



Why This Matters

The Federal Emergency Management Agency (FEMA) provides public 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 to determine whether costs claimed under the awards are eligible and allowable under federal regulations and FEMA guidelines. The Puerto Rico Highway and Transportation Authority (Authority) received a public assistance award of \$1.2 million for damages resulting from floods, mudslides, and landslides that occurred in October 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Public Assistance Grant Funds Awarded to Puerto Rico Highway and Transportation Authority - Flood Events (Oct 2005)

What We Determined

The Authority generally accounted for and expended FEMA funds according to federal regulations and FEMA guidelines. However, we identified \$64,340 of unneeded project funding that FEMA should deobligate and put to better use. We also determined that the Authority's claim included \$62,963 of questionable costs resulting from duplication of benefits, and excessive and unsupported contract costs.

What We Recommend

We recommend that the Regional Administrator, FEMA Region II:

- 1) Deobligate \$64,340 (\$48,255 federal share) of unneeded project funding and put to better use.
- 2) Disallow \$45,652 (\$34,239 federal share) of ineligible costs resulting from a duplication of benefits.
- 3) Disallow \$11,744 (\$8,808 federal share) of ineligible contract charges resulting from idle equipment time.
- 4) Disallow \$5,567 (\$4,175 federal share) of unsupported contract charges.

For Further Information:

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