

# “Fighting Fraud During Disasters”



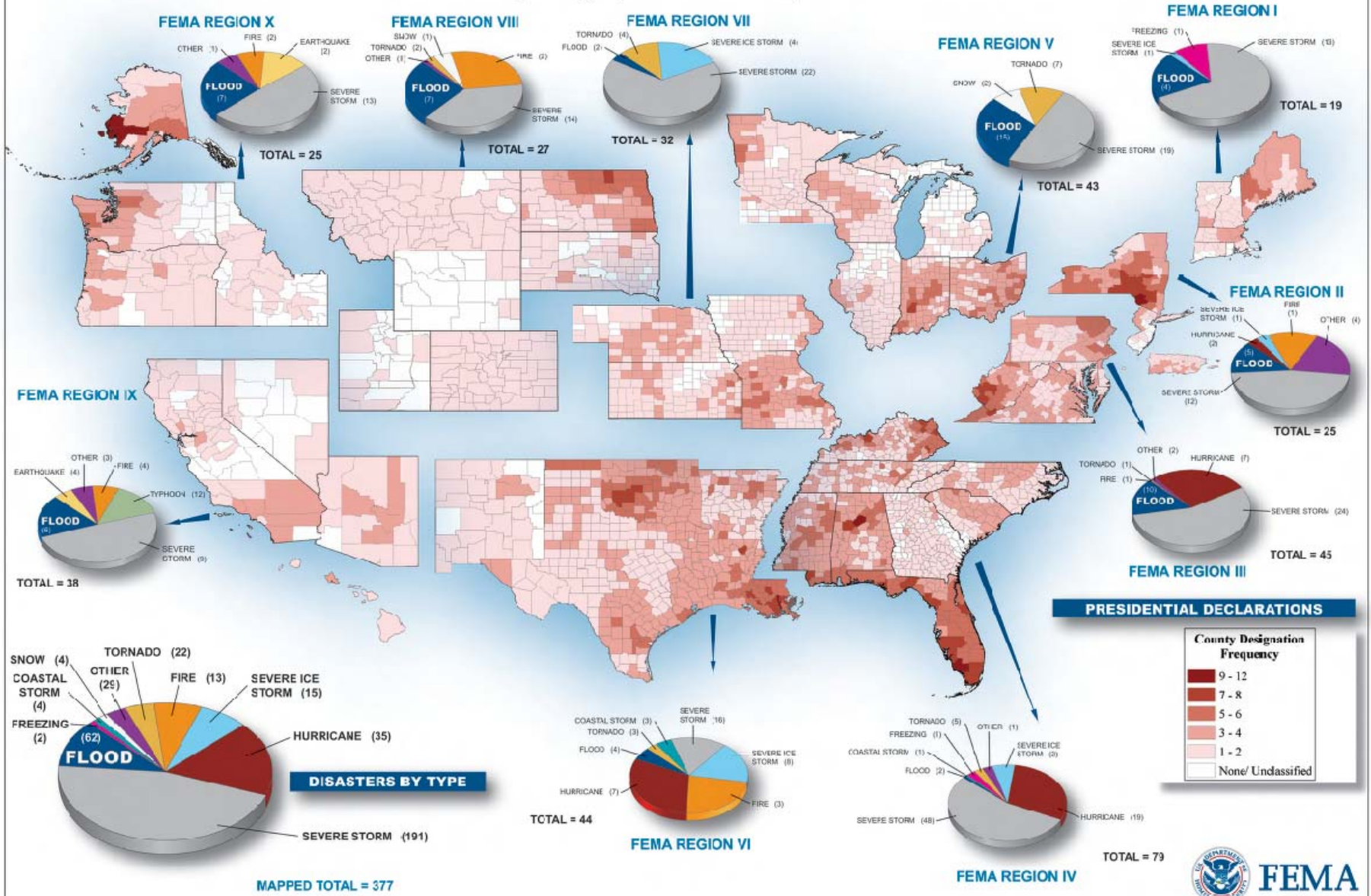
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**Deputy Inspector General**



