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UNITED STATES GENERAL ACCOUNTING OFFICE

Washington, D.C.

STATEMENT OF

MARTIN M FERBER, ASSOCIATE DIRECTOR

NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION

BEFORE THE

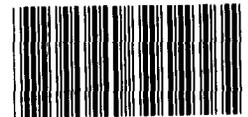
SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES

HOUSE COMMITTEE ON ARMED SERVICES

ON

THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S

USE OF CIVIL DEFENSE FUNDS



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Mr. Chairman and Members of the Subcommittee,

I am pleased to appear before the Subcommittee to provide a status report on the results of our work, undertaken at your request, on the use of civil defense funds by the Federal Emergency Management Agency (FEMA). With me is Uldis Adamsons, my Group Director responsible for work in mobilization planning.

The Subcommittee expressed concern that FEMA's budget submission was too vague for decision making, and asked us to determine how FEMA spent its civil defense funds in fiscal year 1984, and how it plans to spend these funds in fiscal year 1985. You expressed particular interest in whether defense needs were still the primary focus of civil defense expenditures, and requested details on FEMA expenditures such as the portion of FEMA funds contracted out, the types of FEMA and contractor activities being funded, and the types of funding controls in place.

Today, I will give you an overview of the data we have developed in our ongoing work, and offer observations in response to your overall questions. We found that FEMA has control procedures to ensure that civil defense funds are spent for civil defense-related activities, but we observed some apparent exceptions to those procedures in the case of research contracts. We also noted that FEMA does not yet have a system to accurately identify the amount of time FEMA personnel spend in civil defense activities. With regard to funding controls, our ongoing work shows that FEMA has addressed many of the financial and accounting control problems raised in prior

reports by GAO and others, but actions are incomplete. Some of the management problems and alleged abuses noted in recent congressional testimony and media coverage involve civil defense funds.

HOW DOES CIVIL DEFENSE RELATE TO  
FEMA'S OVERALL MISSION AND BUDGET?

The FEMA mission is to establish and maintain capabilities to prepare and respond to emergencies caused by natural, technological (such as nuclear reactor accidents), and attack-related disasters. To carry out its mission, FEMA has 13 major programs, one of which is civil defense:

- o Flood Plain Management/Insurance
- o Earthquake Preparedness
- o Hurricane Preparedness
- o Radiological Emergency Preparedness
- o Hazardous Materials Preparedness
- o Dam Safety
- o Fire Safety
- o Disaster Relief
- o Civil Defense
- o Continuity of Government
- o Resource Preparedness
- o Mobilization Preparedness
- o Training

FEMA's civil defense activities focus on attack-related disasters, but also provide a capability to respond to natural and technological disasters. Also, civil defense is not the

only program which deals with attack-related disasters; FEMA programs such as mobilization preparedness and continuity of government also deal with attack-related disasters. FEMA is currently implementing an Integrated Emergency Management System to use basic emergency capabilities (such as communications, transportation, and shelter) to apply to all disasters, with special capabilities added for certain types of emergencies.

FEMA's organization is made up of 5 major operating groups and 10 regional offices. However, for fiscal year 1986, FEMA is considering closing four regional offices (as yet, not designated). FEMA's jurisdiction covers the 50 states and the U.S. territories. Four of the five major operating groups have--among other responsibilities--a responsibility for managing civil defense.

--The National Preparedness Programs Directorate is responsible for overall civil defense plans and policy development.

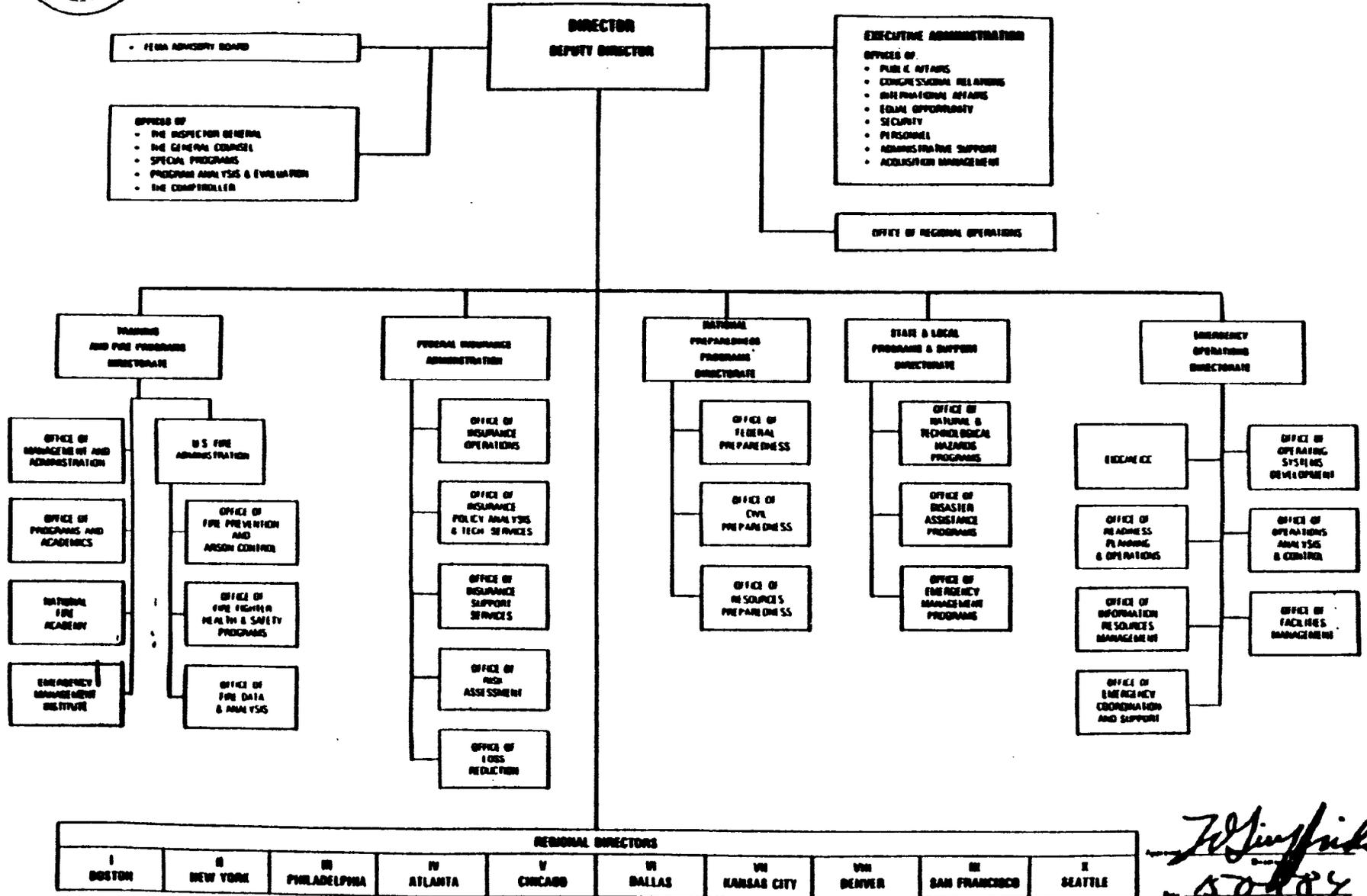
--The State and Local Programs and Support Directorate develops and implements civil defense program components that are deployed at state and local levels.

