

Department of Homeland Security **Office of Inspector General**

The Commonwealth of Virginia's Management of
State Homeland Security Program and Urban Areas
Security Initiative Grants Awarded During Fiscal Years
2008 Through 2010





OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

NOV 14 2012

MEMORANDUM FOR: Elizabeth M. Harman
Assistant Administrator
Grant Programs Directorate
Federal Emergency Management Agency

FROM: Anne L. Richards *Anne L. Richards*
Assistant Inspector General for Audits

SUBJECT: *The Commonwealth of Virginia's Management of State
Homeland Security Program and Urban Areas Security
Initiative Grants Awarded During Fiscal Years 2008 Through
2010*

Attached for your action is our final report, *The Commonwealth of Virginia's Management of State Homeland Security Program and Urban Areas Security Initiative Grants Awarded During Fiscal Years 2008 Through 2010*. We incorporated the formal comments from the Federal Emergency Management Agency (FEMA) in the final report.

The report contains seven recommendations aimed at improving the overall management, performance, and oversight of FEMA's Homeland Security Grant Program. Your office concurred with all seven recommendations. Based on information provided in your response to the draft report, we consider the recommendations resolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact John E. McCoy II, Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



Table of Contents

Executive Summary	1
Background	2
Results of Audit.....	3
Commonwealth Could Not Quantify Improved Preparedness.....	3
Recommendation	4
Management Comments and OIG Analysis	4
Grant Management Oversight Needs Improvement.....	5
Recommendations	7
Management Comments and OIG Analysis	8
Untimely Award of Grant Funds	9
Recommendation.....	10
Management Comments and OIG Analysis	11
Untimely Expenditure of Grant Funds	11
Recommendation.....	12
Management Comments and OIG Analysis	12

Appendixes

Appendix A: Objectives, Scope, and Methodology	14
Appendix B: FEMA Management Comments to the Draft Report.....	17
Appendix C: VDEM Management Comments to the Draft Report	20
Appendix D: Homeland Security Grant Program.....	23
Appendix E: Commonwealth of Virginia Homeland Security Governance.....	24
Appendix F: Commonwealth of Virginia Procurement and Financial Management Compliance Issues and Schedule of Questioned Costs	26
Appendix G: Major Contributors to This Report	28
Appendix H: Report Distribution	29



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Abbreviations

CFR	Code of Federal Regulations
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FY	fiscal year
HSGP	Homeland Security Grant Program
OIG	Office of Inspector General
SHSP	State Homeland Security Program
UASI	Urban Areas Security Initiative
VDEM	Virginia Department of Emergency Management



Executive Summary

Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*, requires the Department of Homeland Security (DHS), Office of Inspector General (OIG), to audit individual States' management of State Homeland Security Program and Urban Areas Security Initiative grants. This report responds to the reporting requirement for the Commonwealth of Virginia.

The objectives of the audit were to determine whether the Commonwealth of Virginia distributed and spent State Homeland Security Program and Urban Areas Security Initiative grant funds (1) effectively and efficiently and (2) in compliance with applicable Federal laws and regulations. We also addressed the extent to which grant funds enhanced the Commonwealth's ability to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other manmade disasters. The audit included a review of \$90 million in State Homeland Security Program and Urban Areas Security Initiative grants awarded to the Commonwealth during fiscal years 2008 through 2010.

In most instances, the Commonwealth of Virginia distributed and spent State Homeland Security Program and Urban Areas Security Initiative grant funds in compliance with applicable Federal laws and regulations. Additionally, the Commonwealth developed Homeland Security Strategies that included goals and objectives that were consistent with Federal requirements. However, the Commonwealth needs to (1) develop a comprehensive performance measurement system, (2) strengthen grant management oversight, and (3) award and expend grant funds in a timely manner.

We made seven recommendations to the Federal Emergency Management Agency, which, if implemented, should strengthen program management, performance, and oversight. The Federal Emergency Management Agency concurred with our recommendations and is taking or planning to take steps for corrective actions.



Background

DHS, through the Homeland Security Grant Program (HSGP), provides Federal funding to help State and local agencies enhance their capabilities to prevent, deter, respond to, and recover from terrorist attacks, major disasters, and other emergencies. Within DHS, the Federal Emergency Management Agency (FEMA) administers the HSGP. Appendix C contains a description of the interrelated grant programs that compose the HSGP.

The HSGP is one tool in a comprehensive set of measures that Congress authorized and the administration implemented to help strengthen the Nation against risks associated with potential terrorist attacks. The program is an important part of the administration's larger, coordinated effort to strengthen homeland security preparedness. The HSGP implements measures to fulfill the objectives of post-9/11 laws, strategy documents, plans, and Homeland Security Presidential Directives.

HSGP guidance requires the Governor of each State and Territory to designate a State Administrative Agency to apply for and administer grant funding awarded under the HSGP. The Commonwealth of Virginia has designated the Virginia Department of Emergency Management (VDEM) as the State Administrative Agency that applies for grant funds and provides administrative oversight of the HSGP. VDEM administers the Commonwealth's emergency services and disaster preparedness programs and distributes aid among its subdivisions. Appendix D contains details on the entities in the Commonwealth involved in HSGP coordination.

HSGP guidance also requires the development of a State Homeland Security Strategy for State Homeland Security Programs (SHSPs) and an Urban Areas Security Initiative (UASI) Homeland Security Strategy for UASI. The State and UASI strategies must include goals and objectives that address the four mission areas: Prevent, Protect, Respond, and Recover, as well as align with national priorities. In addition, the UASI strategy must be consistent with the State strategy. The Commonwealth of Virginia had a State Homeland Security Strategy, as well as UASI Homeland Security Strategies for Richmond and Norfolk, for fiscal years (FYs) 2008 through 2010.

From FY 2008 through FY 2010, the Commonwealth of Virginia received \$96.8 million in HSGP funds. This HSGP funding included \$90 million in SHSP and UASI grants.

Appendix A contains details on the objectives, scope, and methodology of this OIG audit.



