

Department of Homeland Security **Office of Inspector General**

Indiana's Management of State Homeland
Security Program and Urban Areas Security Initiative
Grants Awarded During Fiscal Years 2008–2010






OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

FEB 28 2013

MEMORANDUM FOR: David J. Kaufman
Acting Assistant Administrator
Grant Programs Directorate
Federal Emergency Management Agency

FROM: Anne L. Richards 
Assistant Inspector General for Audits

SUBJECT: *Indiana's Management of State Homeland Security
Program and Urban Areas Security Initiative Grants
Awarded During Fiscal Years 2008–2010*

Attached for your action is our final report, *Indiana's Management of State Homeland Security Program and Urban Areas Security Initiative Grants Awarded During Fiscal Years 2008–2010*. We incorporated the formal comments from the Federal Emergency Management Agency and the State of Indiana in the final report.

The report contains five recommendations aimed at improving the overall effectiveness of the State of Indiana's management of State Homeland Security Program and Urban Areas Security Initiative grants. Your office concurred with all five recommendations. Based on information provided in your response to the draft report, we consider recommendations 1 through 3 and 5 open and resolved, and recommendation 4 closed and resolved. Once your office has fully implemented the four open recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Mark Bell, Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



Table of Contents

Executive Summary	1
Background	2
Results of Audit	3
Improvements Are Needed To Enhance the State of Indiana’s Grant Management Practices	3
Recommendations	10
Management Comments and OIG Analysis	11

Appendixes

Appendix A: Objectives, Scope, and Methodology	14
Appendix B: FEMA Management Comments to the Draft Report.....	18
Appendix C: State of Indiana Management Comments to the Draft Report....	21
Appendix D: Description of Homeland Security Grant Program	27
Appendix E: State of Indiana Homeland Security Districts	28
Appendix F: Grant Transaction Flowchart	29
Appendix G: Major Contributors to This Report	30
Appendix H: Report Distribution	31

Abbreviations

CFR	Code of Federal Regulations
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FY	fiscal year
GMS	Grants Management Section
GPD	Grant Programs Directorate
HSGP	Homeland Security Grant Program
IDHS	Indiana Department of Homeland Security
OIG	Office of Inspector General
SMART	specific, measurable, achievable, results-oriented, and time-limited
SHSP	State Homeland Security Program
UASI	Urban Areas Security Initiative
OIG	Office of Inspector General



Executive Summary

Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*, as amended, requires the Department of Homeland Security (DHS) Office of Inspector General (OIG) to audit individual States' management of State Homeland Security Program and Urban Areas Security Initiative grants. This report responds to the reporting requirement for the State of Indiana.

The objectives of the audit were to determine if the State of Indiana distributed and spent State Homeland Security Program and Urban Areas Security Initiative grant funds effectively and efficiently and in compliance with applicable Federal laws and regulations. We also addressed the extent to which grant funds enhanced Indiana's ability to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other manmade disasters. The audit included a review of approximately \$57.3 million in State Homeland Security Program and Urban Areas Security Initiative grants awarded to Indiana during fiscal years 2008 through 2010.

In most instances, the State of Indiana distributed and spent the awards in compliance with applicable laws and regulations. However, we identified several areas in which the Federal Emergency Management Agency (FEMA) and the State can improve management of State Homeland Security Program and the Urban Areas Security Initiative grants. Specifically, the State needs to revise its State Homeland Security Strategy and the Indianapolis Urban Area Homeland Security Strategy to include measurable objectives with realistic target dates for completion, obligate grant funds promptly, and monitor subgrantee compliance with inventory management requirements. Additionally, FEMA should ensure that the State closely monitors the obligation and expenditure of Urban Areas Security Initiative grants.

As a result of the issues discussed in the report, the State (1) could not fully assess whether State Homeland Security Program and Urban Areas Security Initiative funding enhanced its preparedness and security; (2) may have negatively affected planning and delayed the expenditure of grant funds; (3) could not ensure that assets purchased with grant funds were adequately safeguarded to prevent loss, theft, or misuse; and (4) may have unnecessarily delayed improvements to the Indianapolis Urban Area's preparedness and security. These issues existed because FEMA and the State of Indiana did not provide sufficient guidance and oversight of the grant process. We made five recommendations for FEMA to initiate improvements which, if implemented, should help strengthen grant program management, performance, and oversight. FEMA concurred with all five recommendations.



Background

DHS provides Federal funding through the Homeland Security Grant Program (HSGP) to help State and local agencies enhance capabilities to prevent, deter, respond to, and recover from terrorist attacks, major disasters, and other emergencies. Within DHS, FEMA is responsible for administering the HSGP. To support preparedness, FEMA develops policies, ensures that adequate plans exist and are validated, defines capabilities required to address threats, provides resources and technical assistance to States, and synchronizes preparedness efforts throughout the Nation. Appendix D provides a detailed description of the HSGP's interrelated grant programs.

