

Meeting unmet community disaster recovery needs

Informed approaches to leveraging Community Development Block Grant Disaster Recovery Funds

In our experience, while Action Plan aims among Community Development Block Grant Disaster Recovery Funds (CDBG-DR) grantees can vary greatly, there are ideas and lessons with respect to improving grant use effectiveness and efficiency that are universal.

This issue brief explores approaches to increasing CDBG-DR use efficiency, performance, and accountability as state and local governments prepare to develop and implement CDBG-DR Action Plans.



Tactics for mitigating errors, fraud, and abuse

Avoiding applicant misrepresentations and false eligibility claims

- Consider using identification verification capabilities (e.g., Experian Precise ID Configuration) to prevent bot activity (e.g., CAPTCHA, the log-in has two-factor authentication (2FA) configured to an email).
- Assess if your case management system options provide application programming interface (API) options to identify bot activity (e.g., password log analysis, email age tool analysis, machine learning models).
- Create a process for verifying street addresses using reliable geomapping applications and further confirm using address “look-up” applications.
- Consider geofencing Internet Protocol (IP) addresses to help ensure only United States addresses are eligible to access the portal.
- Consider using a fact-specific proxy which allows a program to use other facts to infer a household’s income eligibility, such as the median income of the household’s census tract.

Detecting and addressing payment and billing fraud, falsified application documents, and bid manipulation

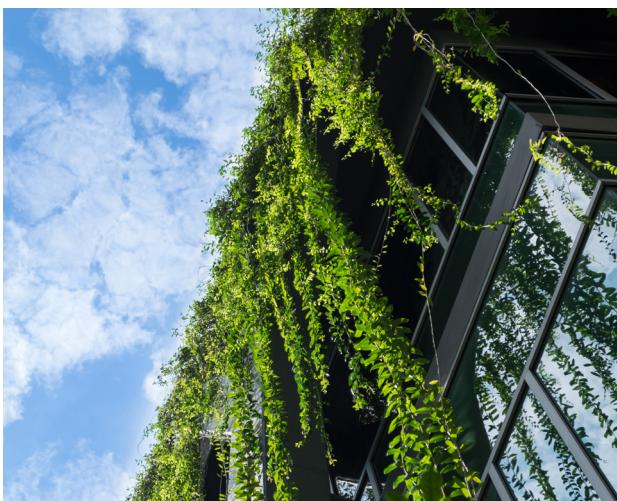
- Consider using free services from the U.S. Bureau of Fiscal Services, including an API for data sharing among governments managing federal grant programs, to improve detection of payment anomalies (e.g., Do Not Pay lists, Death Master Files, and duplicating benefits information).
- Consider using artificial intelligence (AI) models and natural language processing to analyze vast numbers of invoice transactions and group the findings in a meaningful way to detect anomalies.

Identify falsified application documents and bid manipulation patterns

- Consider developing machine learning models to analyze both structured data (form data) and unstructured data (PDFs, invoice images) using open-source tools like Python to identify anomalies and patterns—for example, forged signatures and false identification.

Pre-identify signals of conflicts of interest, corruption, and bribery kickbacks

- Ensure program teams can make informed decisions through the identification of hidden factors or red flags by performing risk-based integrity due diligence of third-party relationships. Approaches include analyzing publicly available information and assessing risks associated with vendors, consultants, subrecipients, beneficiaries, and other partners (e.g., researching U.S. online public records in conjunction with reviewing vendor provided documentation).
- Consider a scope of research for a subject (e.g., beneficiary, subrecipient, current or former key people, employees, subcontractors, consultants, vendors, etc.) that includes the following background details:
 - For individual subjects – nationality, education, career development, individual shareholdings, and corporate interests
 - For entity subjects – corporate registry and identifying information, regulatory or listing status, shareholders and key director information
 - Adverse reputational media or linkages to any illegal or unethical activities (preceding five (5) years), with a focus on identifying conflicts of interest and potential financial misconduct
 - First-degree family relationship details and last three (3) known addresses
 - Involvement in criminal and civil litigation (preceding five (5) years), especially pertaining to regulatory action or violations and U.S. and global sanctions, commercial debarments, or exclusions
 - Research of available real property and asset records, as publicly available in the U.S.



