



**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER
AUDIT DIVISION**

**Joseph Sawicki, Jr.
Comptroller**

An Audit of the
Community Development Corporation of Long Island, Inc.
Federal Emergency Management (FEMA)
Sheltering and Temporary Essential Power (STEP)
Pilot Program Related to Superstorm Sandy
For the Period:
November 23, 2012 through November 22, 2013

**Report No.: 2014-21
Date Issued: December 31, 2014**

**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER**

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LETTER OF TRANSMITTAL

August 28, 2014

Ms. Marianne Garvin, President and CEO
Community Development Corporation of Long Island, Inc.
2100 Middle County Road, Suite 300
Centereach, NY 11720

Dear Ms. Garvin:

In accordance with the authority vested in the County Comptroller by the Suffolk County Charter (Article V), the Audit Division conducted an audit of services provided by Community Development Corporation of Long Island, Inc. (CDCLI) under contract with the Suffolk County Department of Labor (the Department) for the Federal Emergency Management Agency (FEMA) Sheltering and Temporary Essential Power (STEP) pilot program (the Contract) for the period November 23, 2012 through November 22, 2013.

Our objectives were to determine if CDCLI (the Contractor) complied with all requirements of the Contract in the management and supervision of emergency assessment and temporary repair work performed by subcontractors under the STEP Program and to evaluate the Contractor's administration of the program.

Our audit consisted of inquiries of the Contractor, subcontractors and County employees involved in the program as well as an examination of related laws and documentation. With the exception of the external peer review requirement, we conducted our performance audit 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.

Respectfully submitted,

Office of the County Comptroller
Division of Auditing Services

EXECUTIVE SUMMARY

Introduction:

The Sheltering and Temporary Essential Power (STEP) program is a pilot program that was instituted by the Federal Emergency Management Agency (FEMA) to provide protective measures and temporary repairs to damaged homes so that residents could shelter in their own homes after Superstorm Sandy. On November 23, 2012, the County entered into an agreement (the Contract) with Community Development Corporation of Long Island, Inc. (the Contractor) to manage and supervise the implementation of the program (fully executed on December 13, 2012).

Purpose:

The purpose of our review was to determine if the Contractor complied with the requirements of the Contract in the management and supervision of the emergency assessment and temporary repair work (“Assessment Work” and “Repair Work,” respectively) performed by subcontractors under the STEP Program during the period November 23, 2012 through November 22, 2013 and to evaluate the administration of the program.

Summary of Significant Findings:

- The Contractor performed Assessment Work on 477 properties and Repair Work on 184 of those properties in a very demanding time frame under extreme circumstances in the wake of Superstorm Sandy, resulting in satisfied homeowners (p. 8).

The following findings present opportunities to improve the STEP Program in the event of a future natural disaster:

- The Individual Trade Subcontractors who performed Assessment Work rarely documented their time even though they were paid on an hourly basis; they were paid a standard of eight hours per day regardless of the actual number of hours worked (p. 8).
- The cost of Assessment Work performed by the Individual Trade Subcontractors who were paid hourly is more than double the cost performed by the General Subcontractors who were paid per assessment (p. 9).
- At the initial start of the program there were inefficient scheduling procedures and the Contractor did not document the scheduled assessments during the first seven days of the program, November 23, 2012 through November 29, 2012 (p. 9).

- Although the STEP Program was designed to provide specific temporary residential repairs, it did not address mold mitigation and remediation services (p.10).

The report does contain several other instances of noncompliance for the contract and/or FEMA guidelines that are not deemed significant. (p. 10).

Conclusion:

Although this report identifies several opportunities to improve a similar type program in the future, the Contractor and the Department of Labor, Licensing and Consumer Affairs should be commended for administering a very successful program that provided temporary repairs and essential power to 184 County residents after the devastation caused by Superstorm Sandy.