--The Training and Fire Programs Directorate provides civil defense training and public education.

--The Emergency Operations Directorate administers national warning and communications systems.



# ORGANIZATION FEDERAL EMERGENCY MANAGEMENT AGENCY



*John J. ...*  
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The relative proportion of FEMA resources allocated to civil defense in fiscal year 1985 is on the order of 20 to 25 percent. As of February 28, 1985 FEMA estimated that 622 (about 22 percent) of its 2,767 personnel were working on civil defense programs. The fiscal year 1985 appropriation for civil defense was \$181.4 million, or 24 percent of the total FEMA appropriation of \$761.6 million. However, for fiscal year 1986 FEMA has requested only \$119.1 million for civil defense. This reduces civil defense to 19 percent of the total budget, down from 24 percent in fiscal years 1984 and 1985. Attachment I provides a breakdown of funds within civil defense for fiscal years 1984, 1985, and 1986.

However, FEMA has also requested congressional approval to transfer \$5.6 million of fiscal year 1985 civil defense program funds (from its Emergency Management Planning and Assistance Appropriation) to its Salaries and Expenses Appropriation. FEMA believes the transfer is necessary because they had not allocated enough funds for fiscal year 1985 salaries and benefits. Of the total transfers, \$2.6 million would be used for programs other than civil defense. In addition FEMA is considering other changes in the 1985 budget to alleviate the impact of the proposed reduction of civil defense funds in fiscal year 1986 to \$119.1 million. Attachment IV describes the appropriation transfers for fiscal year 1984 and currently proposed fiscal year 1985.

Most civil defense funds are spent through contracts, grants, or other purchasing instruments. Of the fiscal year

1984 civil defense total of \$167.5 million, \$137.4 million (about 82 percent) was spent in this fashion. Most of these funds went to state and local governments through Comprehensive Cooperative Agreements.

PROBLEMS IN ACCOUNTING FOR AND BUDGETING  
CIVIL DEFENSE FUNDS

The Accounting and Auditing Act of 1950 requires the head of each executive agency to establish and maintain a system of accounting and internal control over all the agency's assets. Examinations by GAO, FEMA, and the Congress have identified a number of internal control problems which related directly to civil defense expenditures.

In June 1982, GAO reported weaknesses in FEMA's internal financial and accounting controls (GAO/AFMD-82-87). The weaknesses included inadequate safeguards and controls over disbursements, inadequate pre-audits to preclude duplicate payments, obligations poorly controlled and not adequately reviewed, recorded, or reconciled, and accounting functions poorly managed and inadequately staffed.

We reported that FEMA's disbursing operation did not conform to Treasury and GAO requirements and, as a result, federal funds were being unnecessarily exposed to the risk of loss, theft, or other misuse. We also reported that FEMA did not exercise basic fund controls over its obligations to ensure that (1) appropriations were used as intended by the Congress, and (2) FEMA did not make financial obligations in excess of amounts appropriated by the Congress.

We concluded that because FEMA did not systematically use the control procedures noted above and had widespread deficiencies in its obligation records, there was doubt about the true status of FEMA's obligations for fiscal years 1979, 1980 and 1981.

We also reported that achieving effective program operations at FEMA had been greatly hampered by basic weaknesses in the administration and management of its accounting operation, and that such weaknesses were a major underlying cause of the internal control deficiencies. Specifically, we noted that personnel were sometimes not available to perform essential accounting functions or lacked the training and expertise to properly carry out these functions; written procedures had not been developed to guide and instruct employees in carrying out their day-to-day duties; responsibility and accountability for accounting duties were not clearly assigned; and employees' duties were not specified in job descriptions.

FEMA acknowledged the cited problems and identified actions to address them. Specifically, FEMA has:

- developed new voucher examination procedures to help ensure proper and timely payment of invoices;
- implemented procedures to track the status of obligations;
- implemented improved controls over its disbursements;
- acted to review and reconcile all of its recorded obligations; and

--made improvements in its accounting operation, including hiring more professional accountants and issuing written job descriptions to employees.

In attachment III, we list prior GAO reports which contain recommendations relating to the use of civil defense funds, and the status of pertinent recommendations.

In September 1983, FEMA awarded a contract to a CPA firm to review the internal controls over contracts and grants at its National Emergency Training Center, Emmitsburg, Maryland, and to ascertain whether existing controls and procedures were adequate. In December 1983, the contractor reported a number of weaknesses in the center's internal controls including too many noncompetitive procurements and too many awards in the fourth quarter. In fiscal year 1983, 12 of 13 new contract awards by the center were noncompetitive. About 58 percent of total awards--including both new awards and contract modifications--were during the fourth quarter. The contractor recommended that FEMA explore (1) methods to increase competitive procurements and (2) ways to improve its advanced procurement planning to ensure future compliance with standards. FEMA agreed with the recommendations and corrective action is in process.