Results of Audit

In most instances, the Commonwealth of Virginia distributed and spent grant funds in compliance with applicable Federal laws and regulations. Additionally, the Commonwealth developed Homeland Security Strategies that included goals and objectives consistent with Federal requirements. To improve its grants management practices, the Commonwealth should develop a comprehensive performance measurement system, strengthen grant management oversight, and award and expend grant funds in a timely manner.

Commonwealth Could Not Quantify Improved Preparedness

The Commonwealth of Virginia made efforts to measure improved preparedness by using preparedness and capability reports and other assessments. However, it could not demonstrate quantifiable preparedness improvements and accomplishments because it did not set measurable target performance levels that could be compared with actual achievement. Without goals and objectives against which it can measure progress, the Commonwealth cannot evaluate the effect of grant expenditures on its preparedness and response capabilities.

Code of Federal Regulations (CFR) 44 CFR 13.40, *Monitoring and Reporting Program Performance, (a) Monitoring by grantees*, requires grantees to monitor grant- and subgrant-supported activities to ensure that performance goals are being achieved. According to *Department of Homeland Security State and Urban Area Homeland Security Strategy Guidance on Aligning Strategies with the National Preparedness Goal*, dated July 22, 2005, an objective sets a tangible and measurable target level of performance over time against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. Therefore, an objective should be—

- Specific, detailed, particular, and focused—help to identify what is to be achieved and accomplished;
- Measurable—quantifiable, provide a standard for comparison, and identify a specific achievable result;
- Achievable—not beyond a State, region, jurisdiction, or locality’s ability;
- Results-oriented—identify a specific outcome; and
- Time-limited—have a target date for achieving the objective.

Although the goals and objectives in the Commonwealth’s State and UASI strategies aligned with national priorities and met most Federal guidance requirements, they did not include measurable target levels of performance to



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

compare with actual achievement. Furthermore, objectives did not always have target dates for completion. For example, the Commonwealth's objective to implement the Ready Virginia Communications Plan was not measurable or time-limited. Without measurable target performance levels for goals and objectives, the Commonwealth could not evaluate the effect of grant expenditures on its preparedness and emergency response capabilities.

Recommendation

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate, assist VDEM to:

Recommendation #1:

Develop a comprehensive performance measurement system for its Homeland Security Strategies' goals and objectives that includes target levels of performance and the means to measure progress toward enhancing preparedness.

Management Comments and OIG Analysis

FEMA's Response to Recommendation #1: FEMA concurred with recommendation 1. According to FEMA, the FY 2012 HSGP, Funding Opportunity Announcement, provided instruction to States on updating their homeland security strategies so that their goals and objectives align with Presidential Policy Directive 8 and the Whole Community approach.

The National Preparedness Directorate in FEMA is developing processes to measure core capabilities in accordance with the National Preparedness Goal pursuant to Presidential Policy Directive 8, which will be completed and submitted to FEMA leadership by December 2012. Upon official release of the guidance on performance measures, the Grant Programs Directorate will require VDEM to update its strategy and fully comply with the additional guidance.

VDEM's Response to Recommendation #1: VDEM agreed with recommendation 1. VDEM indicated that its Homeland Security Working Group has been working on the recent Threat and Hazard Identification and Risk Assessment and State Preparedness Report requirement due to FEMA by December 31, 2012. Once FEMA approves these reports, the Commonwealth will be able to update the Homeland Security Strategy to include the OIG recommendations.

OIG Analysis: The actions proposed by FEMA and VDEM meet the intent of recommendation 1. When implemented, the actions identified in the responses



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

should address the conditions identified during the audit. This recommendation will remain resolved and open until we have reviewed the updated Homeland Security Strategies.

Grant Management Oversight Needs Improvement

VDEM needs to improve its policies and procedures so that it can better monitor subgrantees throughout the grant performance period. Federal regulation 44 CFR 13.40, *Monitoring and Reporting Program Performance*, requires grantees to oversee subgrantee activities to ensure that they comply with applicable Federal requirements. VDEM's policies and procedures did not exist or were insufficient to provide the required oversight. For example, the high-level guidance in VDEM grants management monitoring procedures did not include detailed steps for reviewing files when conducting oversight or a methodology for selecting subgrantees for onsite monitoring.

According to Office of Management and Budget Circular A-133, *Compliance Supplement 2011, Part 3-Compliance Requirements, M-Subrecipient Monitoring*, grantees are responsible for monitoring subgrantees' use of Federal awards through reporting, site visits, regular contact, or other means. VDEM Grants Management Office administrators conducted three onsite monitoring visits during FYs 2008 through 2010.

The VDEM internal auditors did not have policies or procedures for selecting grant programs to audit and limited their reviews to closed FY 2005 through FY 2007 SHSP projects. By limiting reviews to closed projects, VDEM lost the opportunity to identify and correct grant compliance issues before funds were expended and grants were closed.

Compliance Issues

In our review of 16 SHSP- and UASI-funded grant projects totaling \$12.7 million awarded from FY 2008 through FY 2010, we identified instances in which subgrantees' procurement procedures, as well as their financial and property management, did not comply with Federal, State, or local requirements. Additionally, in one instance VDEM did not comply with Federal requirements for allocating grant funds. These instances of noncompliance might have been identified earlier through increased oversight of performance.

We identified instances of noncompliance with procurement procedures and financial management resulting in questioned costs of \$660,657, as shown in table 1.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Table 1. Procurement and Financial Management Issues

Compliance Issues	Questioned Costs
Full and Open Competition	\$538,902
Employee Compensation	\$121,328
Reimbursement of Expenses	\$ 427
Total	\$660,657

Source: OIG.

One of the questioned costs included a \$104,505 radio communications equipment purchase made without completing the competitive bidding process required by the *Virginia Public Procurement Act*.¹ We also determined that a Commonwealth employee working multiple grant programs was compensated for \$97,328 without properly accounting for hours worked on each grant, as mandated by the CFR.² Appendix E contains additional information on the procurement and financial management compliance issues identified in table 1 and the potential monetary benefits.

