



### Why This Matters

Middle School Advocates (MSA) received a \$13 million award from the Governor's Office of Homeland Security and Emergency Preparedness, a Federal Emergency Management Agency (FEMA) grantee, for damages caused by Hurricane Katrina, which occurred in August 2005. FEMA provides such assistance to state, Tribal, and local governments, 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, focusing on grants with potential for problems and areas that are of interest to Congress and FEMA.

### DHS Response

FEMA disagreed with our recommendations and reserved further comment until after we issue our final report.

## FEMA Public Assistance Grant Funds Awarded to Middle School Advocates, Inc., New Orleans, Louisiana

### What We Determined

MSA did not account for and expend FEMA funds according to federal regulations and FEMA guidelines because MSA has not started, and does not plan to start, any work to replace the damaged school, as FEMA approved. Instead, MSA entered into an agreement with a third party, Recovery School District (RSD), to build a different school as a proposed alternate project without FEMA's approval. Therefore, because MSA has not completed any authorized work or claimed any costs under its award, FEMA should deobligate MSA's \$13 million award and put those federal funds to better use. Further, FEMA should not approve MSA's proposed alternate project because:

(1) FEMA authorized RSD, not MSA, to build the new school under its Master Plan; therefore, FEMA has already obligated funding for the new school, and any funds provided to RSD, through MSA, for the same purpose would be a duplication of benefits; and (2) under its agreement with RSD, MSA would retain no ownership in or legal responsibility for the new school.

Additionally, FEMA needs to improve its procedures for determining the eligibility of (1) private non-profit entities under the public assistance program and (2) facilities to be repaired or replaced under the program.

### What We Recommend

We recommend that the Regional Administrator, FEMA Region, VI:

- 1) Deobligate \$12,968,768 (\$12,968,768 federal share) and put those funds to better use.
- 2) Deny MSA's application for an alternate project because it would duplicate work already authorized under an award to RSD.
- 3) Improve the Region's procedures for determining eligibility of applicants and facilities under the Public Assistance Program to ensure eligibility decisions are based on complete and accurate information and case management files are updated periodically.

### For Further Information:

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