An October 1984 investigation by the Subcommittee on Investigation and Oversight of the House Committee on Science and Technology and an investigation by FEMA's Inspector General have disclosed a number of contractor billing problems involving civil defense contracts. For example, two contractors (Triton

Corporation and IMR Systems Corporation) that have a history of sole source contracts with FEMA, including \$2.8 million in fiscal year 1984, were cited as having numerous questionable billings. The contracts were awarded under the Small Business Administration's 8(a) program, which is designed to assist socially and economically disadvantaged businesses. The contracts provided for curriculum development, editorial support, and evaluation assistance at the National Emergency Training Center.

The Subcommittee found that FEMA officials put billings from Triton Corporation on a special basis so that the personnel responsible for verifying billings were bypassed between November 1983 and May 1984. This was disclosed during hearings in October 1984 but there has not been a final Committee report or formal response by FEMA.

FEMA's Inspector General reported that the second contractor, IMR Systems Corporation, had an inadequate accounting system for assigning contract costs, that the contractor performed and was paid for work before written contracts or task orders were prepared, and that the contractor claimed some expenses several times. Although established controls were in place at the time the cited deficiencies occurred, the investigators found that they were not followed as required.

Both contractors are currently under investigation by the Small Business Administration to determine whether they indeed qualify for the 8(a) program, and by the Justice Department in a grand jury investigation for questionable contracting practices.

### Current status of FEMA controls

You asked us to identify and test FEMA's controls over civil defense contracts with organizations in the private sector, particularly for sole source contracts. Aside from the cases I just mentioned, we believe that the controls in place and planned, if properly implemented, should provide reasonable assurance that contracts issued to private concerns are adequately reviewed and monitored. We note, however, that FEMA has not yet revised its procurement policies and procedures to comply with the Competition in Contracting Act (Title VII of the Deficit Reduction Act of 1984). The Act became effective on solicitations issued on or after April 1, 1985.

FEMA controls require that before a contract is awarded, separate approvals by key officials assure that a product or service is needed, that funds are available, and that the contracting method is appropriate. Specifically, procurement requisitions are required for acquisitions and are approved by the project officer, the program head, and two other designated officials. The office that initiates the procurement is responsible for preparing and obtaining funding validation from FEMA's Office of the Comptroller, Budget Division.

FEMA established a Procurement Review Board in January 1984 to review the agency's proposed procurement actions to ensure that they support FEMA's goals and objectives. Contract modifications and new procurement requests in excess of \$100,000

are reviewed by the Office of Acquisition Management and also forwarded to the Procurement Review Board for review and approval.

A contracting officer is responsible for the development, negotiation, award, administration, and closeout of contracts. Two of the contracting officer's duties are to ensure that each acquisition is authorized and that funds are available.

After a contract is awarded, the project officer and the contracting officer are responsible for monitoring the contractor's performance. Monitoring is performed through contractor-submitted progress reports, special reports, letters, telephone calls, and/or visits to contractor facilities. In addition to monitoring, postaward administration includes payment procedures which require the project officer to verify work performed and certify payment for interim vouchers. Final vouchers require the contracting officer's certification to ensure that necessary actions such as audit and property disposition have been completed prior to payment.

The control procedures for sole source procurements vary according to the amount of the procurement and the type of contractor involved. Sole source procurements over \$500 but under \$25,000 require a brief justification statement and approval of the contracting officer. Actions over \$25,000 must be supported by a justification statement and also be approved by higher levels: up to \$500,000 by the Director of the Office of Acquisition Management, and over \$500,000 by the Executive

Administrator. Procurements from or through other government agencies, including 8(a) program procurements through the Small Business Administration, are not subject to FEMA's current procedures for sole source procurement, but are subject to other contracting controls.

During fiscal year 1984, FEMA negotiated 85 sole source contracting actions (contracts and/or modifications to existing contracts) involving 38 contractors and amounting to approximately \$7.2 million. We examined 51 contracting actions the majority of which were over \$50,000, and found that \$4.2 million worth (involving 9 of the 18 contractors in our sample) represented 8(a) program procurements through the Small Business Administration, and, as such, did not require sole source justifications. Contracts with the remaining sole source contractors contained sole source justifications which had been approved in accordance with FEMA regulations. During our evaluation, however, we did not have sufficient time to assess the validity of the justifications.

FEMA's sole source contracts have involved alleged abuses which have been the subject of previous congressional hearings. Our review of the contract files showed that controls had been in place at the time the alleged abuses occurred, thus the problems involve how well controls were implemented. Contract control problems have been raised by previous examinations of FEMA and included such things as (1) intervention by FEMA management to bypass controls, (2) FEMA not fully informing potential bidders

of its needs, (3) FEMA awarding a contract against the advice of interagency scientific and health experts, and (4) a potential conflict of interest. The potential conflict issue arose because the FEMA Director serves as an officer of International Management and Development Institute/Fowler-McCracken Commission, a non-profit organization which received a sole source grant including \$50,000 of fiscal year 1984 civil defense funds. FEMA's Office of General Counsel has ruled that there was not a conflict of interest, thus the grant was awarded. In its planned procurements for fiscal year 1985, FEMA plans to use \$150,000 of civil defense funds for another sole source grant to this organization.

#### How Does Civil Defense Funding Relate To Other FEMA Missions?

Although FEMA is sometimes viewed as having two parts to its overall mission (attack-related emergencies on the one hand versus natural and technological emergencies on the other), its budget line items do not neatly fall into one category or the other. Certain program activities of FEMA are intertwined and mutually supportive.

For example, two of FEMA's other major budget line items, Comprehensive Emergency Preparedness Planning and Radiological Emergency Preparedness, consist of activities related to natural and technological emergencies (that is, earthquakes, hurricanes, hazardous materials accidents, etc.). Civil defense funds, however, are used to support these programs through means such as Comprehensive Cooperative Agreements to the states, and the use of radiological instruments.

On the other hand, attack-related activities which deal with federal preparedness and not the protection of the U.S. civilian population per se, are funded from the federal preparedness authorization rather than civil defense.