Subgrantees did not always maintain and control equipment inventory as required in Federal regulations. According to 44 CFR 13.32, *Equipment, (d) Management requirements*, among other requirements (1) property records must be maintained that include the property’s cost, description, identification number, location, use, condition, and ultimate disposition; (2) a physical inventory must be taken and the results reconciled with property records at least every 2 years; and (3) a control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Property records for 9 of the 16 subgrantee projects reviewed either did not exist or did not contain all information required by Federal regulations. One subgrantee could not demonstrate that it had conducted a physical inventory of the equipment purchased with Federal funds. Four of the 16 subgrantees had not possessed the equipment purchased for at least 2 years and therefore, were not required to conduct a physical equipment inventory. However, according to the CFR, the subgrantees should have had controls to safeguard and account for equipment; such controls did not exist or were inadequate.

Further, 2 of the 16 subgrantees did not mark equipment purchased with HSGP funds. According to FEMA’s grant agreements, grant recipients are required,

¹ For purchases of more than \$30,000, the *Virginia Public Procurement Act* requires written informal solicitation of a minimum of four bidders or offerors.

² According to 2 CFR Part 225, Appendix B, Sections 8.h.(4) and 8.h.(5)(a), “Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports ...” “[that] must reflect an after-the-fact distribution of the actual activity of each employee.”



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

when practicable, to prominently mark any equipment purchased with grant funding.

Recommendations

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require VDEM to:

Recommendation #2:

Revise its policies and procedures for monitoring subgrantees to provide reasonable assurance that subgrantees are complying with Federal laws and regulations applicable to all compliance issues, including procurement procedures, financial management, property records, and equipment inventory.

Recommendation #3:

Develop and implement policies and procedures for selecting open and closed State Homeland Security Program and Urban Areas Security Initiative subgrantee projects for audits conducted by the Virginia Department of Emergency Management.

Recommendation #4:

Ensure correct allocation of grant funds by implementing employee activity reports that reflect an after-the-fact distribution of actual employee activity for employees working on multiple grant programs.

Recommendation #5:

Complete a review of the questioned costs to determine whether (1) the sole source procurements were justified and the prices obtained were fair and reasonable; and (2) the employee compensation was justified and the level of compensation was reasonable. Limit the allowable costs for the procurements and employee compensation to amounts determined to be fair and reasonable.



Management Comments and OIG Analysis

FEMA's Response to Recommendation #2: FEMA concurred with recommendation 2. According to FEMA, it will require VDEM to submit a revision to its policies and procedures for monitoring subgrantees within 120 days of receipt of FEMA's management comments to this report. VDEM's revision to its policies and procedures should focus on subgrantees' compliance with Federal laws and regulations applicable to all compliance issues, including procurement procedures, financial management, property records, and equipment inventory.

FEMA's Response to Recommendation #3: FEMA concurred with recommendation 3. According to FEMA, it will require VDEM to develop and implement policies and procedures that clarify the roles and responsibilities of the VDEM internal auditors with respect to their evaluation or oversight of the SHSP and UASI. Where applicable, those policies and procedures should be integrated with VDEM's existing subrecipient monitoring protocols for selecting open and closed SHSP and UASI subgrantee projects for any audits or reviews conducted by VDEM. VDEM should submit to FEMA those policies and procedures or any revised monitoring protocols that address the issues raised in this recommendation within 90 days of receipt of FEMA's management comments to this report.

FEMA's Response to Recommendation #4: FEMA concurred with recommendation 4. According to FEMA, it will require VDEM to submit an employee time distribution plan that reflects an after-the-fact distribution of actual employee activity for employees working on multiple grant programs within 180 days of receipt of FEMA's management comments to this report.

FEMA's Response to Recommendation #5: FEMA concurred with recommendation 5. FEMA stated that it will require VDEM to (1) complete a review of the questioned costs to determine whether sole source procurements were justified and the prices obtained were fair and reasonable; (2) review whether the employee compensation was justified and the level of compensation was reasonable; and (3) report on those findings within 90 days of receipt of FEMA's management comments to this report.

VDEM's Response to Recommendations #2 through #5: VDEM agreed with recommendations 2 through 5. According to VDEM, its grant process was revised with the FY 2011 grant cycle that incorporated the grant management oversight recommendations in this report. VDEM indicated that its Grants Office



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

is in the process of updating and enhancing its Subgrantee Administrative Guide, eGMS Training Manual, and internal policies and procedures.

OIG Analysis: The actions proposed by FEMA and VDEM meet the intent of recommendations 2 through 5. When implemented, the actions identified in the responses should address the conditions identified during the audit. These recommendations will remain resolved and open until we have reviewed the following:

- Recommendation 2: VDEM's revised policies and procedures for monitoring subgrantees;
- Recommendation 3: VDEM's policies and procedures that clarify the roles and responsibilities of the VDEM internal auditors with respect to their evaluation or oversight of the SHSP and UASI;
- Recommendation 4: VDEM's employee time distribution plan that reflects an after-the-fact distribution of actual employee activity for employees working on multiple grant programs; and
- Recommendation 5: VDEM's review of the questioned costs identified in the report and the actions taken for costs determined not to be fair and reasonable.

Untimely Award of Grant Funds

The Commonwealth of Virginia did not award funds to subgrantees in the federally required timeframe. VDEM submitted the Commonwealth's required funding allocation plan to FEMA in the required timeframe, but SHSP and UASI funding for FY 2008 through FY 2010 was not made available to subgrantees until, in one example, as many as 842 days after the required period. Delays in awarding funds to subgrantees could result in delays for projects intended to increase homeland security and achieve program objectives.

According to FEMA's award conditions for FY 2008 through FY 2010, HSGP grant recipients must submit funding allocations to FEMA within 45 days of receiving the grant award. If this funding allocation information is not provided to FEMA within 45 days, FEMA may withhold further grant funding. HSGP guidance requires that each State make no less than 80 percent of the total grant amount available to local units of government and urban areas within 45 days of receipt of funds.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

We reviewed 81 subgrantee projects that received SHSP and UASI funds from FY 2008 through FY 2010. For 76 of these projects, on average, 296 days passed between VDEM's acceptance of HSGP grant funding and its awarding of funds to the subgrantees (see table 2). For 78 of 81 projects, grant award letters were not sent to subgrantees within the required 45-day period. Grant funds must be awarded to subgrantees before they can be reimbursed for allowable expenditures.