BACKGROUND

Several weeks after Superstorm Sandy, many Suffolk County residents were still residing in temporary shelters because their homes were uninhabitable and unsafe as a result of loss of electric, heat and water. In an effort to enable residents to safely reside in their own homes, the County implemented the Sheltering and Temporary Essential Power (STEP) program on November 23, 2012. The STEP Program is a pilot program that was instituted by the Federal Emergency Management Agency (FEMA) to provide protective measures and temporary repairs to damaged homes so that residents could shelter in their own homes in the aftermath of Superstorm Sandy.

On November 20, 2012, a Request for Proposals (RFP) was issued by the Suffolk County Purchasing Division on behalf of the Department of Labor (the Department) seeking to procure the services of a firm to oversee the implementation and administration of the STEP Program. Proposers were evaluated by three representatives from the County, a selection was made and an agreement (the Contract) was entered into on November 23, 2012 (fully executed on December 13, 2012) between the Department and Community Development Corporation of Long Island, Inc. (the Contractor).

The Contractor was required to subcontract the services of qualified subcontractors that included both General Subcontractors and Individual Trade Subcontractors (electricians, plumbers and carpenters) at contracted rates to assess temporary repair work including exterior, electrical, and heating/hot water repairs ("Assessment Work"). Inspections were subject to execution of the FEMA Right of Entry Permit (ROE) by each homeowner.

The Contractor was required to provide canvassing during the first four days of the program implementation, from November 23, 2012 through November 26, 2012, to find homes in need of temporary repairs.

The Contractor was also required to subcontract the services of qualified subcontractors to perform the temporary repairs ("Repair Work"). All subcontractors hired to perform Repair Work were procured by the Contractor through a process authorized by and approved by the County, and were required to perform services within the parameters of the FEMA STEP Program Guidance.

The Contractor was paid administrative fees at hourly rates stated in the Contract. For Assessment Work, General Subcontractors were paid \$300 for each completed assessment and Individual Trade Subcontractors were paid hourly rates of \$100 for services Monday through Friday and \$125 for overtime, holidays and weekends. Repair Work fees were subject to proposals and negotiations related to the procurement process and could not exceed \$10,000 per residential unit. The Contract requires any subcontractor used to perform repairs to any residence, regardless of whether the work was deemed public work, to comply with NYS prevailing wage requirements.¹

¹ During our audit, it was discovered that Repair Work under the STEP Program is not considered public work and therefore not subject to NYS prevailing wage requirements, regardless of the Contract language.

The Contractor was responsible for managing and providing oversight of the performance of all Assessment and Repair Work. The Contractor was also required to coordinate information received from the Long Island 211 Call Center, establish a system to respond to all inquiries within 24 hours and schedule assessments.

The Contractor was paid a total of \$1,307,780 under the Contract: \$191,935 for administrative fees to oversee the program, \$200,200 for Assessment Work associated with 477 Properties and \$915,645 for Repair Work associated with 184 properties.

SCOPE AND METHODOLOGY

The scope of this audit includes Assessment Work and Repair Work performed under the STEP Program during the period November 23, 2012 through November 22, 2013.

To accomplish our objectives stated in the Letter of Transmittal (p. 1), we performed the following procedures:

- Conducted interviews of County personnel and employees of the Contractor as deemed necessary to obtain an understanding of the procedures used in the implementation of the STEP Program.
- Verified that the Contractor held the required insurance policies during the entire period of the program and that all electricians, carpenters and plumbers subcontracted by the Contractor were licensed as required by the Contract.
- Reviewed all Assessment Work in order to determine if Right of Entry Permit was executed by the homeowner and obtained by the subcontractor.
- Verified for each property in which Repair Work was performed that Assessment Work was completed and the repairs were not performed by the same subcontractor who performed the Assessment Work as required by the Contract.
- Confirmed that all subcontractors who performed work under the Contract were not listed on the NYS Department of Labor Bureau of Public Works Debarment List.
- Determined if subcontractors used to perform Repair Work complied with the NYS prevailing wage requirements, including the submission of required information (see footnote 1 at page 4).
- Reviewed all Assessment Work to determine if there were duplicate assessments performed on residential units.
- Reviewed the Schedule of Daily Assessments for the General Subcontractors and Individual Trade subcontractors to determine if the Contractor distributed the Assessment Work in an efficient manner.
- Selected samples of assessments performed by the General Subcontractors and Individual Trade Subcontractors and determined the average assessment time and average cost per unit for each group.
- Mailed questionnaires to subcontractors to determine procedures followed during the assessment phase of the STEP Program.