Technology approaches to improving program performance, analysis and accountability

Integrating technology into the managing of CDBG-DR funded programs is better done through a pre-program performance risk assessment that can identify anticipated program bottlenecks and other delivery areas of concern. Additionally, technology solutions should pair with a mapping of data analytics and visualization needs and related targeted outreach, and should aid in relaying accurate progress updates to the public, as well as state and federal partners.

Recommended process points for leveraging data management technology

- Contractor management** – Consider having contractors utilize data and image upload software to submit inspection images, status updates, and inspection reports to enable real-time progress tracking and related analytics for addressing delays and otherwise expediting repairs and payments.
- Environmental (asbestos and lead based paint) management** – Leverage electronic profiling of residences and other areas intended for reinvestment to help assure that any hazardous material determinations are flagged and tracked throughout program disposition; allowing program teams, contractors, and residents to have constant visibility.
- Temporary housing assistance management** – Consider integrating pre-program temporary rental status information and non-confidential household information from prospective applicants (based on available FEMA and public information) to aid in helping maintain housing stability throughout the application process and further target evolving assistance needs.
- Invoice/closeout process** – Include upload and report-out portal capability for invoicing and closeout document preparation to expedite resolution of process bottlenecks due to volume and scale of data.
- Program quality control monitoring** – Setting progress benchmarks and related processes for tracking, analyzing, and visualizing data related to pace of funding use, applicant payouts, and property disposition enables real-time quality control corrective actions, including better triaging of staff resources, case management, and property issue resolution.

- Qualified area/beneficiary targeting – Pre-program execution digital mapping of areas that meet applicable low and moderate income (LMI) and most impacted and distressed and unmet recovery (MID-URN) need thresholds, paired with locational information for households that received Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), and other identifiable disaster aid provides important “signals” for where outreach and case management can be accelerated while also honing program performance metrics.
- Action Plan goal performance analysis and dashboarding – Crafting quantifiable data points for visualizing trends relative to outcomes and other Action Plan key performance indicators allows for active “dashboarding” of program success for public dissemination and quality assurance.
- Applicant/subrecipient risk assessment – Digitizing and aggregating applicant and subrecipient financial, grant history, and damage repair need information can allow for analyzing of the information using risk assessment formulas to gauge capacity for rule adherence, timely fund use, and project readiness.
- Data integration from all program parties – Consolidating input data from applicants, case workers, managers, vendors, and inspectors in the same digital platform can greatly expedite funding decision-making, processing, monitoring, and reporting.
- Creates uniform pre-payment controls and related monitoring approaches across programs and vendors to avoid potential funding clawbacks.
- Centralizes review and approval of vendor procurement, contracting, and program execution policies and documentation.
- Simplifies creation of a repository of cross-cutting process documents, guides, and trackers among program-implementing entities to assist in communication and productivity.
- Enables coordinated scheduling and conducting of onsite visits to help expedite resolutions; workshops to solicit input from stakeholders; and webinars for program intake and education on program processes and policies.
- Establishes a central point for data intake, analysis, and dashboarding with respect to quality control and program goal performance metrics and related public and regulatory body-facing reporting.
- Centralizes creation and execution of providing infrastructure funding to local government recipients and the conducting of workshops on how to establish area-based LMI benefits for envisioned projects in advance of receiving funding from the state for projects.
- Supports data gathering, surveys, and analysis related to LMI and MID-URN area determinations.
- Facilitates creation of pre-awarding construction cost ranges, codes, and other basic housing quality standards to use as benchmarks for applicant and grantee directed contractor work.
- Supports development and application of project scoring methodologies aligned with Action Plan aims for using across the grantee’s project portfolio, paired with deployment of technical assistance teams to help departments and subrecipients further hone initiatives.
- Organizes listings and scheduled interactions with local building inspectors, contractors that specialize in CDBG-DR funded projects, and other entities that should be integrated into programs from a project approval and completion perspective.



Coordinate multiple programs and vendors with a robust, proactive, and centralized project management office

Utilizing a project management office (PMO) to manage multiple recovery programs and their respective staffing and vendor teams affords a dedicated team and related tools and methods for directing program execution support, technical assistance, and independent quality control and performance monitoring for real-time needs as Action Plan initiatives are being executed.

Observed effective PMO approaches and benefits

- Enables ongoing performance of strengths, weaknesses, opportunities, and threats (SWOT) assessment across a grantee’s CDBG-DR programs for resource management and troubleshooting.
- Improves standard setting and validated data sharing harmonization for system integration across program implementing entities.

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