

Spotlight

Department of Homeland Security



Office of Inspector General

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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 University of Southern Mississippi (University) received an award of \$41.1 million for damages resulting from Hurricane Katrina that occurred in August 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Should Recover \$5.3 Million of Public Assistance Grant Funds Awarded to the University of Southern Mississippi - Hurricane Katrina

What We Determined

The University accounted for FEMA projects on a project-by-project basis as required by Federal regulations and FEMA guidelines. However, the University's claim included \$358,528 of costs that were not reduced by insurance proceeds, and \$2,045,789 of project funding that is not needed because the University received funding from another Federal agency to cover the costs of the approved work. Further, the University did not comply with Federal procurement requirements when awarding contracts on which it claimed \$2,873,000, of which the University did not have adequate documentation to support \$979,803 of the contract costs. Finally, the University received \$2,082,279 of FEMA funding for damaged facilities under alternate project criteria that was not reduced for temporary relocation costs provided for the damaged facilities.

What We Recommend

1. Deobligate and put to better use \$358,528 of project funding provided for costs covered by insurance proceeds.
2. Deobligate and put to better use \$2,045,789 of funding under Project 7823 that is no longer needed because the University received funding from the U.S. Department of Education to cover the costs of the approved work.
3. Disallow \$1,893,197 of ineligible contract costs unless FEMA grants the University an exception for all or part of the costs as provided for in 2 CFR 215.4 and Section 705(c) of the Stafford Act.
4. Instruct the State to reemphasize to the University its requirement to comply with Federal procurement regulations and FEMA guidelines when acquiring goods and services under the FEMA award.
5. Disallow \$979,803 of unsupported costs under Projects 9550 (\$216,010) and 9624 (\$763,793).
6. Determine the square footage applicable to the temporary space supporting the alternate projects and reduce alternate project funding accordingly for temporary relocation costs provided for under Project 7823.

For Further Information:

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