



Why This Matters

St. Charles Parish (Parish) received an \$8.9 million award from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), a Federal Emergency Management Agency (FEMA) grantee, for damages caused by Hurricane Katrina, which occurred in August 2005. FEMA provides such 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, focusing on grants with potential for problems and areas that are of interest to Congress and FEMA.

DHS Response

FEMA officials agreed with our findings and recommendations. FEMA's written response is due within 90 days.

FEMA Public Assistance Grant Funds Awarded to St. Charles Parish, Louisiana

What We Determined

The Parish did not account for FEMA grant funds on a project-by-project basis as required by federal regulations. As a result, the Parish's claim included unsupported and ineligible costs. Further, although the Parish generally followed federal procurement standards for contracting, it did not include required provisions in all its contracts; did not perform a cost or price analysis on all procurements; and did not take sufficient steps to ensure the use of small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms for its contract work. In addition, the Parish did not submit documentation to GOHSEP for all expenses incurred. We questioned \$8,917,221 in unsupported and ineligible costs.

What We Recommend

We recommend that the Regional Administrator, FEMA Region VI: (1) disallow \$8,155,230 of unsupported costs unless the Parish can provide a complete and accurate accounting of total eligible costs for all projects; (2) review the scopes of work for all the Parish's projects and deobligate those projects with duplicate scopes of work; (3) disallow \$357,395 of duplicate claimed cost as ineligible; (4) disallow \$308,712 of ineligible costs because crisis counseling is not eligible under the Public Assistance grant program; (5) disallow \$51,758 of ineligible costs for work the Parish did not complete; (6) complete the insurance review and allocate approximately \$28,474 of insurance proceeds to the total cost of the Parish's projects (because some of the costs are funded from another source, they are ineligible); (7) disallow \$15,652 of ineligible costs for work that was outside the scope of the project; and (8) direct GOHSEP to instruct the Parish to establish the necessary affirmative steps to ensure the use of small business, minority-owned firms, women's business enterprises, and labor surplus area firms; to perform cost or price analyses, and to include federally required contract provisions in its contracts.

For Further Information:

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