



Why This Matters

Greensburg received an award of \$16.5 million from the Kansas Department of Emergency Management (KDEM), a FEMA grantee, for damages caused by severe storms, tornadoes, and flooding that occurred May 4, to June 1, 2007. FEMA provides such 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.

DHS Response

FEMA officials generally agreed with our findings, but stated that they are still in the process of closing Project 399 and reviewing claimed costs for this project. Additionally, FEMA Region VII and headquarters are taking steps to improve FEMA's visibility over subgrantee activities.

For Further Information:

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

FEMA PA Grant Funds Awarded to City of Greensburg, Kansas

What We Determined

The City accounted for grant funds on a project-by-project basis as required by Federal regulations. However, the City did not always expend the funds according to Federal regulations and FEMA guidelines. The City claimed \$609,351 in contract costs that were not supported by sufficient documentation, \$43,317 of duplicate contract costs, and \$33,988 for an ineligible extended warranty. As a result, we question \$686,656 of unsupported and ineligible costs that the City claimed. We also identified \$2,233,103 in unused funding that FEMA could have put to better use.

What We Recommend

We recommend that the Regional Administrator, FEMA Region VII:

- Disallow \$609,351 (\$457,013 Federal share) of unsupported contract costs unless the City provides adequate documentation to support these costs.
- Disallow \$43,317 (\$32,488 Federal share) of ineligible duplicate contract costs.
- Disallow \$33,988 (\$25,491 Federal share) of ineligible contract costs claimed for an extended warranty on equipment.
- Deobligate \$2,233,103 (\$1,674,827 Federal share) of unused Federal funds and put them to better use.
- For all disasters, require KDEM to submit quarterly progress reports that comply with FEMA's 2007 Public Assistance Guide.
- Until FEMA finalizes its draft procedures to improve subgrantee monitoring, adopt FEMA draft procedures as a Region VII specific procedures requiring improved subgrantee monitoring.