

# Spotlight

Department of Homeland Security



## Office of Inspector General

October 2012 OIG-13-03

### Why This Matters

The American Recovery and Reinvestment Act (Recovery Act) appropriated \$150 million to the Federal Emergency Management Agency (FEMA) for transit and rail security grants. This is one of a series of audits that we are performing to help ensure that Recovery Act funds were used for authorized purposes. The Port Authority of New York and New Jersey (Port) received a construction grant of \$48,286,592.

The objective of this audit was to determine whether costs claimed by the Port strengthen rail tunnels were allowable, allocable, and reasonable.

### DHS Response

A response to this report was not required.

## Costs Claimed by the Port Authority of New York and New Jersey Under Transit Security Grant No. 2009-RA-R1-0105

### What We Determined

We determined that costs claimed of \$42,020,112 were allowable, allocable, and reasonable. We also found that the Port fulfilled the requirements for submitting quarterly reports, for paying prevailing wages, and for complying with the requirement for buying goods manufactured in America. However, the Port did not follow Office of Management and Budget guidance in calculating the number of jobs presented in its quarterly recipient reports to the Federal Government. We did not recommend any corrective action because the guidance does not allow prior reports to be adjusted.

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### For Further Information:

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