Our examination of how funds are identified as civil defense versus other programs showed the distinctions are often judgemental and, in some cases, unclear. Examples include the funding for the Automated Data Processing program, the Emergency Operating Centers, and the operation of the National Emergency Training Center in Emmitsburg, Md. The data processing program, which supports all of FEMA, is funded out of three budget line items: civil defense, federal preparedness, and management and administration. Each appropriation contributes about one-third of the total operations cost. The operations of the Emergency Operating Centers, which are used during all emergencies, however, are totally funded by civil defense. The operating costs of the training facility, including instructors, is split about 50/50 between civil defense and fire safety.

#### Research contracts

We also found that out of \$5.5 million for civil defense research in fiscal year 1984, about \$1.3 million appeared to relate primarily to program activities other than civil defense. These activities, such as radiological emergency preparedness, fire administration, and mobilization emergency

preparedness, have separate funding accounts. A listing of FEMA's fiscal year 1984 research contracts is provided as attachment II.

#### Reprogramming and reallocating funds

In response to your concern about controls over reprogramming and reallocating funds, we found that FEMA has controls to ensure that such actions are in accordance with congressional requirements. Attachment IV describes appropriation transfers involving civil defense funds in fiscal year 1984 and a proposed transfer for fiscal year 1985. The proposed fiscal year 1985 transfer of \$5.6 million is entirely from civil defense funds within the Emergency Management Planning Assistance Appropriation, to several funds (civil defense and others) within the Salaries and Expenses Appropriation.

#### Civil defense staffing

FEMA uses a 60% rule of thumb to charge staff's time to a program. That is, if an individual spends 60% of his or her time on a civil defense activity, then civil defense is assessed the full cost of the employee. Although some efforts have been made to estimate staff time, there is currently no system in place which can account for the salaries and expense expenditures, due largely to individuals with assigned duties which cross the boundaries of various programs. As mentioned, FEMA estimated that in February 1985, 622 people were working full or part-time in civil defense programs.

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Because of the limited tests made in our current work, we have no conclusions or recommendations. Our work has shown certain problems, but it is important to note that FEMA has taken initiatives to correct those problems. The main task now is to ensure that these initiatives are properly implemented.

Mr. Chairman, that concludes my statement. I will be happy to answer your questions.