Table 2. Average Days to Award SHSP and UASI Funds (FY 2008 through FY 2010)

Grant Year	Award of Funds (average days)	Subgrantee Projects Reviewed	Award Amounts	Percentage of SHSP and UASI Grant Funds
FY 2008	296	34	\$15,298,645	49%
FY 2009	405	24	\$16,445,409	55%
FY 2010	193	23	\$18,188,308	63%
Total	296	81	\$49,932,362	55%

Source: OIG.

VDEM officials believed that, because they submitted the required funding allocation plan to FEMA within 45 days, they complied with grant award requirements. Additionally, VDEM indicated that it would not be able to award grant funds to local governments and urban areas within 45 days of receiving the awards because they required additional time to accept the grants and prepare grant applications for VDEM review and approval.

Recommendation

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate, require VDEM to:

Recommendation #6:

Assess the current processes and procedures to improve the efficiency of awarding Homeland Security Grant Program funds to local units of government and urban areas.



Management Comments and OIG Analysis

FEMA’s Response to Recommendation #6: FEMA concurred with recommendation 6. According to FEMA, it will require VDEM to assess the current processes and procedures for awarding HSGP funds to eligible recipients. VDEM must provide a plan that will improve the efficiency of awarding HSGP funds to eligible recipients within 90 days of receipt of FEMA’s management comments to this report.

OIG Analysis: The actions proposed by FEMA meet the intent of recommendation 6. This recommendation will remain resolved and open until we have reviewed VDEM’s assessment and plan for improving the efficiency of awarding HSGP funds to eligible recipients.

Untimely Expenditure of Grant Funds

Because subgrantees did not always expend grant funds in a timely manner, not all SHSP and UASI funds were expended within the grant performance period. As a result, first responders may not have been fully equipped, trained, and prepared.

According to *FEMA Information Bulletin No. 257*, dated July 17, 2007, subgrantees face various obstacles in completing projects, but it is important to ensure that funds are obligated and expended in a timely manner and within established periods of performance. HSGP guidance states that the 36-month period of performance begins on the project or budget period start date that is included in the award package. Additionally, any unobligated funds are to be deobligated at the end of the closeout period, unless FEMA approves an extension of the performance period.

According to the Commonwealth of Virginia’s financial records, as of April 2012, 83 percent of FY 2008, 63 percent of FY 2009, and 24 percent of FY 2010 SHSP and UASI grant funds awarded to subgrantees were expended, as shown in table 3.

Table 3. Commonwealth of Virginia SHSP and UASI Grant Expenditures as of April 2012 (FY 2008 through FY 2010)

Grant Year	Date of Award	End of Grant Period	Total Awarded	Total Expended	Balance	Percentage Expended as of April 2012
FY 2008	8/22/08	8/31/11	\$31,281,500	\$25,957,042	\$5,324,458	83%
FY 2009	8/21/09	7/31/12	\$30,090,150	\$19,030,857	\$11,059,293	63%
FY 2010	9/27/10	7/31/13	\$28,728,273	\$7,022,996	\$21,705,277	24%

Source: OIG.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

VDEM requested and FEMA approved three performance period extensions for the FY 2008 HSGP. In addition, the FY 2009 performance period was extended once. Currently, the FY 2008 performance period will end on February 28, 2013, and the FY 2009 performance period will end on December 31, 2012.

According to VDEM, there may have been several reasons why grant funds were not spent in a timely manner. Delays may be a result of the need to fulfill Federal environmental and historic preservation requirements, the time needed to procure equipment, and the need for subgrantee coordination.

Delays in expending grant funds may continue to impede the Commonwealth's and subgrantees' ability to improve preparedness and response capabilities. In addition, extensions in the grant performance period and delays in officially closing the grant could result in FEMA deobligating grant funds.

Recommendation

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate, require VDEM to:

Recommendation #7:

Assess the current process and identify ways to improve subgrantees' performance in meeting established grant performance timelines.

Management Comments and OIG Analysis

FEMA's Response to Recommendation #7: FEMA concurred with recommendation 7. FEMA stated that it will require VDEM to assess the current processes and procedures to identify ways to improve subgrantees' performance in meeting established grant performance deadlines. VDEM must provide a plan that will improve subgrantees' performance in meeting those deadlines within 180 days of receipt of FEMA's management comments to this report.

VDEM's Response to Recommendations #6 and 7: VDEM explained that it has utilized the Initial Strategy Implementation Plan submission to FEMA, ensuring that the obligation was made to local governments within the 45-day period. According to VDEM, this has been the only documented way to adhere to the Environmental Historic Preservation requirements, review budgets in advance, and allow the local governments to accept the funds into their locality. There is an unrealistic expectation that local governments would be able to receive an



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

award from VDEM releasing the funds for expenditure within 45 days and still adhere to the Federal and State requirements for spending Federal funds. VDEM has recently implemented an electronic grants management system that will speed up this process and have the funds into the local governments' hands more quickly by issuing formal allocation letters to the local governments. However, the formal award will not be released until all grants have been made.

OIG Analysis: The actions proposed by FEMA meet the intent of recommendation 6 and 7. These recommendations will remain resolved and open until we have reviewed VDEM's assessment and plans for improving the efficiency of awarding HSGP funds to eligible recipients and for improving subgrantees' performance in meeting established grant performance deadlines.



Appendix A Objectives, Scope, and Methodology

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

The objectives of the audit were to determine whether the Commonwealth of Virginia's management distributed and spent SHSP and UASI grant funds (1) effectively and efficiently and (2) in compliance with applicable Federal laws and regulations and DHS guidelines. We were to also address the extent to which grant funds enhanced the Commonwealth's ability to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other manmade disasters.

The scope of this audit included the Commonwealth's plans to improve preparedness and response to all types of hazards, goals and objectives set in those plans, measurement of progress toward the goals, and assessments of performance improvement resulting from this measurement.

Together, the HSGP and its interrelated grant programs fund a range of preparedness activities, including planning, organization, equipment purchase, training, exercises, and management and administration costs. However, only SHSP and UASI funding, equipment, and supported programs were reviewed for compliance.