**AGA Northern Virginia / Annual Education Event**  
**Alexandria, VA**  
**March 19, 2008**

# PRESIDENTIAL DISASTER DECLARATIONS

January 3, 2000 to March 3, 2007



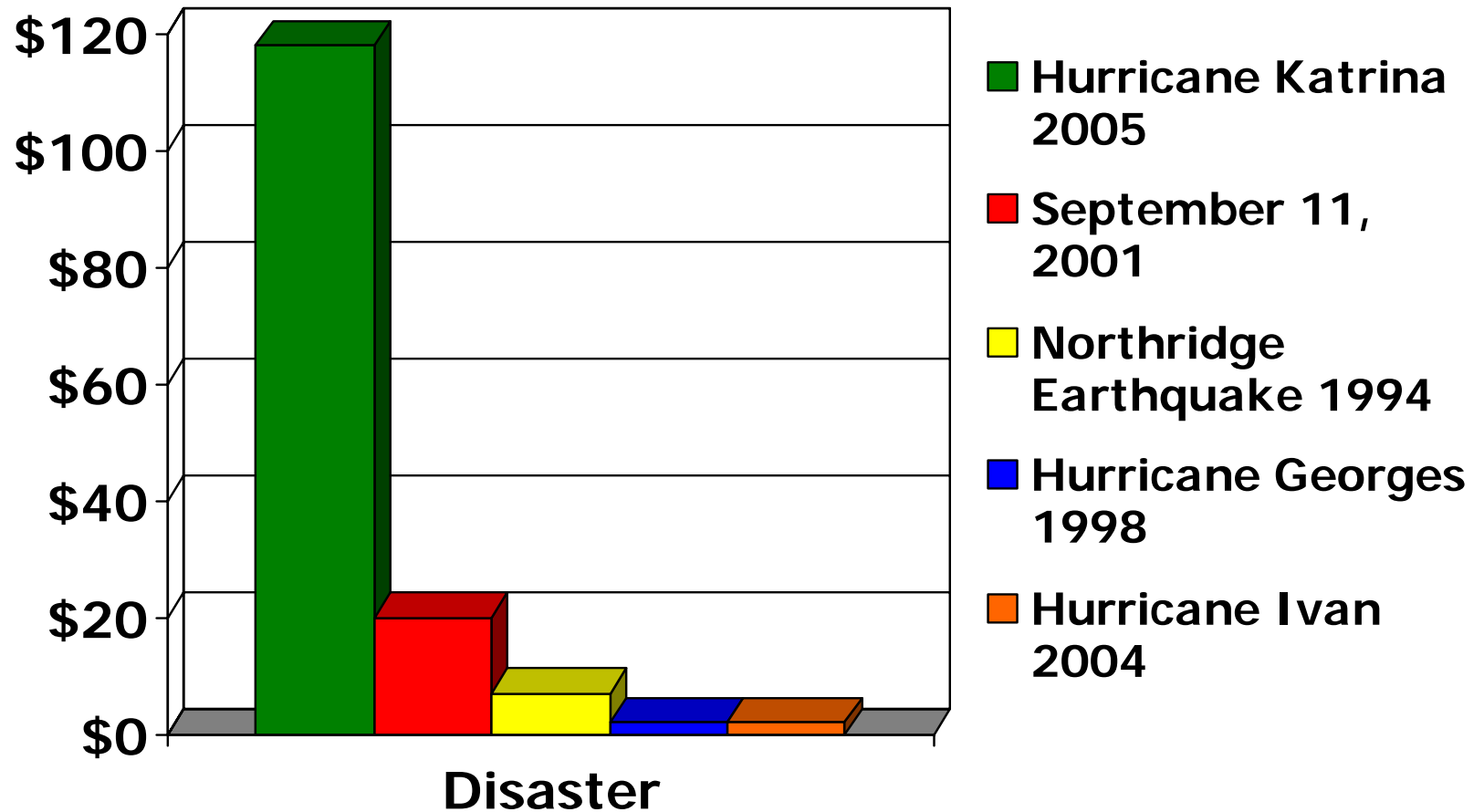
# Impact of Hurricane Katrina

- Hurricane Katrina presented an unprecedented need for government assistance.
- Over \$132 billion of taxpayer funds will be used to assist victims through the long and costly reconstruction effort.



# Top Five Disasters

(in billions)



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# Federal Agencies / Departments

- DHS/OIG Office of Emergency Management Oversight
- PCIE/ECIE and Federal Inspectors General
- Hurricane Katrina Fraud Task Force
- Government Accountability Office (GAO)

# Phases of Disaster

- Preparedness
- Response
- Recovery
- Mitigation



# Laws

- Current federal law regarding disaster relief is based on the Disaster Relief Act of 1974 (Public Law 93-288).
- The Disaster Relief Act, amended in 1988 by Public Law 100-707, is now referred to as the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).
- Since 1988, the Stafford Act has been amended a number of times, including the Disaster Mitigation Act of 2000 (Public Law 106-390).
- The Stafford Act was amended since Hurricane Katrina, most significantly by the Post Katrina Emergency Management Reform Act (Public Law 109-295).

