

# Spotlight

Department of Homeland Security



## Office of Inspector General

May 2012 DA-12-18

### Why This Matters

The Federal Emergency Management Agency (FEMA) provides Public Assistance (PA) 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 Henderson Point Water and Sewer District (District), Pass Christian, Mississippi received an award of \$4.3 million for damages resulting from Hurricane Katrina that occurred in August 2005.

### DHS Response

FEMA's written response is due within 90 days.

## FEMA PA Grant Funds Awarded to the Henderson Point Water and Sewer District, Pass Christian, Mississippi - Hurricane Katrina

### What We Determined

The District generally accounted for project expenditures on a project-by-project basis as required by Federal regulations and FEMA guidelines. However, the District did not comply with Federal procurement requirements when awarding contracts valued at \$4,055,155. In addition, we identified \$141,065 of ineligible costs, \$443,440 of unsupported costs, \$87,907 of funds that can be put to better use, and \$1,555,313 of unnecessary costs.

### What We Recommend

Our report contained seven recommendations to the Regional Administrator, FEMA Region IV, for disallowance of \$4,019,698 of questioned costs, deobligation of \$87,907 of funds to be put to better use, and review of documentation to ensure project claim costs are valid.

### 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)