

# Spotlight

Department of Homeland Security



## Office of Inspector General

March 2012 DS-12-07

### Why This Matters

The Office of Inspector General (OIG) serves as an independent body to deter, identify, and address fraud, abuse, mismanagement, and waste in Department of Homeland Security (DHS) programs and operations. To this end, the OIG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of the Department. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for the Department to carry out its responsibilities in the most effective, efficient, and economical manner possible.

### DHS Response

Federal Emergency Management Agency (FEMA) and California Emergency Management Agency (Cal EMA) officials withheld comment until after we issue our final report. City officials partially concurred with our findings.

## FEMA Public Assistance Grant Funds Awarded to City of Atascadero, California

### What We Determined

We audited public assistance grant funds awarded to the City of Atascadero, California (City) for FEMA Disaster Number 1505-DR-CA.

Our audit objective was to determine whether the City accounted for and expended FEMA grant funds according to federal regulations and FEMA guidelines.

We determined that of the \$12,853,623 in project charges we reviewed, City officials did not expend or account for \$8,014,375 according to federal regulations and FEMA guidelines.

### What We Recommend

We recommend that the Regional Administrator, FEMA Region IX, in coordination with Cal EMA (the grantee): (1) disallow \$2,980,900 (\$2,235,675 federal share) in unsupported architecture and engineering costs associated with Project 229; (2) disallow \$2,654,978 (\$1,991,234 federal share) of ineligible, excessive funding associated with the Creekside Property/second temporary City Hall for Project 239; (3) disallow \$2,377,185 (\$1,782,889 federal share) in ineligible facility replacement costs related to the Printery Building for Project 228; and (4) disallow \$1,312 (\$984 federal share) in ineligible costs for Project 228.

Within 90 days of the date of the grant audit report, Management should provide our office with a written response that includes their 1) agreement or disagreement, 2) corrective action plan, and 3) target completion date for each recommendation.

### 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)