The scope of the audit included the SHSP and UASI grant awards for FY 2008, FY 2009, and FY 2010, as shown in table 4.

Table 4. Commonwealth of Virginia HSGP Awards (FY 2008 through FY 2010)

Grant Programs	FY 2008	FY 2009	FY 2010	Total
State Homeland Security Program	\$21,800,000	\$20,048,000	\$18,680,612	\$60,528,612
Urban Areas Security Initiative Program	\$9,481,500	\$10,042,150	\$10,047,661	\$29,571,311
Total	\$31,281,500	\$30,090,150	\$28,728,273	\$90,099,923
Citizen Corps Program	\$331,501	\$329,655	\$282,223	\$943,379
Metropolitan Medical Response System Program	\$1,927,326	\$1,927,326	\$1,904,514	\$5,759,166
Operation Stonegarden	N/A	N/A	N/A	N/A
Grand Total	\$33,540,327	\$32,347,131	\$30,915,010	\$96,802,468

Source: OIG.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

The audit methodology included work at FEMA headquarters, Commonwealth of Virginia offices, Richmond and Norfolk urban areas that received grants, and various subgrantee locations. To achieve our audit objective, we analyzed data, reviewed documentation, and interviewed key Commonwealth and local officials directly involved in the management and administration of the Commonwealth of Virginia’s HSGP.

We sampled project files from State agencies, designated UASI areas, and local government subgrantees that received SHSP or UASI grants awarded in FY 2008, FY 2009, or FY 2010, as shown in table 5.

Table 5. Subgrantee Sample Selection (FY 2008 through FY 2010)

Subgrantees	Grant Amount	Project Description
1. Loudoun County, 2008 SHSP	\$1,481,960	Bomb Squad Equipment and Training
2. Fauquier County, 2009 SHSP	\$882,130	P25 Software Upgrade Project
3. Stafford County, 2010 SHSP	\$970,600	Regional Radio Communication Interoperability
4. Henrico County, 2008 SHSP	\$1,266,100	Bomb Squad Equipment and Training
5. Henrico County, 2009 SHSP	\$1,730,000	Richmond Area Microwave Interoperability System
6. Nottoway County, 2008 SHSP	\$1,300,000	Regional Interoperable Communication
7. Colonial Heights City, 2008 UASI	\$5,256	Chemical, Biological, Radiological, Nuclear, and Explosives Equipment
8. Richmond City, 2008 SHSP	\$1,176,300	Bomb Squad Equipment and Training
9. Louisa County, 2010 SHSP	\$1,249,666	Central Virginia Regional Information Sharing Project
10. Hopewell City, 2008 UASI	\$10,000	Chemical, Biological, Radiological, Nuclear, and Explosives Equipment
11. New Kent County, 2008 UASI	\$12,307	Mass Casualty Incident Trailer
12. Brunswick County, 2008 SHSP	\$985,531	Regional Information Network Sharing
13. York County, 2009 UASI	\$75,223	Emergency Power Generator
14. Virginia Department of Social Services, 2008 SHSP	\$945,000	Shelter Retrofitting
15. Hampton Roads Planning District Commission, 2009 UASI	\$488,655	Pet Evacuation and Management Resources
16. Hampton Roads Transit, 2008 UASI	\$150,000	Regional Security for Mass Transit
Total of Subgrantee Awards	\$12,728,728	
17. Virginia Department of Emergency Management, 2008–2010	\$2,189,471	Management and Administration
Grand Total of Awards Selected	\$14,918,199	

Source: OIG.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

At each location, we interviewed officials responsible for project oversight, reviewed documentation supporting Commonwealth and subgrantee management of grant funds, and physically inspected selected equipment procured with grant funds.

FY 2011 grants were not included in the scope of this audit because DHS did not allocate those funds to grant recipients until August 24, 2011. Grant recipients would not have had sufficient time to expend these funds prior to our fieldwork.

We conducted this performance audit between February and August 2012 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix B
FEMA Management Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20472



FEMA

OCT 23 2012

MEMORANDUM FOR: Anne L. Richards
Assistant Inspector General for Audits
Office of Inspector General

FROM: *for* David J. Kaufman *Katherine Fox*
Director
Office of Policy and Program Analysis

SUBJECT: Response to OIG Draft Report, *The Commonwealth of Virginia's Management of State Homeland Security Program and Urban Areas Security Initiative Grants Awarded During Fiscal Years 2008 through 2010* (12-101-AUD-FEMA)

Thank you for the opportunity to comment on the draft report. The findings in the report will be used to strengthen the effectiveness and efficiency of how we execute and measure our programs. We recognize the need to continue to improve the process, including addressing the recommendations raised in this report. Our responses to the recommendations are as follows:

Recommendation #1: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate, assist the Virginia Department of Emergency Management (VDEM) to develop a comprehensive performance measurement system for its Homeland Security Strategies' goals and objectives that includes target levels of performance and the means to measure progress toward enhancing preparedness.

FEMA Response: FEMA concurs with the recommendation. The FY12 Homeland Security Grant Program (HSGP) Funding Opportunity Announcement (FOA) provided instruction to states on updating their homeland security strategies so that their goals and objectives align to Presidential Policy Directive 8 (PPD-8) and the Whole Community approach.

The FOA states that *State and Urban Area Homeland Security Strategies should be updated every two (2) years at a minimum to ensure that their strategies continue to address all homeland security mission areas (prevent, protect against, respond to, recover from, and mitigate all hazards) and reflect how their goals and objectives align to PPD-8 and the Whole Community approach. When revisiting and updating the strategies, goals, and objectives, States and Urban Areas are strongly encouraged to consider collaboration across disciplines, jurisdictions, and agencies within the framework of the mission areas and based on a capability-based planning approach.*



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

The National Preparedness Directorate (NPD) in FEMA is responsible for strategy oversight and guidance development. NPD is currently developing processes to measure core capabilities in accordance with the National Preparedness Goal pursuant to PPD-8 which will be completed and submitted to FEMA leadership by December 2012. Upon official release of the guidance on performance measures, GPD will require the VDEM to update their strategy and fully comply with the additional guidance. FEMA requests that the recommendation be considered resolved and open pending completion of the stated corrective actions.

Recommendation #2: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require VDEM to revise its policies and procedures for monitoring subgrantees to provide reasonable assurance that subgrantees are complying with Federal laws and regulations applicable to all compliance issues, including procurement procedures, financial management, property records, and equipment inventory.

FEMA Response: FEMA concurs with this recommendation. FEMA will require VDEM to submit a revision to its policies and procedures for monitoring subgrantees within 120 days of receipt of this letter. The revision should focus on subgrantees' compliance with Federal laws and regulations applicable to all compliance issues, including procurement procedures, financial management, property records, and equipment inventory. FEMA believes this satisfies the intent of the recommendation and requests that this recommendation be considered resolved and open pending completion of the stated corrective actions.

Recommendation #3: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require VDEM to develop and implement policies and procedures for selecting open and closed State Homeland Security Program and Urban Areas Security Initiative subgrantee projects for audits conducted by the VDEM.

FEMA Response: FEMA concurs with this recommendation. FEMA will require VDEM to develop and implement policies and procedures that clarify the roles and responsibilities of the VDEM internal auditors with respect to their evaluation or oversight of the State Homeland Security Program and Urban Area Security Initiative. Where applicable, those policies and procedures should be integrated with VDEM's existing subrecipient monitoring protocols for selecting open and closed State Homeland Security Program and Urban Area Security Initiative subgrantee projects for any audits or reviews conducted by VDEM. VDEM should submit to FEMA those policies and procedures or any revised monitoring protocols that address the issues raised in Recommendation #3 within 90 days of receipt of this letter. FEMA believes this satisfies the intent of the recommendation and requests that this recommendation be considered resolved and open pending completion of the stated corrective actions.

Recommendation #4: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require VDEM to ensure correct allocation of grant funds by implementing employee activity reports that reflect an after the fact distribution of actual employee activity for employees working on multiple grant programs.

FEMA Response: FEMA concurs with the recommendation. FEMA will require VDEM to submit an employee time distribution plan that reflects an after-the-fact distribution of actual employee activity for employees working on multiple grant programs within 180 days of receipt of this letter. FEMA believes this satisfies the intent of the recommendation and requests that this



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

recommendation be considered resolved and open pending completion of the stated corrective actions.

Recommendation #5: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require VDEM to complete a review of the questioned costs to determine whether (1) the sole source procurements were justified and the prices obtained were fair and reasonable; and (2) the employee compensation was justified and the level of compensation was reasonable. Limit the allowable costs for the procurements and employee compensation to amounts determined to be fair and reasonable.

FEMA Response: FEMA concurs with this recommendation. FEMA will require VDEM to complete a review of the questioned costs to determine whether sole source procurements were justified and the prices obtained were fair and reasonable. VDEM should also review whether the employee compensation was justified and the level of compensation was reasonable. VDEM must report on those findings within 90 days of receipt of this letter. FEMA believes this will satisfy the intent of the recommendation and requests that this recommendation be considered resolved and open pending completion of the stated corrective actions.

Recommendation #6: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require VDEM to assess the current processes and procedures to improve the efficiency of awarding Homeland Security Grant Program funds to local units of government and urban areas.

FEMA Response: FEMA concurs with this recommendation. FEMA will require VDEM to assess the current processes and procedures for awarding HSGP funds to eligible recipients. VDEM must provide a plan that will improve the efficiency of awarding HSGP funds to eligible recipients within 90 days of receipt of this letter. FEMA believes this satisfies the intent of the recommendation and requests that this recommendation be considered resolved and open pending completion of the stated corrective actions.

Recommendation #7: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require VDEM to assess the current process and identify ways to improve subgrantees' performance in meeting established grant performance timelines

FEMA Response: FEMA concurs with this recommendation. FEMA will require VDEM to assess the current process and identify ways to improve subgrantees' performance in meeting established grant performance timelines. VDEM must provide a plan that improves subgrantees' performance in meeting those timelines within 180 days of receipt of this letter. FEMA believes this satisfies the intent of the recommendation and requests that this recommendation be considered resolved and open pending completion of the stated corrective actions.

Again, we thank you for the opportunity to provide comments concerning this report. Please contact Audit Liaison Gina Norton at 202-646-4287, regarding further questions or concerns.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix C
VDEM Management Comments to the Draft Report



COMMONWEALTH of VIRGINIA
Department of Emergency Management

MICHAEL M. CLINE
State Coordinator

JACK E. KING
Chief Deputy Coordinator

BRETT A. BURDICK
Deputy Coordinator

10501 Trade Court
Richmond, Virginia 23236-3713
(804) 897-6500
(TDD) 674-2417
FAX (804) 897-6506

October 10, 2012

Anne L. Richards
Assistant Inspector General for Audits
Office of Inspector General
Department of Homeland Security
Washington, DC 20472

Dear Ms. Richards:

I appreciate the opportunity to present our views on the draft audit report for the Commonwealth of Virginia's management of the Department of Homeland Security, Federal Emergency Management Agency (FEMA), State Homeland Security Program and Urban Area Security Initiative awarded during Fiscal Years 2008 – 2010.

I would like to begin by thanking the Office of Inspector General (OIG) for the diligence in conducting this audit. Also, to express gratitude to you and your staff for the recommendations made in the draft report. The Commonwealth agrees that some of these recommendations are valid, and we have taken steps towards implementing these with recent grant funding.

Respecting the OIG's considerable work and commitment to effective government programs, the Commonwealth nonetheless maintains that the State Homeland Security Program and Urban Area Security Initiative are successful programs. These programs have assisted first responders throughout the Commonwealth to better prevent, protect, respond, and recover from acts of terrorism.

In addition, Virginia Department of Emergency Management (VDEM) believes that the draft report contains areas that are in need of a response. While these comments were not requested, I feel that this is pertinent and should be included with our response to your report.

"Working to Protect People, Property and Our Communities"



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Ann L. Richards
Page 2
October 10, 2012

- ***Commonwealth Could Not Quantify Improved Preparedness***

OIG Recommendation # 1 – Develop a comprehensive performance measurement system for its Homeland Security Strategies’ goals and objectives that include target levels of performance and the means to measure progress toward enhancing preparedness.