FEMA's Civil Defense Budget  
Fiscal Years 1984, 1985, and 1986

| Civil Defense Activities                             | (\$ in Thousands)         |                  |                   |                  |                  |                   |                |
|--|---------------------------|------------------|-------------------|------------------|------------------|-------------------|----------------|
|  | FY 1984                   |                  |                   | FY 1985          |                  |                   | FY 1986        |
|  | Appropriated <sup>1</sup> | Actual           | Difference        | Requested        | Appropriated     | Difference        | Requested      |
| <b>State &amp; Local Emergency Management</b>        |                           |                  |                   |                  |                  |                   |                |
| Emergency Management Assistance                      | 69,749                    | \$68,123         | \$ 2,376          | \$68,855         | 67,855           | \$( 1,000)        | \$62,131       |
| Other S&L Emergency Management                       | 2,715                     | 2,917            | 202               | 5,893            | 2,724            | ( 1,969)          | 2,074          |
| <b>TOTAL</b>   | <b>68,464</b>             | <b>71,042</b>    | <b>2,578</b>      | <b>72,348</b>    | <b>70,579</b>    | <b>( 1,969)</b>   | <b>64,205</b>  |
| <b>Rediological Defense</b>                          |                           |                  |                   |                  |                  |                   |                |
| Planning & Development                               | 3,283                     | 3,380            | 97                | 4,788            | 3,287            | ( 1,501)          | 1,633          |
| Instrumentation                                      | 7,899                     | 8,103            | 204               | 16,219           | 7,908            | ( 8,311)          | 5,802          |
| Other Rediological Defense                           | ---                       | ---              | ---               | 130              | ---              | ( 130)            | ---            |
| <b>TOTAL</b>   | <b>11,182</b>             | <b>11,483</b>    | <b>301</b>        | <b>21,137</b>    | <b>11,195</b>    | <b>( 9,962)</b>   | <b>7,435</b>   |
| <b>Population Protection</b>                         |                           |                  |                   |                  |                  |                   |                |
| Population Protection Planning                       | 10,074                    | 9,385            | ( 489)            | 15,147           | 10,090           | ( 5,057)          | 5,496          |
| Facility Survey Engineering & Development            | 8,613                     | 7,076            | ( 1,537)          | 14,236           | 8,665            | ( 5,571)          | 4,807          |
| Shelter Preparation                                  | 72                        | 49               | ( 23)             | 1,072            | 72               | ( 1,000)          | 86             |
| <b>TOTAL</b>   | <b>18,759</b>             | <b>16,710</b>    | <b>( 2,049)</b>   | <b>30,455</b>    | <b>18,827</b>    | <b>( 11,628)</b>  | <b>10,369</b>  |
| <b>Protection of Industrial Capability</b>           |                           |                  |                   |                  |                  |                   |                |
| Industrial Capability Protection Planning            | 1,100                     | 1,086            | ( 14)             | 1,790            | 978              | ( 812)            | ---            |
| Keyword Protection                                   | 3,600                     | 3,477            | ( 123)            | 2,802            | 1,472            | ( 1,330)          | ---            |
| Other Protection of Industrial Capability            | ---                       | ---              | ---               | 974              | 350              | ( 624)            | ---            |
| <b>TOTAL</b>   | <b>4,700</b>              | <b>4,563</b>     | <b>( 137)</b>     | <b>5,566</b>     | <b>3,000</b>     | <b>( 2,566)</b>   | <b>---</b>     |
| <b>State and Local Direction Control and Warning</b> |                           |                  |                   |                  |                  |                   |                |
| Emergency Operating Centers                          | 11,054                    | 10,875           | ( 179)            | 17,754           | 10,069           | ( 7,685)          | 893            |
| State and Local Warning and Comm. Systems            | 3,085                     | 2,974            | ( 111)            | 6,616            | 1,031            | ( 5,585)          | 472            |
| Emergency Broadcast System Guidance and Assistance   | 2,325                     | 2,321            | ( 4)              | 4,357            | 657              | ( 3,700)          | 266            |
| Other S&L Directing Control and Warning              | 4,029                     | 4,037            | ( 8)              | 5,386            | 2,286            | ( 3,100)          | 1,080          |
| <b>TOTAL</b>   | <b>20,493</b>             | <b>20,207</b>    | <b>( 286)</b>     | <b>34,113</b>    | <b>14,045</b>    | <b>( 20,070)</b>  | <b>2,711</b>   |
| <b>Research</b>                                      |                           |                  |                   |                  |                  |                   |                |
| Research   | 3,585                     | 3,524            | ( 61)             | 6,489            | 3,077            | ( 3,412)          | ---            |
| Systems Integrations & Applications                  | 563                       | 548              | ( 15)             | 263              | 210              | ( 53)             | 120            |
| System Development                                   | 1,386                     | 1,400            | 14                | 2,400            | 1,077            | ( 1,323)          | ---            |
| Policy and Planning                                  | 968                       | 996              | 28                | 1,106            | 894              | ( 212)            | 902            |
| <b>TOTAL</b>   | <b>6,502</b>              | <b>6,468</b>     | <b>( 34)</b>      | <b>10,258</b>    | <b>5,258</b>     | <b>( 5,000)</b>   | <b>1,022</b>   |
| <b>Training and Education</b>                        |                           |                  |                   |                  |                  |                   |                |
| Emergency Management Institute                       | 13,328                    | 12,499           | ( 869)            | 14,948           | 12,173           | ( 2,775)          | 6,689          |
| NETC Site Administration                             | 3,398                     | 3,309            | ( 89)             | 3,954            | 3,413            | ( 541)            | 2,806          |
| NETC West Site Administration                        | ---                       | ---              | ---               | 1,085            | 1,285            | 200               | 1,285          |
| Emergency Public Information                         | 1,000                     | 700              | ( 300)            | 1,500            | 1,000            | ( 500)            | 500            |
| <b>TOTAL</b>   | <b>17,726</b>             | <b>16,468</b>    | <b>( 1,258)</b>   | <b>21,487</b>    | <b>17,871</b>    | <b>( 3,616)</b>   | <b>11,280</b>  |
| <b>Telecommunications and Warning</b>                |                           |                  |                   |                  |                  |                   |                |
| National Warning System                              | 6,792                     | 6,455            | ( 337)            | 21,692           | 14,292           | ( 7,400)          | 7,406          |
| Washington Area Warning System                       | 1,113                     | 1,089            | ( 24)             | 1,573            | 1,531            | ( 42)             | 1,167          |
| FEMA National Teletype System                        | 1,857                     | 1,935            | 78                | 7,548            | 4,708            | ( 2,840)          | 1,992          |
| FEMA National Voice System                           | 337                       | 399              | 62                | 540              | 540              | ---               | 384            |
| FEMA National Radio System                           | 5,026                     | 4,961            | ( 65)             | 11,168           | 8,869            | ( 2,299)          | 2,936          |
| Telecommunications Support Services                  | 1,983                     | 1,977            | ( 6)              | 8,425            | 5,925            | ( 2,500)          | 3,013          |
| U.S. Army Civil Preparedness Detachment              | 878                       | 914              | 36                | 1,033            | 1,033            | ---               | 1,108          |
| Decision Information Distribution System             | 614                       | 608              | ( 6)              | 636              | 636              | ---               | 696            |
| OOD Reimbursement Support                            | 250                       | 250              | ---               | 1,200            | 750              | ( 450)            | 823            |
| <b>TOTAL</b>   | <b>19,052</b>             | <b>18,788</b>    | <b>( 264)</b>     | <b>53,815</b>    | <b>38,284</b>    | <b>( 15,531)</b>  | <b>19,727</b>  |
| <b>Automatic Data Processing</b>                     | <b>1,888</b>              | <b>1,813</b>     | <b>( 75)</b>      | <b>3,079</b>     | <b>2,367</b>     | <b>( 712)</b>     | <b>2,356</b>   |
| <b>TOTAL Civil Defense</b>                           | <b>168,766</b>            | <b>\$167,342</b> | <b>\$( 1,224)</b> | <b>\$252,478</b> | <b>\$181,424</b> | <b>\$(71,054)</b> | <b>119,125</b> |

<sup>1</sup>/Amounts reflect pay supplemental, effective January 1984 not included in original appropriation.

Source: FEMA Budget for FY 1983 and FY 1985.