- Contacted ten percent of the homeowners whose properties were assessed under the STEP Program to confirm that the services were provided. Inquired as to the amount of time the assessment took to complete and documented any feedback from the homeowner regarding the program.
- For the repair invoices in which the homeowner failed to sign a certificate of completion, contacted the homeowner to confirm that the repairs indicated on the subcontractor's invoice were actually performed.
- Selected twenty of the 184 properties that were repaired under the STEP Program and verified that the Contractor submitted all the necessary documents as required by the Contract. Compared the original assessment to the certificate of completion form and noted any difference in the work that was required and that which was performed. Compared the prices indicated on the subcontractor's invoice to prices as indicated in their contract with the Contractor. Contacted the homeowner to confirm that the repairs indicated on the subcontractor's invoice matched actual repairs performed. Determined if the homeowner was able to return to the home after the temporary repairs were completed.
- Reviewed calls made to the Long Island 211 Call Center in response to the STEP Program to determine how many of the calls resulted in assessments and how quickly the assessments were performed.
- Reviewed the geographical maps used during the first four days of the STEP Program implementation (canvassing phase) to determine if the subcontractors invoiced the Contractor for the same areas they were assigned.
- Reviewed payroll documentation submitted by the Individual Trade Subcontractors to verify that employees who performed the assessments were paid.

AUDIT RESULTS

General Contractor Findings

The Contractor performed Assessment Work on 477 properties and Repair Work on 184 of those properties in a very demanding time frame under extreme circumstances at the wake of Superstorm Sandy, resulting in satisfied homeowners. Assessment Work was performed on 277 canvassed properties and 200 properties in response to calls to the Long Island 211 Call Center (of which 70% were performed within 3 days of the call and 93% were performed within six days of the call). Through conversations with a sample of homeowners, we determined that the Repair Work performed under the STEP Program was satisfactory.

STEP Program Design

We acknowledge that this was a pilot program created by FEMA after the devastation caused by Superstorm Sandy. The emphasis of the program was to help as many residents, as quickly as possible, so that they could stay or return to their homes. Since this pilot program was being developed as it was being initiated, it was necessary for the Contractor to take significant direction from the Department and FEMA, especially during the early weeks of the program. Therefore, these findings are not to be deemed critical of the Contractor, but rather opportunities to improve the program design if this type of program is needed in the future.

The Individual Trade Subcontractors who performed Assessment Work rarely documented their time even though they were paid on an hourly basis; they were paid a standard of eight hours per day regardless of the actual number of hours worked. Based on our review of the assessment forms, we were unable to determine how long each assessment took for the Individual Trade Subcontractors. However, we performed an analysis of the assessments performed by General Subcontractors and determined that over 70% of the assessments took 30 minutes or less to complete, including travel time.

Additionally, we contacted 10% of the homeowners whose properties were assessed under the STEP Program to confirm that assessment services were provided and to inquire as to the length of assessment time. Of the homeowners who recalled the length of time, 77% stated the assessments were completed in 30 minutes or less and 23% stated they were completed between half an hour and one hour. However, audit testing of assessments performed by the Individual Trade Subcontractors revealed the following:

- On 11/27/12 a group of three Individual Trade Subcontractors assessed only two homes but each were paid for a full 8-hour day.
- On 11/28/12 one group of three Individual Trade Subcontractors assessed only one home but each was paid for a full 8-hour day.

- On 12/1/12 three assessments were completed by a group of three Individual Trade Subcontractors. We contacted the homeowners and ascertained that the subcontractors were at each home for approximately 30 or more minutes, but less than one hour. According to the assessment forms, the first assessment was started at 9:00 AM and the second at 9:30 AM. Although the time was undocumented on the last assessment form, we conclude that the subcontractors worked less than 2 hours but were still each paid for an 8-hour day.
- On 12/5/12 three assessments were completed by a group of three Individual Trade Subcontractors. We contacted two of the homeowners and verified that the subcontractors were at each home for approximately 20 minutes or less. According to the homeowners, one assessment was started at 8:00 AM and the second was started at 9:00 AM. Although we were unable to contact the third homeowner, the documented start time is 11:05 AM. Therefore, we conclude that although the subcontractors only worked half a day, they were each paid for a full eight hours.

The Contractor maintains that certified payrolls were received from the subcontractors along with completed assessment forms to support the invoices submitted for the hourly employees. The certified payrolls indicate that the subcontractors' employees worked 8-hour days and therefore the subcontractors were paid for these regardless of the number of assessments performed. According to the Contractor, the decision to pay the trade subcontractors for an eight hour day was a decision of the County in order to maximize the number of contractors available in order to assess as many homes as possible.

The cost of Assessment Work performed by the Individual Trade Subcontractors who were paid hourly is more than double the cost performed by General Subcontractors who were paid per assessment. A total of 477 assessments were performed at a total cost of \$200,200. The Individual Trade Subcontractors were paid eight hours per day regardless of how many hours worked. They assessed 167 homes at a total cost to the County of \$107,200 or \$642 per home, whereas the General Subcontractors assessed 310 homes for a total cost of \$93,000 or \$300 per home.

At the initial start of the program there were inefficient scheduling procedures and the Contractor did not document the scheduled assessments during the first seven days of the program, November 23, 2012 through November 29, 2012. The contractor maintains that assessments were not scheduled during the canvassing phase of the program because the Department's Commissioner was overseeing the program. We acknowledge that in the first several days of the program, the County was directing the operation and the emphasis was on assessing as many homes as possible and not documenting/scheduling assessments. However, the canvassing period was concluded by November 26, 2012, yet the first submitted schedule is dated November 30, 2012. The following scheduling inefficiencies are noted in the Contractor's scheduling of the assessments:

- Our review revealed that there were twelve duplicate assessments, six in which Repair Work was performed and six in which no repairs were made. In all cases the assessments were conducted by different teams. Generally the duplication occurred because an assessment was conducted during the canvassing phase, but the homeowner also called the County's 211 Call Center to request an assessment.
- On 11/30/12, three separate teams of three Individual Trade Subcontractors were scheduled to assess fourteen homes; however only twelve were completed. Each Individual Trade Subcontractor (nine in total) was paid for a full 8-hour day. Our review of the schedules revealed that all three teams were in the same town or an adjacent town and in some instances on the same street or adjacent street. We found that two properties on the same street and one on the adjacent street were assessed by two different teams.
- On 12/4/12, two separate teams of three Individual Trade Subcontractors were assigned to assess nine homes; however only six were completed. Each team was paid for a full 8-hour day. Our review of the schedules revealed that the teams were in the same town or an adjacent town within 2.8 miles.
- Two homes scheduled for assessments on 12/1/13 and one scheduled on 12/4/13 had already been assessed. Although second assessments were not performed, an exception is noted because the scheduling was inaccurate as well as inefficient.

Although the STEP Program was designed to provide specific temporary residential repairs, it did not address mold mitigation and remediation services. Several homeowners expressed frustration that even though the temporary repairs were made, they still were unable to return to their homes due to mold. Although the County and the Contractor supported incorporating a mold remediation service as part of the pilot program, mold remediation services were not allowed by FEMA.

Contract Compliance and Other Findings

In five instances, the subcontractor who performed the Assessment Work also performed some or all of the related Repair Work, which is expressly prohibited by the Contract and FEMA. The Contract states that subcontractors selected to perform the Assessment Work may propose to perform Repair Work provided that the same subcontractor does not perform both the Assessment and Repair Work on the same residential unit; the Contractor shall ensure that there is no violation of this provision at any time. However, our review of documentation received revealed that four Individual Trade Subcontractors performed Assessment Work and Repair Work on the same residential unit on one or more occasions.

The FEMA Right of Entry Permit (ROE) was signed by someone other than the homeowner for nine of the 184 properties for which Repair Work was done. The Contract and FEMA guidelines require the Contractor to inspect homes and other facilities as designated by the County, subject to execution by each homeowner of the ROE. There were nine instances in which the ROE was signed by someone other than the homeowner.

Additional payroll documentation requested by the Comptroller's Offices was not received from all subcontractors, and in one instance the documentation received does not support the billing. We requested payroll documentation from Individual Trade Subcontractors to verify that they paid their employees who performed the assessments. One of seven subcontractors did not submit the requested payroll documentation. Our review of documentation received revealed that one employee worked 12/4/12, a Tuesday, while the County was invoiced for 12/1/12, a Saturday, resulting in an additional \$200 associated with overtime. The \$200 was deducted from the last payment made to the Contractor. It should be noted that all subcontractors did provide certified payrolls to the Contractor as required by their contracts.

A Subcontractor erroneously billed the Contractor \$575 for installation of a roof tarp. Based on our audit, it appears that this was an isolated billing error. The contractor has remitted a check for \$575 to the County for the billing error and will seek repayment from the subcontractor.

RECOMMENDATIONS

In the event that the STEP Program is implemented in the future, the following is recommended:

- When assessments are scheduled, homeowners should be screened as to the type of damage sustained (e.g. roof, windows, doors, electrical, or plumbing) so that only the required type of tradesman subcontractor is deployed. Additionally, the screening should determine if temporary repairs under the STEP Program would enable the homeowner to shelter in his/her home or if referral should be made instead to an applicable resource.
- If Individual Trade Subcontractors are used for assessments, costs based on hourly rates should be capped per home or a flat fee per home should be employed. Additionally, the Contractor should ensure that employees document their time-in and time-out on the actual assessment forms in addition to daily time records.
- The program should be implemented to ensure that duplicate assessments are not performed. Furthermore, the contract should contain a clause that the contractor will only be reimbursed by the County for one assessment per residence.
- Consideration should be given to incorporating mold mitigation and remediation services and other related services into the STEP Program in conjunction with the repairs to truly enable homeowners to shelter in their homes
- The contractor should comply with all terms of the contract and guidelines established by FEMA.

APPENDICES

APPENDIX A



Community Development Corporation of Long Island
2100 Middle Country Road, Suite 300, Centereach, NY 11720
631.471.1215 • www.cdcli.org



MEMORANDUM

TO: Suffolk County Department of Audit and Control

FROM: Community Development Corporation of Long Island, Inc.

RE: Response to draft unofficial audit report of the Community Development Corporation of Long Island, Inc. ("CDCLI"), Federal Emergency Management (FEMA), Sheltering and Temporary Essential Power (STEP) Pilot Program Related to Superstorm Sandy for the period: November 23, 2012 through November 22, 2013

DATE: December 15, 2014

Via Hand Delivery

We appreciate the opportunity to respond to the draft audit report of the Community Development Corporation of Long Island, Inc. ("CDCLI"), Federal Emergency Management (FEMA), Sheltering and Temporary Essential Power (STEP) Pilot Program Related to Superstorm Sandy for the period: November 23, 2012 through November 22, 2013 (the "Draft Report"), received by this office on August 29, 2014.

We appreciate the conclusion of the draft audit, which states that **"...the Contractor and the Department of Labor, Licensing and Consumer Affairs should be commended for administering a very successful program that provided temporary repairs and essential power to 184 County residents after the devastation caused by Superstorm Sandy."**

General Background

Suffolk County released the RFP for proposals to administer the FEMA STEP program on November 19, 2012. CDCLI, a Suffolk County mission-driven not-for-profit corporation, made a decision to submit a proposal, even though the turnaround was a little more than 48 hours. On November 21st (Thanksgiving Eve) CDCLI delivered a proposal and at 5:30pm that night, CDCLI was notified it had been awarded the contract and should come to County offices that evening to immediately begin negotiating a contract. CDCLI was told to start work on Friday (the day after Thanksgiving), November 23rd at 7am. Employees of CDCLI worked non-stop over that holiday weekend and beyond to meet the emergency needs of Suffolk County residents, working with our partner, Suffolk County, as it ramped up its emergency response to County residents devastated by the storm.

The draft audit acknowledges that the design of the STEP Program was not within the control of CDCLI. Further, it acknowledges that the STEP program was a pilot, developed, adopted, and

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approved by FEMA on November 16, 2012, in the wake of Superstorm Sandy with regulations that evolved over many months as the program was implemented. One significant finding commends CDCLI for implementing this pilot program under “demanding timeframe under extreme circumstances.” The remaining significant findings relate to the STEP program design which CDCLI was required to follow under our contract.

Our response to specific findings in the draft audit is below.

Significant Finding:

“The Contractor performed Assessment Work on 477 properties and Repair Work on 184 of those properties in a very demanding time frame under extreme circumstances in the wake of Superstorm Sandy, resulting in satisfied homeowners.”

Response:

CDCLI concurs with this finding.

Significant Findings related to STEP program design

Finding:

“The Individual Trade Subcontractors who performed Assessment Work rarely documented their time even though they were paid on an hourly basis; they were paid a standard of eight hours per day regardless of the actual number of hours worked.”

Response:

Suffolk County designed the program so that the trade subcontractors were paid for an 8 hour day in order to provide emergency assistance as expeditiously as possible and to ensure workers were available to do the work. Trade subcontractors were "on call" to work throughout each day to do assessments as needed. “Time was of the essence to the success of the STEP program,” according to FEMA.

Finding:

“The cost of Assessment Work performed by the Individual Trade Subcontractors who were paid hourly is more than double the cost performed by the General Subcontractors who were paid per assessment.”

Response:

The cost structure for the assessment work was established through negotiations between the Suffolk County Department of Labor, FEMA, the trade subcontractors and the general contractors—not CDCLI. The trade subcontractors conducted assessments in teams of 3 professional tradesmen (Plumbing, Electrical, and Laborers), whereas the general contractors

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often conducted assessments with only one or two workers. The trade subcontractors assigned more workers, with more detailed trade knowledge to conduct their assessments, as compared to the general contractors. According to FEMA, “Although the average cost per assessment ended up being higher for this hourly subcontractor, it is still considered to be within a reasonable range for the repair assessment work performed in this geographic area, and the work was performed and invoiced according to the contract.”

Finding:

“At the initial start of the program there were inefficient scheduling procedures and the Contractor did not document the scheduled assessments during the first seven days of the program, November 23, 2012 through November 29, 2012.”

Response:

Between the day after Thanksgiving and the following week, more than 300 assessments were conducted as a result of canvassing, as well as scheduled visits. The protocols in the first holiday weekend and for the few days thereafter were established by the County for CDCLI to follow. The County prepared the canvassing maps used by the trade subcontractors and the general contractors to conduct their work initially. Under the guidance of FEMA and Suffolk County, CDCLI rapidly implemented the program, establishing procedures for managing the daily flow of requests for service from multiple sources in a condensed period of time. Records were initially kept by the County before responsibility was transferred to CDCLI. After the canvassing phase ended, assessment teams were sent out on a daily basis to a list of scheduled assessments. Program staff did not retain copies of the assignment lists for the first few days. Commencing November 30th, CDCLI began keeping copies of the daily assignments to assure better record keeping. Further, scheduling home visits for flooded and vacant homes, while the homeowners were living in shelters and not resident in their homes, was extremely challenging.

Finding:

“Although the STEP Program was designed to provide specific temporary residential repairs, it did not address mold mitigation and remediation services.”

Response:

We agree that the STEP Program should have included the provision of removing mold from the houses we served. Both CDCLI and the County sought FEMA approval to conduct mold remediation, and FEMA denied the request. In response to this, CDCLI independently sought and obtained (separate from STEP or Suffolk County involvement) a commitment of philanthropic resources (\$400,000 from the Robin Hood Foundation and \$1,000,000 from the American Red Cross) to provide mold assessment and remediation services for impacted homeowners, which has expedited the recovery for participants.

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Contract Compliance and other Findings:

These findings relate to the extreme circumstances surrounding implementing STEP.

Finding:

“In five instances, the subcontractor who performed the Assessment Work also performed some or all of the related Repair Work, which is expressly prohibited by the Contract and FEMA.”

Response:

The emergency work was performed on an expedited basis. CDCLI concurs that in these isolated instances, assessment and repair work was performed by a single subcontractor. The work that needed to be done for the assessment, however, was corroborated by CDCLI before the repair work was ordered, and then fixed bids for the repair work were set through a Suffolk County-approved procurement process, resulting in no financial impact on the program. Accordingly, while a technical slip up may have occurred, no harm was done to the clients or to the program outcomes.

Finding:

“The FEMA Right of Entry permit (ROE) was signed by someone other than the homeowner for nine of the 184 properties for which Repair Work was done.”

Response:

Assessment teams canvassed neighborhoods, and conducted assessments. They conducted assessments at every unit where they gained entry. A ROE form was signed for each location by an individual present at the house, who provided access, and asserted ownership. While ownership status was subsequently checked by using a county database, given the emergency circumstances it was not possible to research deed and tax records and cross check against personal identification of each ROE signer at the moment of assessment. If the subsequent check yielded information that the owner may not have been the individual who signed the ROE, CDCLI made several attempts to have the form signed by the owner, which was accomplished in virtually all cases.

Finding:

“Additional payroll documentation requested by the Comptroller’s Offices was not received from all subcontractors, and in one instance the documentation received does not support the billing.”

Response:

CDCLI encouraged all of our subcontractors to provide the information requested by the Comptroller’s Office, as per our contract, and unfortunately one of them did not respond. This

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was beyond our control. Neither CDCLI staff nor the Labor Department reviewer caught the fact that one subcontractor billed at the weekend rate for a day that was actually a weekday in a voucher of \$12,675 covering assessments for nineteen properties. The Contractor accepted a reduced reimbursement by the County in the amount of the \$200 difference to rectify the discrepancy.

Conclusion

CDCLI can certainly corroborate the extreme circumstances in those early days after Superstorm Sandy devastated Long Island. CDCLI, following its charitable mission, recognized the huge need in the aftermath of Sandy, and brought to bear our capacity in family social services and housing. CDCLI ramped up several new programs, including STEP, to help suffering Suffolk County residents. CDCLI is proud of the work we did. We continue to help our fellow Long Islanders recover from the devastation they experienced.

APPENDIX B
COUNTY OF SUFFOLK



STEVEN BELLONE
SUFFOLK COUNTY EXECUTIVE

SAMUEL CHU
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TO: Frank Bayer, Executive Director
Suffolk County Department of Audit & Control

FROM: Samuel Chu, Commissioner

DATE: December 17, 2014

SUBJECT: Response to Draft Unofficial Audit Report of the Community Development Corporation of Long Island, Inc. ("CDCLI"), Federal Emergency Management (FEMA), Sheltering and Temporary Essential Power (STEP) Pilot Program Related to Superstorm Sandy for the period: November 23, 2012 through November 22, 2013

CDCLI responded to an RFP and was awarded a contract to implement the FEMA STEP program under contract to the SCDOLLCA. The FEMA STEP program was designed in response to a severe shortage of temporary housing options in the aftermath of superstorm Sandy. The STEP program allowed hundreds of families to return to their homes by providing temporary repairs to damaged homes.

The department worked very closely with FEMA, New York State Department of Homeland Security, and CDCLI to provide a successful implementation of the STEP pilot and we are hopeful that our collective efforts will provide for future use of the STEP program in response to similar emergencies. Given the fact that the program was a never before implemented pilot program, nearly every aspect of the program presented design challenges. CDCLI proved to be effective and expedient in responding to these challenges.

The audit report issues findings related to a discrepancy between the cost of assessments performed by general contractors and assessments performed by teams of individual trade contractors. The department acknowledges this disparity and was aware of this cost differential when we provided direction to CDCLI to use both pools of contractor resources. The decision to implement two different assessment models was based upon several considerations.