VDEM Response – The Commonwealth agrees with this recommendation. The Homeland Security Working Group has been working on the recent Threat and Hazard Identification and Risk Assessment (THIRA) and State Preparedness Report (SPR) requirement due to FEMA on or before December 31, 2012. Once these reports are approved by FEMA, the Commonwealth will be able to effectively update the Homeland Security Strategy to include the OIG recommendations.

- ***Grant Management Oversight Needs Improvement***

OIG Recommendation # 2 – Revise its policies and procedures for monitoring subgrantees.

OIG Recommendation # 3 – Develop and implement policies and procedures for selecting open and closed subgrantee projects for audits.

OIG Recommendation # 4 – Ensure correct allocation of grant funds by implementing employee activity reports.

OIG Recommendation # 5 – Complete a review of the questioned costs to determine whether the costs were justified.

VDEM Response – VDEM agrees with these four recommendations. The grant process was revised with the FY 2011 grant cycle that incorporated these recommendations. In addition, VDEM Grants Office is in the process of updating and enhancing the Subgrantee Administrative Guide, eGMS Training Manual, and internal policies and procedures.

- ***Untimely Award of Grant Funds***

OIG Recommendation #6 & 7 – Assess the current processes and procedures to improve the efficiency of awarding Homeland Security Grant Program funds to local government and urban areas. Assess the current process and identify ways to improve subgrantees’ performance in meeting established grant performance.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Ann L. Richards
Page 3
October 10, 2012

VDEM Response – Historically the Commonwealth has utilized the Initial Strategy Implementation Plan (ISIP) submission to FEMA ensuring the obligation was made to local governments within the 45-day period. This has been the only documented way to adhere to the Environmental Historic Preservation (EHP) requirements, review budgets in advance, and to allow the local governments to accept the funds into their locality. There is an unrealistic expectation that local governments would be able to receive an award from VDEM releasing the funds for expenditure within 45 days and still adhere to the federal and state requirements for spending federal funds.

VDEM has recently implemented an electronic grants management system that will speed up this process and have the funds into the local government's hands more quickly by issuing formal allocation letters to the local governments. However, the formal award will not be released until all grants (both federal and state) have been made.

In conclusion, the VDEM Grants Management Office has developed and implemented policies and procedures for the Homeland Security Grant Program, as well as other federal grant programs managed by VDEM. We would like to thank the OIG for their time and effort in assisting us in guidance and direction as we move forward with implementing best practices for the success of these programs. If you have any questions, please contact Cheryl Adkins, grants director, at (804) 897-6597 or cheryl.adkins@vdem.virginia.gov.

Sincerely,

Michael M. Cline

MMC/cja

c: Honorable Terrie Suit, Secretary of Veterans Affairs & Homeland Security
Honorale Marla Decker, Secretary of Public Safety
Jack King, VDEM Chief Deputy Coordinator
Brett Burdick, VDEM Deputy Coordinator of Administration
Cheryl Adkins, VDEM Grants Director



Appendix D

Homeland Security Grant Program

The State Homeland Security Program supports the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training, and exercise needs to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.

The Urban Areas Security Initiative Program funds address the unique planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas, and assists them in building an enhanced and sustainable capacity to prevent, protect against, respond to, and recover from acts of terrorism.

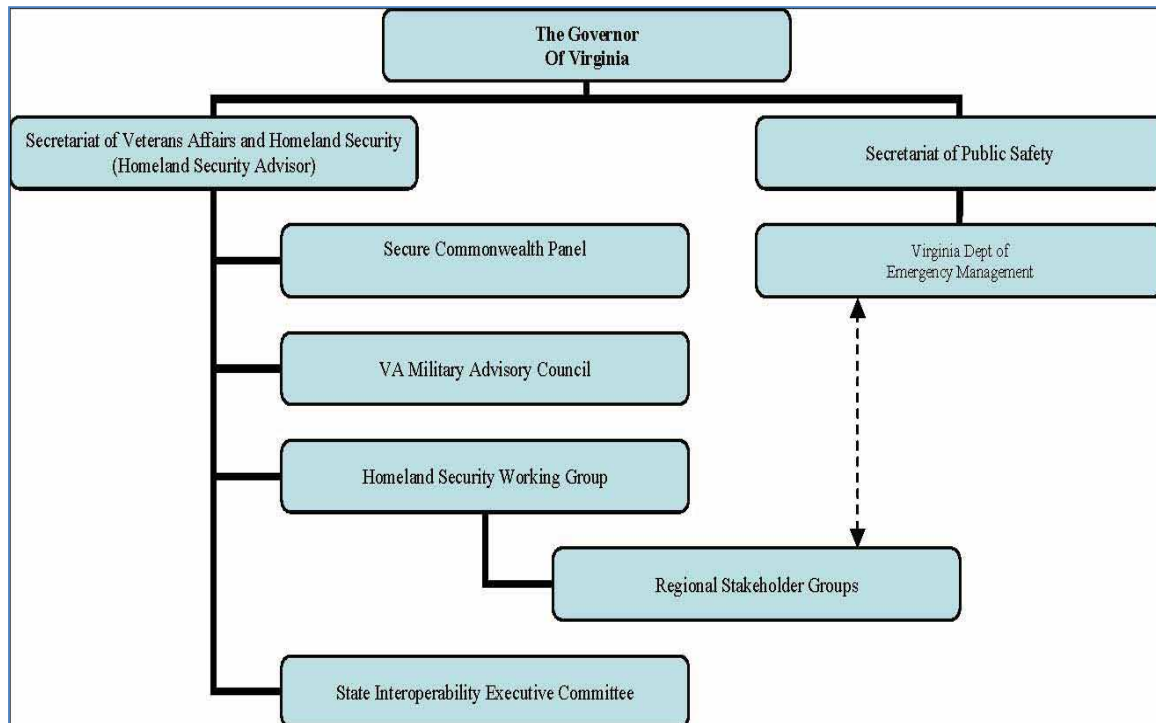
The Metropolitan Medical Response System Program supports the integration of emergency management, health, and medical systems into a coordinated response to mass casualty incidents caused by any hazard. Successful Metropolitan Medical Response System Program grantees reduce the consequences of a mass casualty incident during the initial period of a response by having augmented existing local operational response systems before an incident occurs.

