



Why This Matters

The Federal Emergency Management Agency (FEMA) provides public 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. We perform audits of FEMA grantees and subgrantees to determine whether costs claimed under the awards are eligible and allowable under federal regulations and FEMA guidelines. The Kentucky National Guard (Guard) received an award of \$8.8 million for damages resulting from severe ice storms, which occurred in February 2009.

DHS Response

FEMA's written response is due within 90 days.

FEMA Public Assistance Grant Funds Awarded to the Kentucky National Guard

What We Determined

The Guard accounted for expenditures on a project-by-project basis, as required by federal regulations and FEMA guidelines. However, we identified \$468,518 of questioned costs resulting from unsupported, excessive, and ineligible project charges.

What We Recommend

We recommend that the Regional Administrator, FEMA Region IV:

1. Disallow \$424,134 (\$318,100 federal share) of unsupported costs.
2. Disallow \$33,507 (\$25,130 federal share) of excessive contract equipment costs.
3. Disallow \$5,719 (\$4,289 federal share) of ineligible maintenance flight test charges.
4. Disallow \$3,329 (\$2,497 federal share) of ineligible force account overtime labor costs.
5. Disallow \$1,829 (\$1,372 federal share) of ineligible project charges.

For Further Information:

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