

May 16, 2024 - REVISED

Reporter Questions

1. **The state says that IEM did not keep up with the contract requirements of completing a certain number of homes a month. What do you say to that?**

Even though storm catastrophic rebuilds are our number one priority, during a time of global supply chain disruption, additional storms, labor shortages, and pandemic shutdowns, it didn't put us any higher in the construction material priority list. Those disruptions have smoothed, and we are pleased to have completed 3,654 homes for over 8,000 impacted Floridians with 90 homes nearing completion, and 186 homes remaining. We've completed over 95% of the project, and won't stop until our contract is finished.

2. **Florida Commerce also says the state has withheld money up to four million dollars for not keeping up with the contract. How much money has been withheld from IEM and why?**

Any large scale project like this has holds and true-ups as part of the process. No one could have anticipated a national pandemic and five named storms during the term of this contract. IEM is fortunate to have the resources to continue to work the project and complete the scheduled homes for impacted families so there is no delay in true up. That will come as it does with all projects, as IEM continues to push ahead to completion.

3. **The state said "you lied" about projects being complete. Did IEM?**

The program records speak for themselves. As each home is completed, the General Contractor notifies IEM. IEM inspects the home, and our quality control verifies that the home is completed, and the municipality completes required inspections. Then the Agency signs off before payment is made.

4. **The Commerce Secretary says they have asked the state attorney to investigate IEM for fraud. What is your response to that?**

We have seen no evidence at all of fraud. We're familiar with the individual home payment of approximately \$50,000 that is the subject of that issue. The error was an excusable human error by the inspector. It has been addressed. The home has been completed and inspected, and we refunded the money for the error until the matter is further reviewed by Commerce.

5. **They also say IEM did not manage taxpayer dollars properly when it comes to how hotels were prioritized. We have seen bills in the six figures. Did IEM use the money wisely?**

The Program’s Temporary Housing Assistance Benefit, or THAB, was established by the DEO/Agency in December 2019, in recognition by the State that homeowners might not have a place to stay while repairs were underway at their homes. In creating the program, the Agency knew that not all Rebuild Florida homeowners would require this temporary housing assistance – only those required to vacate their homes for their safety, while repairs were being made. The Agency also recognized that homeowners who faced a total home rebuild (from the ground up) would face significantly longer periods of dislocation (and temporary hotel housing) than those facing repairs.

In 2021, DEO/Commerce asked IEM to take over this complicated program. Hotels are priced below or at General Service Administration (GSA)* rates, and reservations are approved by the Agency and participating hotels prior to a family being housed. In unique and limited cases, hotels above the GSA rate were necessary. This was because in some cases hotels were already filled by evacuees, and in other cases, hotels within the required 15 miles radius of a family’s home did not honor GSA rates or were full. In cases where families needed to be housed for a year or more while their home was being rebuilt from the ground up, the total hotel bill for some families was larger than others. In all circumstances involving the housing of families, reservations were taken to DEO/Commerce for approval ahead of time.

**The U.S. General Services Administration (GSA) establishes per diem rates for a variety of subsistence and travel categories, including housing (hotel rates), meals, etc.*

6. **The state says IEM and the subcontractors could have gotten work done better and quicker in several cases and were okay with “abdicating their responsibility.” What is your response to that?**

IEM is focused on getting families back into their homes and works closely with Agency-selected construction subcontractors to ensure they meet Program and local jurisdiction building requirements.

Homes are only marked “complete” following an Agency quality control review and approval. If a project needed to be “done better,” typically the Agency would flag this for us so we could quickly address any issues with the assigned contractor. Final adjustments would be made before the Agency deems the project complete.

7. **The state says it consistently heard from homeowners in about three dozen cases that IEM and subcontractors wouldn't call the homeowners back, and in about four cases IEM signed off on a home and the contractors failed to complete work that is a health/safety welfare issue. What is your response to that?**

IEM is focused on supporting Florida's families – all homeowner complaints are taken seriously. We strive to have no complaints and, in general, we succeed. As far as the overall inspection process, it's well established: once the work is signed off by the Program, the contractor provides required warranties for work completed put into place by FloridaCommerce for the protection of Florida families. Though warranty documentation identifies their Contractor as first point of contact, homeowners can always contact the Rebuild Florida Call Center for additional assistance

Along with our Call Center, IEM's Rapid Response team is comprised of dedicated personnel solely focused on homeowner inquiries and concerns. IEM is committed to delivering empathetic customer service to the applicants we serve, recognizing the immense hardship they are experiencing on their long road to recovery. To the best of our ability, our team coordinates with homeowners, the Agency, and subcontractors to understand, address, and resolve identified issues promptly.

In some more challenging scenarios where homeowners are requesting items that are outside of their scope of work or Program's policy, IEM works with Commerce to review these cases and, where applicable, propose policy exceptions to ensure continued, uninterrupted progress on projects. The Agency rigorously reviews these exceptions and, over the years, has approved these exceptions for hardship cases.

"On background"

1. As a global leader in disaster recovery management, compliance with federal, state and local regulations and laws is in our DNA and we are in compliance with Florida and federal laws and regulations that pertain to disaster recovery management.
2. We audited and self-reported a minor administrative error to FloridaCommerce and immediately rectified this mistake to remain compliant with the terms of our recovery program contract.