# Lessons Learned



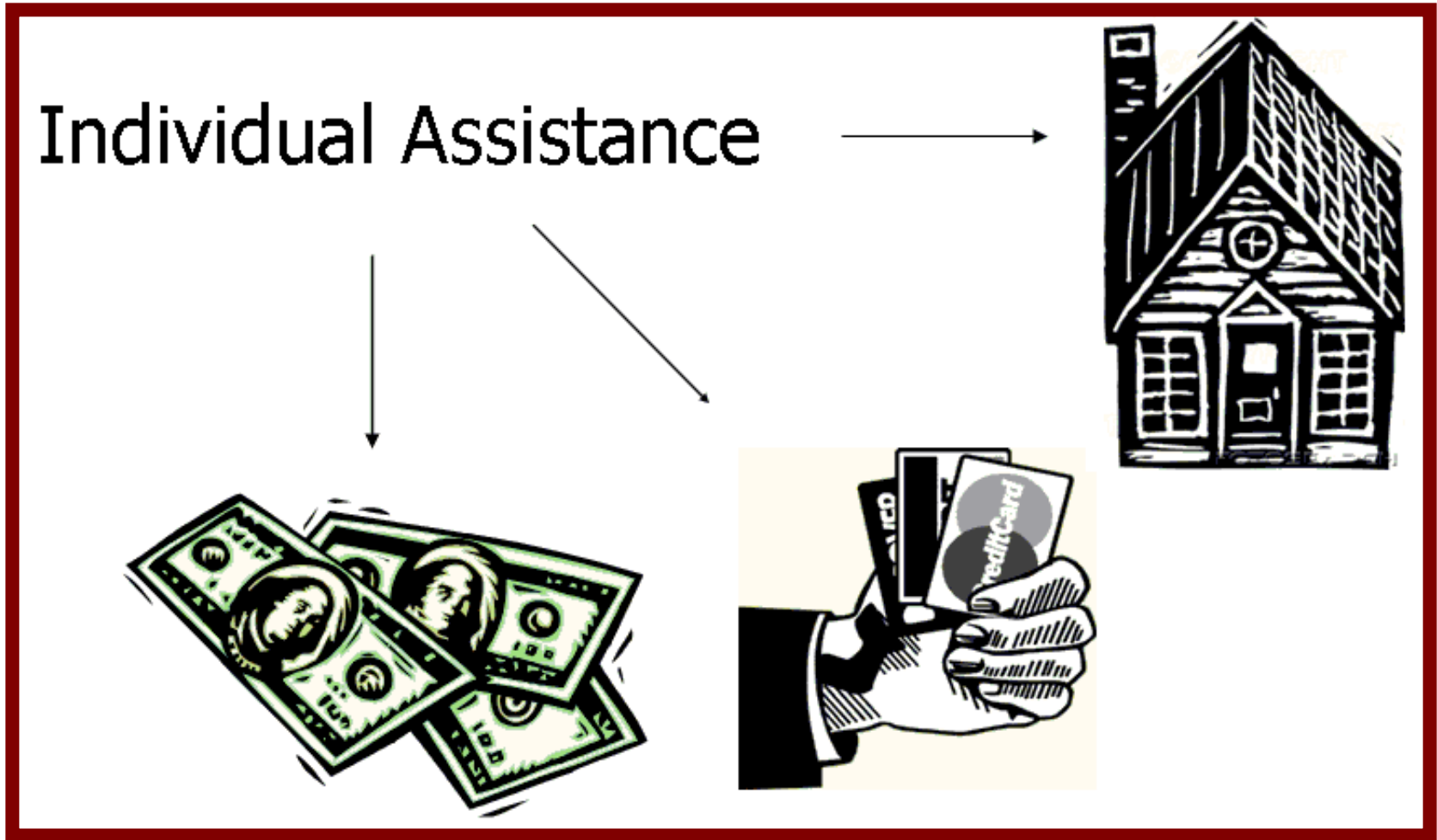
# Critical Issues

- Preparedness
- Coordination
  - Data Sharing
  - Duplicate Programs
  - Mission Assignments
  - Single Audit Act
- Training
- Funding

# Challenges



# Case Study 1: Duplicate Benefits



# Case Study 2: Debris Removal



# Case Study 3: Manufactured Housing



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# The Financial Manger's Role

**Disasters need  
"Real Time"  
financial management.**

# In the Heat of Battle

During a disaster a Financial Manager can:

- Advise and counsel managers and decision makers
- Stop uncontrolled spending
- Restore sanity and controls
- Curtail expedited contracts
- Ensure laws and regulations are followed
- Refer possible fraud cases to proper law enforcement officials

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# Pitfalls to Avoid

- The Spend First / Ask Questions Later Mentality
- Contracts With Few Terms & Conditions
- Single Page/ Million Dollar Contracts
- Lack of Cash Flow Management. Unlike the Federal Government, Cities Can't Spend Money They Don't Have
- Verbal Authorizations

# Next Steps

- State and Local Coordination and Training
- Contracting
- Law Enforcement
- Data Sharing
- Reporting
- Funding and Staffing

# Emergency Management Oversight Team

- Essentially OIG first-responders
- Provide objective independent observation of disaster-related activities
- Detect and prevent waste, fraud, and abuse, and actively participate with DOJ National Procurement Fraud Task Force
- Coordinate with other federal agencies, state and local audit organizations, as well as GAO

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# For More Information

**PCIE/ECIE and Federal Inspectors General**

<http://www.ignet.gov/igs1.html>

**Government Accountability Office (GAO)**

<http://www.gao.gov>

**DHS/OIG**

<http://www.dhs.gov/xoig/>

**Hurricane Katrina Fraud Task Force**

[http://www.usdoj.gov/katrina/Katrina\\_Fraud/](http://www.usdoj.gov/katrina/Katrina_Fraud/)

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