FISCAL YEAR 1984  
REPORTED CIVIL DEFENSE RESEARCH EXPENDITURES

| <u>Project Title and Number</u>  | <u>Obligation</u> |
|--|-------------------|
| 1. Technical Analysis for Emergency Management (EMW-84-E-1737)   | \$ 874,000        |
| 2. Technical Analysis for Emergency Management (EMW-84-E-1764)   | 345,000           |
| 3. Restricted Height Low Frequency Antenna System (EMW-84-C-1728)  | 300,000           |
| 4. Low Cost Ratemeter Design (EMW-E-1459)  | 285,000           |
| 5. Lead Laboratory Support - Nuclear Effects (EMW-84-E-0883)   | 255,000           |
| 6. Application Studies - Crisis Relocation (EMW-84-C-0645)   | 237,000           |
| 7. Reception and Host Guidance for Reception Areas (EMW-C-0605)  | 210,000           |
| 8. Weapons Technology Applications (EMW-84-E-1571)   | 200,000           |
| 9. Emergency Management Issue Papers   | 200,000           |
| 10. Rapid Enhancement Phase III (EMW-84-C-0961)  | 176,627           |
| 11. Evacuation Model-Phase IV (EMW-84-E-0765)  | 175,000           |
| 12. Recovery from Nuclear War (EMW-84-G-1670)  | 172,660           |
| 13. Technical Mobilization Exercise Support (EMW-84-C-1471)  | 161,552           |
| 14. Mobilization Management System (EMW-84-C-1472)   | 137,992           |
| 15. Management of Population Problems (EMW-84-K-1024)  | 118,500           |
| 16. Development of Radiation Guidelines (EMW-84-E-1764)  | 115,000           |
| 17. Multi-Hazard Shelter Incentive (EMW-84-C-1570)   | 111,033           |
| 18. Methods for Reducing Cost of Blast Shelter (EMW-84-E-1729)   | 105,000           |
| 19. Emergency Operations Training Facility   | 101,000           |
| 20. Upgrading Shelter Structures (EMW-84-C-1828)   | 99,046            |
| 21. Population Protection Tests and Exercise Handbook (EMW-C-1538)   | 85,000            |
| 22. Soviet Civil Defense (EMW-84-C-0571)   | 81,997            |
| 23. Radiochromic Waveguard Dosimeter (EMW-E-1460)  | 80,000            |
| 24. Lead Laboratory for Standards and Testing (EMW-84-E-1239)  | 75,000            |
| 25. Planning Guidance for Essential Worker (EMW-C-1590)  | 67,523            |
| 26. RADEF Systems Development (EMW-C-1533)   | 67,190            |
| 27. Joint Swedish/US Fire Support (EMW-83-C-1416)  | 60,000            |
| 28. Disaster Hazard Study (EMW-84-E-1668)  | 60,000            |
| 29. Federal Laboratory Consortium (EMW-84-E-1755)  | 50,000            |
| 30. State and Local Management Information Systems (EMW-C-0854)  | 50,000            |
| 31. Role Conflict NIMH/FEMA (EMW-84-C-1562)  | 42,807            |
| 32. Computer Model for Statistical Evaluation of State and Local<br>Emergency Operations Centers (EMW-84-C-1751) | 41,000            |
| 33. Warning and Communication Management Review (EMW-C-1576)   | 39,024            |
| 34. Advanced Concepts for RADEF Instruments (EMW-E-1293)   | 35,000            |
| 35. Management Information Development Services (EMW-C-0854)   | 35,000            |
| 36. Stockpile Form and Quantity (EMW-84-E-1859)  | 34,575            |
| 37. Computer Graphics for Exercise (EMW-84-E-1675)   | 30,000            |
| 38. U.S. Civil Defense Council (EMW-84-K-1491)   | 30,000            |
| 39. Field Test Keyworker Shelter (EMW-84-E-0956)   | 20,405            |

| <u>Project Title and Number</u>                                       | <u>Obligation</u>            |
|---|------------------------------|
| 40. Psycho-Cultural Data (EMW-84-E-1648)                              | \$ 15,000                    |
| 41. Direct Course Overrun (EMW-84-C-1099)                             | 15,000                       |
| 42. Pay Supplemental Transfer (Trans to Budget)                       | 14,000                       |
| 43. Integrated Assessment (EMW-84-E-1729)                             | 13,400                       |
| 44. Prototype Status Reporting System (Doc #54990)                    | 12,300                       |
| 45. Copies of Shelter Management Handbook (FEMA Pub #88570)           | 10,000                       |
| 46. Maintenance and Services Management Audit (EMW-C-1114)            | 9,773                        |
| 47. Videotape on FEMA Mission (EMW-84-C-0854)                         | 9,655                        |
| 48. EOC Microwave Linkage Study (EMW-4-4408)                          | 9,345                        |
| 49. Overrun Readiness of Local Community for Planning (EMW-83-C-1129) | 6,683                        |
| 50. Cost Overrun--Post Attack Resource Management (DCPA20-73-C-0267)  | 6,454                        |
| 51. Copies of University of Pittsburg Study (FEMA Pub #88578)         | 5,749                        |
| 52. Telephone Directory Inserts (EMW-4-4185 & 6)                      | 3,180                        |
| 53. Econ Stabilization Follow-on (EMW-84-C-1646)                      | 1,952                        |
| 54. Print Soviet Civil Defense (FEMA Pubs)                            | 1,664                        |
| 55. Reprint R&D Assessment (FEMA Pubs)                                | 1,600                        |
| 56. Society for Risk Analysis (EMW-84-K-4289)                         | 1,500                        |
| 57. Cost Overrun--Emergency Operations Model (EMW-80-C-0312)          | 800                          |
| 58. Modification to Contract (EMW-84-C-0835)                          | 501                          |
| 59. Video Tapes (Public Affairs)                                      | 200                          |
| 60. Printout of GPO Subscribers (EMW-84-K-4066)                       | <u>65</u>                    |
| <br>Total Civil Defense Research Procurement Action                   | <br>\$5,501,752 <sup>1</sup> |
| <br>Personnel Compensation and Benefits                               | <br>\$ 870,185               |
| Transportation of Persons   | 35,723                       |
| Other   | <u>1,144</u>                 |
| <br>Total Civil Defense Research Salaries and Expenses                | <br>\$ 907,052               |
| <br>Total Civil Defense Research Expenditures                         | <br><u>\$6,408,804</u>       |

<sup>1</sup>Includes funds reported from the research account only. FEMA reported that other accounts within Civil Defense provided about \$3.4 million more in support of the above projects.

STATUS OF GAO RECOMMENDATIONS  
REGARDING CIVIL DEFENSE

| <u>Report &amp; Recommendations</u>  | <u>Action Completed</u> | <u>Action in Process</u> | <u>Comments</u>                   |
|--|-------------------------|--------------------------|-----------------------------------|
| <u>Weaknesses of Internal Financial and Accounting Controls at the Federal Emergency Management Agency (GAO/AFMD 82-87, 6/17/82)</u>   |                         |                          |                                   |
| The Director, FEMA should:   |                         |                          |                                   |
| ● Ensure that adequate follow-up actions are taken to correct the weaknesses identified.   | X                       |                          |                                   |
| ● Develop and issue written procedures covering all aspects of financial and accounting operations, including related internal controls to appropriate department offices.           | X                       |                          |                                   |
| ● Assign qualified staff to all accounting functions of FEMA.  | X                       |                          |                                   |
| ● Issue instructions emphasizing that FEMA fiscal procedures and instructions must be followed.  | X                       |                          |                                   |
| ● Instruct the Inspector General's office to increase audit coverage of FEMA's internal financial operations, with particular emphasis on internal controls.                         | X                       |                          |                                   |
| ● Develop an accounting system conforming to the Comptroller General's standards and submit the system's design to GAO for approval.   | X                       |                          |                                   |
| <u>The Emergency Management Assistance Program Should Contribute More Directly to National Civil Defense Objectives (GAO/GGD-83-5, 11/5/82)</u>                                      |                         |                          |                                   |
| The Director, FEMA should:   |                         |                          |                                   |
| ● Specify national objectives or standards for States to require local applicants to address in their annual funding proposals, depending on the unique needs and capacities of each |                         |                          | Action taken not fully responsive |

