide the following information regarding FEMA initiatives:
 - a. A list of all contracts that have been awarded through FEMA's Transitional Shelter Assistance, Multi-Family Lease and Repair, and Direct Temporary Housing Assistance programs to date in response to Hurricanes Harvey, Irma, and Maria, and information sufficient to understand the process for awarding each (including the selection of the contract vehicle, competition, duration and scope, and funding); and
 - b. The respective numbers of hotel rooms, apartment units, and mobile homes that have been rented, purchased, or leased through these programs following Hurricanes Harvey, Irma, and Maria (broken down by disaster-affected area), and the average and highest price paid for each.

6. Please provide the following information regarding home inspections:
 - a. A list of all home inspection contracts awarded to date in response to Hurricanes Harvey, Irma, and Maria, and information sufficient to understand the process for awarding each (including the selection of the contract vehicle, competition, duration and scope, and funding); and
 - b. The number of completed and pending home inspections performed for residents of areas affected by Hurricanes Harvey, Irma, and Maria (broken down by disaster), and the average wait time for a home inspection to be completed in each disaster affected area; and
 - c. The respective numbers of employees and contractor personnel FEMA currently has in place to conduct home inspections of damaged property and the numbers FEMA plans to hire (broken down by disaster-affected area).

I ask that you provide the requested information no later than December 19, 2017. Should you be unable to meet that deadline, or if you have any questions related to this request, please contact Phylicia Woods at Phylicia_Woods@hsgac.senate.gov or (202) 224-2627. Please send any official correspondence related to this request to Lucy_Balcezak@hsgac.senate.gov.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman