Feds struggling to track Sandy spending

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Photo credit: Newsday / Thomas A. Ferrara | A surfer walks past a portion of the Long Beach boardwalk which was twisted and destroyed by superstorm Sandy. (Nov. 18, 2012)

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WASHINGTON -- A federal board responsible for identifying fraud in the nearly $58 billion superstorm Sandy aid package says it's struggling to track the grants, loans and contracts most vulnerable to misuse.

The Recovery Accountability and Transparency Board, which on a website detailed $800 billion in federal stimulus money approved during the nation's financial crisis, said the government failed to assign a searchable unique code number to Sandy aid as it did for stimulus funds.

White House officials and Congress blamed each other for the omission, which reduces the board's ability to use technology to identify fraud.

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"It seems like an easy fix to us to do what the federal procurement database already does, which is when a hurricane or a special event hits, they give it a special code," said Kathleen Tighe, the board's chairwoman and the Education Department inspector general.

"And why can't we do that on USA Spending so that we know what on that website [listing all federal funding awards] is being spent for Hurricane Sandy?" she asked at a Senate Homeland Security subcommittee hearing earlier this month.

As a result, the board said it will have difficulty conducting widespread oversight -- and that the public, both those struggling to recover and taxpayers footing the bill, won't be able to turn to its website to see where aid is being spent.

"It is inexcusable that [the government] has done such a poor job in providing that information in allowing the public to track the dollars and cents accurately," said Steve Ellis, of the Washington-based Taxpayers for Common Sense, which analyzes taxes and spending.

Housing and Urban Development Secretary Shaun Donovan, chairman of the Hurricane Sandy Rebuilding Task Force, and the White House Office of Management and Budget concede they didn't assign the type of code used to identify stimulus funds to Sandy aid.

They said the Disaster Relief Appropriations Act passed in January didn't give them authority to create what's called a Treasury Account Symbol code.

The House Appropriations Committee, which crafted the aid bill, said the budget office already has that authority. Treasury officials said they are looking into the question.

The Appropriations Committee added the board's oversight to the aid bill at the request of Rep. Darryl Issa (R-Calif.), chairman of the Oversight and Government Reform Committee.

"Issa believes unique award identifiers are critical to real spending transparency. OMB could certainly do this without specific legislative authorization," said his aide Ali Ahmad. "The fact that they consistently fail to do so is one reason [Issa] pushed for the DATA Act."

That bill -- which standardizes data for federal funds, makes it more accessible and requires the board to oversee all federal spending -- overwhelmingly passed in the House Monday. A Senate version awaits a vote.

The committee and Issa said they believe the board still can conduct valuable oversight.

The board said it is working with Donovan and agencies to find alternative ways to oversee the use of the Sandy money. The Sandy aid law also sets aside $15 million for audits and investigations by agencies and requires other safeguards.

The board, created by the American Recovery and Rebuilding Act of 2009, is run by the 12 inspectors general who oversee federal agencies. Its website, Recovery.gov, posted lists of contractors and maps of where stimulus money went, tracking money down to the subcontractor level.

The board now must oversee most spending from the Sandy aid package, originally worth $60 billion but reduced to $58 billion by a budget deal in 2011.

Data on Sandy aid is scattered across agencies. Without a unique code to identify Sandy aid spending, only partial data is available on the federal money databases, USASpending.gov and fpds.gov.

The Hurricane Sandy Rebuilding Task Force issues monthly reports on spending but does not disclose contracts, subcontracts or local details.

"Historically, the majority of fraud occurs below this level by entities performing the actual work," Tighe said.

The board also tries to make it easier for the public to follow what's happening with the funds with its website.

Watchdog groups say they're frustrated at the lack of detail on $5.6 billion already spent.

New York State has no complete contract database online. New York City says it will roll out a Sandy aid tracker website by Thanksgiving.

"To date in New York City there has been a black box as to how federal Sandy resources have been allocated," said Bettina Damiani of the nonprofit group Good Jobs New York, "and this creates bad will among communities that have been hardest hit."

Sandy destroyed or damaged more than 50,000 Long Island homes and caused an estimated $8.4 billion in property and economic losses.

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