| <u>Report &amp; Recommendations</u>   | <u>Action Completed</u> | <u>Action in Process</u> | <u>Comments</u> |
|---|-------------------------|--------------------------|-----------------|
| <p>local jurisdiction. The Director, FEMA should also require States to use these national objectives or standards in their oversight and evaluation of local performance and consider local performance as a factor in their annual funding decisions.</p>   | X                       |                          |                 |
| <ul style="list-style-type: none"> <li>● Require each State as a part of its Emergency Management Assistance (EMA) Annual Submission to: (1) identify those local jurisdictions in critical civil defense areas that do not participate in the EMA program, and (2) address specifically how the State plans to attain participation of these local governments through such means as varying the EMA matching requirement within the State, adopting State distribution formulas as tools to encourage desired participation patterns, and/or giving priority funding consideration to jurisdictions in critical civil defense areas.</li> </ul> | X                       |                          |                 |
| <ul style="list-style-type: none"> <li>● Review each State's Annual Submission to ensure that efforts are being made to fund local jurisdictions critical to the national civil defense effort.</li> </ul>  | X                       |                          |                 |
| <p><u>Management of the Federal Emergency Management Agency---A System Being Developed (GAO/GGD-83-9, 1/6/83)</u></p>   |                         |                          |                 |
| <p>The Director, FEMA should:</p>   |                         |                          |                 |
| <ul style="list-style-type: none"> <li>● Establish one or more management information systems to systematically provide top management with information for planning, implementing, and evaluating FEMA activities.</li> </ul>  | X                       |                          |                 |
| <ul style="list-style-type: none"> <li>● Assign organization responsibility within FEMA for improving or developing management information systems.</li> </ul>  | X                       |                          |                 |

| <u>Report &amp; Recommendations</u>  | <u>Action Completed</u> | <u>Action in Process</u> | <u>Comments</u>                |
|--|-------------------------|--------------------------|--------------------------------|
| <ul style="list-style-type: none"> <li>● Develop a procurement reporting process that integrates with the accounting and budgeting systems, and compares the actual and planned status of procurement actions.</li> </ul>                                    |                         | X                        | Recommendation no longer valid |
| <ul style="list-style-type: none"> <li>● Direct the Requisition Review Board to analyze year-end procurements for fiscal year 1982 and determine whether there is improvement over prior years.</li> </ul>   |                         |                          | Recommendation no longer valid |
| <ul style="list-style-type: none"> <li>● Establish a capability in the Personnel Office to assess whether performance plans are reasonable; relate to organizational goals, objectives, and tasks; and are measureable to the extent practicable.</li> </ul> | X                       |                          |                                |
| <ul style="list-style-type: none"> <li>● Improve the executive development program by implementing the recommendations made by the Office of Program Analysis and Evaluation.</li> </ul>   | X                       |                          |                                |
| <ul style="list-style-type: none"> <li>● Complete the review and update all inaccurate position descriptions.</li> </ul>   | X                       |                          |                                |
| <ul style="list-style-type: none"> <li>● Develop and implement affirmative action plan goals as soon as the necessary information is available.</li> </ul>   | X                       |                          |                                |
| <ul style="list-style-type: none"> <li>● Establish sufficient linkage between the planning, budgeting, and evaluation process to make each one an integral part of the overall management system.</li> </ul>   | X                       |                          |                                |
| <ul style="list-style-type: none"> <li>● Use program evaluation results once available in establishing future goals, objectives, and outputs.</li> </ul>   | X                       |                          |                                |
| <ul style="list-style-type: none"> <li>● Establish a capability for conducting program evaluations throughout the agency.</li> </ul>   | X                       |                          |                                |
| <ul style="list-style-type: none"> <li>● Develop performance reporting systems to communicate progress toward program goals at the top directorate, and regional management levels.</li> </ul>   | X                       |                          |                                |

| <u>Report &amp; Recommendations</u>   | <u>Action Completed</u> | <u>Action in Process</u> | <u>Comments</u> |
|---|-------------------------|--------------------------|-----------------|
| <ul style="list-style-type: none"> <li>● Require a consistent planning process for internal directorate activities that would enhance the coordination and oversight of program activities that cross organizational lines.</li> </ul>  | X                       |                          |                 |
| <ul style="list-style-type: none"> <li>● Evaluate agency-wide outputs that correspond to program and support activity goals and objectives to determine if they provide adequate and appropriate performance indicators.</li> </ul>   | X                       |                          |                 |
| <ul style="list-style-type: none"> <li>● Establish formal periodic reviews of the agency-wide mission and goals statement. This should be an element of the FEMA-wide planning process and could take the form of top management team building sessions similar to those that initially defined FEMA missions and goals.</li> </ul>   | X                       |                          |                 |
| <p><u>Consolidation of Federal Assistance Resources Will Enhance the Federal-State Emergency Management Effort</u><br/>(GAO/GGD-83-92, 8/30/83)</p>   |                         |                          |                 |
| <ul style="list-style-type: none"> <li>● Director, FEMA should prepare a legislative proposal to remove statutory restrictions which currently prevent or complicate the consolidation of related planning and preparedness programs.</li> </ul>  |                         | X                        |                 |
| <ul style="list-style-type: none"> <li>● Pending preparation and approval of a legislative consolidation proposal, the Director, FEMA, should reinforce the administrative consolidation initiative by seeking congressional approval for limited exemption from reprogramming restrictions; and identifying and, to the extent practicable, consolidating related programs presently unconstrained by statutory requirements into one budget program element.</li> </ul> |                         | X                        |                 |
| <ul style="list-style-type: none"> <li>● To further reinforce administrative consolidation and in preparation for the more fundamental legislative consolidation, the Director, FEMA,</li> </ul>  | X                       |                          |                 |

