



### Why This Matters

The Federal Emergency Management Agency (FEMA) provides public assistance to state, tribal, and local government, 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 Long Beach Port Commission (Port), Long Beach, Mississippi, received an award of \$4.3 million for damages resulting from Hurricane Katrina that occurred in August 2005.

### DHS Response

FEMA's written response is due within 90 days.

## FEMA Public Assistance Grant Funds Awarded to the Long Beach Port Commission, Long Beach, Mississippi

### What We Determined

The Port accounted for expenditures on a project-by-project basis, as required by Federal regulations and FEMA guidelines. However, the Port did not follow Federal procurement procedures when awarding contracts valued at \$1,734,397.

### What We Recommend

We recommended that the Regional Administrator, FEMA Region IV:

- 1) Disallow \$1,734,397 of ineligible costs claimed for contracts that were not procured in accordance with Federal requirements, unless FEMA decides to grant an exception for all or part of the costs as provided for in 44 CFR 13.6(c) and Section 705(c) of the Stafford Act.
- 2) Instruct the Mississippi Emergency Management Agency to reemphasize to the Port its requirement to comply with Federal procurement regulations and FEMA guidelines when acquiring goods and services under the FEMA award.

### For Further Information:

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