



# STUFFED WITH EXCUSES

On June 1, 2017, the US Department of Housing and Urban Development approved a plan for \$150 million in flood relief grants. In July 2017, contracts with construction companies were granted. In August 2017, RISE West Virginia began accepting grant applications.

But the state didn't apply to use federal relief money until January 29, 2018, with HUD granting authorization a few weeks later.

That had legislators scratching their heads, including Sen. Ed Gaunch (R-Kanawha) co-chairman of the Joint Legislative Committee on Flooding.

"Why did it take us until January to request spending authority?" he asked during a review of the work by RISE West Virginia in June.<sup>1</sup>

A manager in the West Virginia Legislature's Post Audit Division responded, "That is a significant time lapse, and unfortunately I do not have an answer as to why."<sup>2</sup>

The easy excuse seems to point to a delay in a required environmental review, and the auditors concluded that the state didn't complete the review until sometime in January 2018.<sup>3</sup>

West Virginia Adjutant General, James Hoyer, who has been designated the leader for flood relief, also said in June that his staff found 300 authorizations for homes stuck in the environmental review process.

"There were some things related to documents and approvals from the contractor that didn't get communicated back effectively," Hoyer said. "So once we were able to break those things loose, we were able to sign off on the first six to get those out and moving."<sup>4</sup>

---

<sup>1</sup> WV Metro News. "Mystery lingers over why WV just asked to use flood relief money early this year." June 25, 2018. Available at <http://wvmetronews.com/2018/06/25/mystery-lingers-over-why-wv-just-asked-to-use-floodrelief-money-early-this-year/>. Accessed September 25, 2018.

<sup>2</sup> Ibid

<sup>3</sup> Joint Committee on Government and Finance West Virginia Office of the Legislative Auditor Post Audit Division. "Legislative Audit Report: RISE West Virginia Flood Recovery Program." Available at [http://www.wvlegislature.gov/legisdocs/reports/agency/PA/PA\\_2018\\_643.pdf](http://www.wvlegislature.gov/legisdocs/reports/agency/PA/PA_2018_643.pdf). Accessed October 21, 2018.

<sup>4</sup> WV Metro News. "Mystery lingers over why WV just asked to use flood relief money early this year." June 25, 2018. Available at <http://wvmetronews.com/2018/06/25/mystery-lingers-over-why-wv-just-asked-to-use-floodrelief-money-early-this-year/>. Accessed September 25, 2018.

# STUFFED WITH EXCUSES

But not everyone was left out of the process. A consultant for the flood aid, Horne LLP, received a check for \$6.74 million on November 2, 2019—the final payout in its efforts to guide the project.<sup>5</sup>

The company's initial scope of work would have paid it just \$900,000, but some state leaders wanted to expand the contract to the tune of \$18 million.

Thankfully, the state auditor determined the contracts were not properly bid and should be considered null and void.<sup>6</sup>

In addition to the delayed request for spending authority, the RISE West Virginia program, which was intended to help low-income West Virginians repair and reconstruct their homes after the June 2016 flood, hasn't used funds as intended.<sup>7</sup>

Instead, according to auditors, RISE West Virginia used federal disaster funds on an organizational retreat at a AAA Four Diamond-rated resort.<sup>8</sup>

In September 2017, staff members visited Stonewall Resort in Roanoke just four months after HUD allocated \$150 million in Community Development Block Grant (CDBG) Disaster Recovery funds to WV.<sup>9</sup>

The state auditor's office found that at least \$10,500 of the total cost of the retreat was covered by federal recovery funds, while \$5,300 was covered by standard CDBG money. The state Department of Commerce covered the rest.

Among attendees was Josh Jarrell, then general counsel and deputy secretary for the Commerce Department. He has since lost his job.<sup>10</sup>

While they were enjoying fancy resorts on state money, many families were still affected by the flood.

Reports show that RISE only completed seven homes in two years after the flood.

A presentation to the Joint Legislative Committee on Flooding in July revealed that RISE had spent just \$1.4 million of the \$150 million grant at that time – including payments totaling only \$43,500 to individuals for assistance.<sup>11</sup>

---

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> RISE West Virginia. About the Program page. Available at <https://wvfloodrecovery.com/program-details/>. Accessed on August 9, 2019.

<sup>8</sup> Charleston Gazette-Mail. "Commerce and Rise WV staff spent \$21K at Stonewall retreat." July 14, 2018. Available at [https://www.wvgazettemail.com/news/politics/commerce-and-rise-wv-staff-spent-k-at-stonewall-retreat/article\\_e2109e93-3104-5a2b-a023-cbf3bf61b5b0.html](https://www.wvgazettemail.com/news/politics/commerce-and-rise-wv-staff-spent-k-at-stonewall-retreat/article_e2109e93-3104-5a2b-a023-cbf3bf61b5b0.html). Accessed September 20, 2018.

<sup>9</sup> Charleston Gazette Mail. "Commerce and RISE WV staff spent \$21K at Stonewall retreat." July 14, 2018. Available at [https://www.wvgazettemail.com/news/politics/commerce-and-rise-wv-staff-spent-k-at-stonewall-retreat/article\\_e2109e93-3104-5a2b-a023-cbf3bf61b5b0.html](https://www.wvgazettemail.com/news/politics/commerce-and-rise-wv-staff-spent-k-at-stonewall-retreat/article_e2109e93-3104-5a2b-a023-cbf3bf61b5b0.html). Accessed August 8, 2019.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.