

Spotlight

Department of Homeland Security



Office of Inspector General

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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 costs claimed under the awards are eligible and allowable under Federal regulations and FEMA guidelines. The Town of Dauphin Island, Alabama, (Town) received an award of \$4.6 million for damages resulting from Hurricane Katrina that occurred in August 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Should Recover \$894,764 of Public Assistance Grant Funds Awarded to Town of Dauphin Island, Alabama - Hurricane Katrina

What We Determined

FEMA should recover \$894,764 of ineligible public assistance grant funds awarded to the Town. Although the Town generally accounted for FEMA funds on a project-by-project basis, it did not fully comply with Federal procurement requirements when awarding a contract valued at \$894,764 for road repairs.

What We Recommend

We recommended that the Regional Administrator, FEMA Region IV:

- 1) Disallow the \$894,764 of ineligible costs claimed for the road repair contract that was not procured in accordance with Federal requirements unless FEMA determines that the costs were reasonable. For any costs that are unreasonable, FEMA may decide to grant an exception for all or part of them as provided for in 44 CFR 13.36(c).
- 2) Instruct the Alabama Emergency Management Agency to remind subgrantees that they need to perform a cost or price analysis to determine the reasonableness of contractor's bids.

For Further Information:

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