| <u>Report &amp; Recommendations</u>  | <u>Action Completed</u> | <u>Action in Process</u> | <u>Comments</u> |
|--|-------------------------|--------------------------|-----------------|
| <p>should enhance the agency's capacity to implement a more results-oriented approach to holding States accountable for achieving Federal objectives by: (1) specifying in measureable terms all program objectives and evaluation criteria; (2) improving monitoring and evaluation of State performance in achieving program objectives; and (3) developing and communicating to the States a realistic sanction system, including one or more of the following elements: a) selectively reduce flexibility and increase FEMA controls for objectives not achieved within a given State; b) partially reduce funding to those states failing to achieve objectives; c) withhold predetermined percentage of awarded funds pending year-end FEMA review of State performance.</p> |                         |                          |                 |
| <ul style="list-style-type: none"> <li>● Director, FEMA should also require States, in their application for consolidated assistance, to specify how Federal emergency management programs funded by other Federal agencies relate to the Comprehensive Cooperative Agreement (CCA) and, when implemented, the consolidated FEMA program.</li> </ul>   |                         | X                        |                 |
| <p><u>The Federal Emergency Management Agency's Plan for Revitalizing U.S. Civil Defense: A Review of Three Major Plan Components (GAO/NSIAD-84-11, 4/16/84)</u></p>   |                         |                          |                 |
| <p>The Director, FEMA should:</p>  |                         |                          |                 |
| <ul style="list-style-type: none"> <li>● Direct the establishment of an adequate system for collecting data and monitoring the status of civil defense programs and facilities at state and local levels that will ensure program compliance, identify deficiencies, improve Emergency Operating Center (EOC) and Broadcast Station Protection Program (BSPP) planning and cost estimates.</li> </ul>  |                         | X                        |                 |

| <u>Report &amp; Recommendations</u>   | <u>Action Completed</u> | <u>Action in Process</u> | <u>Comments</u> |
|---|-------------------------|--------------------------|-----------------|
| <ul style="list-style-type: none"> <li>● Reevaluate current estimates of the number of BSPP stations needed according to their broadcast area coverage capabilities and adjust BSPP cost estimates accordingly in the FEMA 7-year plan.</li> </ul>  |                         | X                        |                 |
| <ul style="list-style-type: none"> <li>● Update principal civil defense policy guidance, such as the National Plan, the Emergency Operating Center Development Manual, the Emergency Communications Manual, and BSPP guidance, so that state and local governments can better plan to meet national civil defense objectives. The availability of updated program guidance would also help convince state and local governments of Federal commitment to a revitalized civil defense and might encourage more state and local participation in civil defense programs.</li> </ul> | X                       |                          |                 |
| <ul style="list-style-type: none"> <li>● Reevaluate current estimates regarding the number, location, and types of Emergency Operating Centers (EOCs) needed for a national network that more closely reflects Crisis Relocation Plan (CRP) requirements, population, existing state and local resources and capabilities, and local participation in civil defense. EOC program cost estimates in the 7-year plan should be revised accordingly and closely coordinated with state and local EOC cost estimates.</li> </ul>  |                         | X                        |                 |
| <ul style="list-style-type: none"> <li>● Develop a central information system for determining the status, location, and training needs of individuals receiving training for Radiological Defense (RADEF) program implementation. Such a system is needed so that FEMA can evaluate the ability of the U.S. to implement RADEF training and support that would be needed in the event of a nuclear attack, and develop more accurate RADEF program cost/estimates and plans.</li> </ul>   |                         |                          | No action taken |

| <u>Report &amp; Recommendations</u>   | <u>Action Completed</u> | <u>Action in Process</u> | <u>Comments</u> |
|---|-------------------------|--------------------------|-----------------|
| <ul style="list-style-type: none"> <li>● Update RADEF guidance and course material so that radiological defense officers can more readily obtain current FEMA policy guidance and receive training that more accurately depicts and prepares them for the conditions likely to be experienced in a nuclear attack.</li> </ul>   | X                       |                          |                 |
| <ul style="list-style-type: none"> <li>● Direct FEMA regional officials to review the adequacy of State Radiological Defense (RADEF) equipment distribution plans and exercises so that the ability of the states to use federally funded RADEF equipment can be determined.</li> </ul>   |                         | X                        |                 |
| <ul style="list-style-type: none"> <li>● Direct FEMA regional officials to review reported RADEF equipment stock levels for accuracy and shortages so that current stock levels can be determined and equipment needed more accurately identified.</li> </ul>   |                         | X                        |                 |
| <ul style="list-style-type: none"> <li>● Direct FEMA regions to monitor the degree to which local jurisdictions with completed initial Crisis Relocation Plans (CRPs) are refining CRPs and developing the necessary operational procedures and coordination. FEMA could thus better identify CRP implementation problems, better evaluate the extent of local civil defense participation, and direct limited resources to areas where they would be more effectively used.</li> </ul> |                         |                          | No action taken |

Appropriation Transfers of Civil Defense Funds in Fiscal  
Years 1984 and 1985

**FY 1984**

- PL-98-396 of August 22, 1984 authorized FEMA to transfer \$707,00 from the State and Local Assistance and Emergency Planning and Assistance Appropriations (EMPA) to the Salaries and Expenses Appropriation.
- Of the \$707,000 transferred, \$600,000 involved Civil Defense programs:
  - \$400,000 - Emergency Operating Centers
  - 66,000 - State and Local Warning and Communications Systems
  - 20,000 - Emergency Broadcast Systems Guidance and Assistance
  - 100,000 - National Emergency Training Center Site Administration
  - 14,000 - Research

**FY 1985**

- FEMA has submitted a request to Congress in the FY 1986 Budget to transfer \$5.6 million from the Emergency Management Planning Assistance Appropriation to the Salaries and Expenses Appropriation. The \$5.6 million is from the Civil Defense Program. The appropriation transfer has not yet been approved.