The Citizen Corps Program brings community and government leaders together to coordinate the involvement of community members and organizations in emergency preparedness, planning, mitigation, response, and recovery.

Operation Stonegarden funds are intended to enhance cooperation and coordination among local, tribal, territorial, State, and Federal law enforcement agencies in a joint mission to secure the United States borders along routes of ingress from international borders to include travel corridors in States bordering Mexico and Canada, as well as States and territories with international water borders. This program was not included in the FY 2008 and FY 2009 Homeland Security Grant Program.



Appendix E Commonwealth of Virginia Homeland Security Governance



Source: Virginia Department of Emergency Management.

The Secretary of Veterans Affairs and Homeland Security coordinates all agencies involved in the Commonwealth's homeland security efforts (including prevention, vulnerability reduction, response, and recovery).

The Virginia Department of Emergency Management coordinates the Commonwealth's emergency preparedness, mitigation, response, and recovery activities.

The Secure Commonwealth Panel is an advisory board within the executive branch of the Commonwealth of Virginia's government, reporting directly to the Secretary of Veterans Affairs and Homeland Security. The 34-member panel monitors and assesses implementation of Statewide deterrence, prevention, response, and recovery initiatives; and reviews, evaluates, and makes recommendations pertaining to the security and emergency preparedness of government at all levels in the Commonwealth.

The Homeland Security Working Group is an operations team of State agencies that meets regularly to assess the Commonwealth's preparedness and capabilities. These partners coordinate, develop, and implement policies for funding and operations relating to preparedness for all types of hazards.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Regional Stakeholder Groups meet regularly and focus on regional initiatives in training, equipment, communication, and strategy to ensure access to response teams during emergencies and to facilitate testing, training, and exercises for mass casualty preparedness.

The Virginia Military Advisory Council's mission extends to the military commanders stationed in the Commonwealth. The commanders work together to encourage regular communication on continued military facility viability; explore privatization opportunities; and resolve issues affecting preparedness, public safety, and security.

The State Interoperability Executive Committee is the steering group for the Commonwealth Interoperability Coordinator and makes recommendations for the distribution of Federal grants funds to localities for voice and data communication projects. The State Interoperability Executive Committee consists of 13 representatives from regional, local, and State public safety associations and government.



Appendix F

Commonwealth of Virginia Procurement and Financial Management Compliance Issues and Schedule of Questioned Costs

- *Procurements Without Full and Open Competition*

A SHSP subgrantee purchased radio communications equipment for \$104,505 without full and open competition. The subgrantee acquired one quote before purchasing the equipment. For purchases over \$30,000, the *Virginia Public Procurement Act* requires a written informal solicitation of a minimum of four bidders or offerors.

A UASI subgrantee purchased a Mass Casualty Incident trailer for \$12,157. The subgrantee's purchase of the trailer did not comply with the county's procurement policy, which requires a general requisition form to be completed and three telephone quotes to be obtained if the expected total cost of goods is between \$2,000 and \$20,000.

A subgrantee purchased seven pet supply trailers for \$422,240 using UASI grant funding. The subgrantee made the purchase without obtaining four quotes from vendors prior to submitting the purchase order, as required by the *Virginia Public Procurement Act*. Furthermore, the subgrantee did not follow its own procurement procedures requiring three different price quotations.

- *Questioned Employee Compensation*

A Commonwealth employee was compensated \$97,328 while working on multiple grant programs without properly accounting for hours worked on each grant. In addition, the organization used a predetermined percentage of hours worked to calculate payroll other than for the sole purpose of HSGP. According to 2 CFR Part 225, Appendix B, Sections 8.h.(4) and 8.h.(5)(a), "Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports..." "[that] must reflect an after-the-fact distribution of the actual activity of each employee."

A county employee administering an SHSP grant was compensated \$24,000. The employee did not establish a reasonable amount of compensation for reimbursement or track time spent administering the grant, per Federal requirements. According to 2 CFR Part 225, Appendix B, *Selected Items of Cost*:



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Compensation for personal services, employees working solely on a single Federal award must support their compensation request with a supervisory certification at least twice a year and demonstrate reasonable compensation comparable to the pay of similar government activities.

- *Reimbursement of Expenses*

A SHSP subgrantee received a total of \$427 in funds from a VDEM overpayment. We identified this financial discrepancy during our reconciliation of financial documentation. Subsequently, the subgrantee reimbursed the Commonwealth \$427.

Table 6 presents the total schedule of questioned costs.

Table 6. Schedule of Questioned Costs

Potential Monetary Benefits		
Finding	Rec. No.	Questioned Costs
Full and Open Competition	5	\$538,902
Employee Compensation	5	\$121,328
Total		\$660,230

Source: OIG.



Appendix G

Major Contributors to This Report

Donald Bumgardner, Director
Robert Greene, Audit Manager
Irene Aultman, Auditor-in-Charge
Carolyn Floyd, Auditor
Michael Brunelle, Program Analyst
Melissa Estrella, Program Analyst
Kelly Herberger, Communications Analyst
Marisa Coccaro, Independent Referencer



Appendix H

Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
Acting Chief Privacy Officer

Federal Emergency Management Agency

Administrator
Assistant Administrator, Grant Programs Directorate
Federal Emergency Management Agency Audit Liaison
Grant Programs Directorate Audit Liaison

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees, as appropriate

ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this document, please call us at (202) 254-4100, fax your request to (202) 254-4305, or e-mail your request to our Office of Inspector General (OIG) Office of Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

For additional information, visit our website at: www.oig.dhs.gov, or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).

OIG HOTLINE

To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at www.oig.dhs.gov and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

Should you be unable to access our website, you may submit your complaint in writing to: DHS Office of Inspector General, Attention: Office of Investigations Hotline, 245 Murray Drive, SW, Building 410/Mail Stop 2600, Washington, DC, 20528; or you may call 1 (800) 323-8603; or fax it directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.