



Why This Matters

The American Recovery and Reinvestment Act (Recovery Act) appropriated \$210 million to the Federal Emergency Management Agency (FEMA) for building or repairing nonfederal fire stations with up to five percent available for program administration. 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 objective of the audit was to determine whether costs invoiced by McKing Consulting Corporation for program support services were allowable, allocable and reasonable.

DHS Response

FEMA concurred with the recommendations and is working to resolve the issues identified in the audit and install processes to avoid future occurrences like this.

Costs Invoiced by McKing Consulting Corporation Under Order Number HSFEHQ-05-F-0438

What We Determined

FEMA used \$721,000 of Recovery Act funds to modify a 2005 task order with McKing Consulting Corporation to obtain additional program support services to accelerate the award of the fire station construction grants. The total amount FEMA awarded and paid under this order was \$42,361,519. We questioned \$154,535 of that amount, which included \$143,173 billed for staff who did not qualify for the invoiced rates and \$11,362 in storage costs that exceeded McKing's incurred costs. In addition, we determined that McKing Consulting Corporation complied with the Recovery Act reporting requirements for submitting recipient reports; however, the reports included inaccurate and unsupported information.

What We Recommend

FEMA resolve the questioned costs, examine the qualifications of other staff to determine whether billing rates were appropriate, and decide whether McKing Consulting Corporation should resubmit its final recipient report.

For Further Information:

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