

# Spotlight

Department of Homeland Security



## Office of Inspector General

April 2012 DD-12-10

### Why This Matters

The Administrators of the Tulane Educational Fund (Tulane) received a \$153.1 million public assistance (PA) 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 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.

## Insurance Allocations to FEMA PA Grant Funds Awarded to the Administrators of the Tulane Educational Fund, New Orleans, LA

### What We Determined

FEMA needs to (1) apply an additional \$24.5 million of proceeds from Tulane's commercial insurance policies to reduce the value of Tulane's projects and (2) complete its review of eligible and ineligible losses covered under Tulane's commercial insurance policies to determine whether the amount of proceeds applied to reduce the value of Tulane's projects should be increased or decreased.

### What We Recommend

We recommend the Regional Administrator, FEMA Region VI: (1) apply an additional \$24.5 million of proceeds from Tulane's commercial insurance policies to reduce the value of Tulane's projects (because these costs are funded from another source, they are ineligible); and (2) as soon as possible, complete the review of eligible and ineligible expenses covered under Tulane's commercial insurance policies to determine whether the amount of proceeds applied to reduce the value of Tulane's projects should be increased or decreased.

### For Further Information:

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