



Why This Matters

The Federal Emergency Management Agency (FEMA) provides public assistance to state, tribal, and local government, and certain types of private nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President. We perform audits of FEMA grantees and subgrantees to determine whether cost claimed under the awards are eligible and allowable under Federal regulations and FEMA guidelines. The City of Hattiesburg, Mississippi, (City) received an award of \$10.8 million for damages resulting from Hurricane Katrina that occurred in August 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Public Assistance Grant Funds Awarded to the City of Hattiesburg, Mississippi

What We Determined

The City generally accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines. However, the City's claim included \$235,341 of charges that were not adequately supported. We also identified \$448,509 in ineligible project funding to replace a fire station and \$436,375 of ineligible road repair costs.

What We Recommend

We recommend that the Regional Administrator, FEMA Region IV:

1. Disallow \$235,341 of unsupported costs.
2. Instruct the State to improve its procedures for validating project costs claimed by subgrantees to provide reasonable assurance that only eligible costs are reimbursed.
3. Deobligate and put to better use \$448,509 of ineligible improved project funding.
4. Disallow \$436,375 of ineligible road repair costs.
5. Reemphasize to Public Assistance personnel the need to maintain adequate documentation to justify increases in project funding.

For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at DHS-OIG.OfficePublicAffairs@dhs.gov