Continued

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Frank Bayer

December 17, 2014

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Given that the program was a pilot program, there was a willingness by FEMA to allow for more than one approach to specific challenges of the program. A significant challenge to implementing the STEP program in response to an extremely urgent need was the availability of qualified professionals to perform both assessment and repair work. The pool of general and trade contractors operating in Nassau and Suffolk counties was extremely taxed by the immediate needs of both the public and private sector needs in the wake of Sandy. Initially, FEMA, NYSDHS and Nassau County Office of Emergency Management (NC OEM), reached out to the Long Island Builders Institute and affiliates of the Nassau and Suffolk Building and Construction Trades Council to solicit for contractors interested in participating in the STEP program. SCDOLLCA largely abided by the arrangements that had been established by NC OEM. One of the challenges to using two distinctly different models was accommodating the different fee and wage structures. It was determined that allowing for two different fee and wage structures was reasonable considering the dire need for manpower and the experimental nature of the pilot program.

The audit report issues a finding that the program did not address mold mitigation and remediation services. The department agrees that the program would have been more effective had mold issues been addressed. The department, CDCLI, and NYS DHS, advocated aggressively for FEMA to allow for inclusion of measures that addressed mold to be included in the program. Ultimately, FEMA cited the limitations of the allowable uses of FEMA funding for the exclusion of mold specific measures. It is the hope of the department that these restrictions are eventually addressed to allow for such measures in future iterations of the STEP program. CDCLI eventually found a means to offer mold remediation solutions for homeowners using private funding and the department applauds CDCLI for finding a solution for those homeowners that could not be helped by using government funding to solve the problem.

The audit report issues several other findings of rare instances of duplicate assessments, right of entry issues, and work assignment issues. CDCLI was extremely responsive once these minor issues were identified and no harm resulted to individual homeowners.

In conclusion, the department found CDCLI to be an extremely effective implementation contractor and is quite proud of the results of the STEP program. The program allowed for the repair of 184 homes that would have otherwise been uninhabitable. Given the pace of program design and implementation CDCLI performed exceptionally and their effort is greatly appreciated by the department.

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cc: Dennis Cohen, Chief Deputy County Executive

Marianne Garvin, President, CDCLI

Vanessa Pugh, Chief Deputy Commissioner, SCDOLLCA

Frank Nardelli, Senior Deputy Commissioner, SCDOLLCA

Pamela Killoran, Deputy Commissioner, SCDOLLCA

Ray O'Rourke, Chief Management Analyst, SCDOLLCA

APPENDIX C

Exit Conference

Auditee: Community Development Corporation of Long Island, Inc. (CDCLI)

The draft audit report was mailed to the Agency on August 28, 2014 with a letter inviting the Agency to submit a formal written response and/or request an exit conference within 30 days of receipt of the report. The letter also directed the Agency to submit a Final Representation Letter by September 15, 2014.

An exit conference was held with Community Development Corporation of Long Island, Inc. (CDCLI) on October 2, 2014 to discuss points of contention cited in their response to our audit which, was received by our office on September 23, 2014. Those in attendance were as follows:

<u>Name</u>	<u>Title</u>	<u>Organization</u>
Frank Bayer	Executive Director of Auditing Services	Audit & Control
Deborah Bollinger	Auditor in Charge	Audit & Control
Marianne Garvin	Chief Executive Officer	CDCLI.
Thomas Killeen	Director	CDCLI
L. Von Kuhen	Senior Vice President	CDCLI
Corrine Hammons	Executive Vice President	CDCLI

Audit findings and recommendations were discussed at the exit conference. The Contractor supplied explanations and clarification of the assertions provided in the original response which resulted in modifications to the original draft report. A new draft report was sent to the Contractor on 11/21/14. The Contractor subsequently submitted a response to the report, attached as Appendix A (p. 14). In addition, the Department of Labor, Licensing and Consumer Affairs submitted a response to the report attached as Appendix B (p. 19).

We extend our gratitude to Community Development Corporation of Long Island, Inc. for their cooperation during the audit process.