HSGP guidance requires the Governor of each State and Territory to designate a State Administrative Agency to apply for and administer grant funding awarded under the HSGP. The State Administrative Agency is the only entity eligible to apply for HSGP funds. FEMA requires that the State Administrative Agency be responsible for obligating grant funds to local units of government and other designated recipients within 45 days after receipt of funds. The Indiana Department of Homeland Security (IDHS) is the State Administrative Agency responsible for administering the HSGP. Within IDHS, the Grants Management Section (GMS) manages Federal grant funding awarded to Indiana for the advancement of homeland security initiatives, in accordance with the Indiana Strategy for Homeland Security.

Federal regulations require that grantees monitor grant and subgrant-supported activities to ensure compliance with Federal requirements and achievement of performance goals. DHS guidance requires States to develop strategies that include objectives that set a target level of performance over time against which actual achievement can be compared. Further, objectives should be specific, measurable, achievable, results-oriented, and time-limited (SMART).

FEMA awarded the State of Indiana more than \$57 million in HSGP funds during fiscal years (FY) 2008, 2009, and 2010. This included \$35.6 million in State Homeland Security Program (SHSP) grant funds and \$21.7 million in Urban Areas Security Initiative (UASI) grant funds. Indiana has 92 counties that are divided into 10 Homeland Security Districts. Appendix E depicts the 10 Homeland Security Districts. IDHS awarded SHSP funds to subgrantees in various state agencies, counties, and local jurisdictions within the districts. IDHS also awarded UASI funds to its one urban area, the Indianapolis Urban Area, which includes the City of Indianapolis, and Marion and Hamilton Counties. Appendix A provides details on the audit objectives, scope, and methodology.



Results of Audit

Improvements Are Needed To Enhance the State of Indiana's Grant Management Practices

In most instances, the State of Indiana distributed and spent SHSP and UASI grant funds in compliance with applicable Federal laws and regulations. However, we identified four areas in which FEMA and the State can improve management of SHSP and UASI grant programs. Specifically:

- The Indiana Strategy for Homeland Security (State strategy) and the Indianapolis Urban Area Homeland Security Strategy (urban area strategy) include some objectives that did not set measurable target levels of performance over time.
- IDHS did not obligate grant funds within 45 days of receiving FEMA grant awards.
- Subgrantees did not manage grant-funded equipment inventory according to Federal regulations or IDHS internal guidance.
- FEMA did not ensure that IDHS closely monitored the obligation and expenditure of the 2008 UASI grant.

As a result, the State (1) could not fully assess whether SHSP and UASI funding enhanced its preparedness and security; (2) may have negatively affected planning and delayed the expenditure of grant funds; (3) could not ensure that assets purchased with grant funds were adequately safeguarded to prevent loss, theft, or misuse; and (4) may have unnecessarily delayed improvements to the Indianapolis Urban Area's preparedness and security.

Measurable Performance

Indiana's State strategy and the urban area strategy include some objectives that do not set measurable target levels of performance over time. The State strategy contains several objectives that are not specific or measurable. Both strategies contained some objectives that omitted target dates for achieving the objectives. FEMA did not demonstrate that it provided the State with comments on its strategy, nor was there evidence to support its approval of either strategy. As a result, IDHS could not fully assess whether SHSP and UASI funding enhanced the preparedness and security of the State of Indiana.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

According to 44 Code of Federal Regulations (CFR) 13.40(a), *Monitoring and Reporting Program Performance*, grantees must monitor grant- and subgrant-supported activities to ensure compliance with applicable Federal requirements and achievement of performance goals. Furthermore, according to the *Department of Homeland Security State and Urban Area Homeland Security Strategy Guidance on Aligning Strategies with the National Preparedness Goal*, dated July 22, 2005, an objective sets a target level of performance over time against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

The guidance also mandates that an objective be SMART. For example, specific objectives help identify what is to be achieved and accomplished. Measurable objectives must be quantifiable. Time-limited objectives should have a target date for achieving the objective.

In its January 2010 assessment of Indiana's February 2008 State strategy, IDHS itself noted that some of its objectives did not comply with the SMART guidelines outlined by DHS. According to the assessment, several of the objectives and associated measures were very difficult to evaluate because of their generic wording. The report suggested that future objectives and measurements be developed using the SMART standard.

For example, under the strategy's second goal, Planning and Risk Analysis, Objective 2.8 – Institutionalize the National Incident Management System, according to the IDHS assessment, "the program manager indicated that due to the importance of this program it should be retained in the next strategy however, the measure needs to be more specific/measurable."

Also, under the strategy's third goal, Protect, Objective 3.1i – Implement a system that allows first responders access to building floor plans, IDHS noted that the program was no longer applicable and "determined to be unachievable due primarily to lack of a funding stream from the IDHS permitting process."

Both the February 2008 State strategy and the April 2007 urban area strategy contained some objectives and measures that were not time-limited. The State strategy contained 8 goals and 146 objectives to address the four mission areas and eight national priorities of the National Preparedness Guidelines. However, 27 of these objectives did not include target dates for achieving the objective. Similarly, the urban area strategy, dated April 3, 2007, contained 8 goals and 53 objectives, but 29 objectives had no target date for achievement.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Congress has shown interest in FEMA's efforts to develop metrics and measures for the HSGP grants. Under Public Law 111-271, *Redundancy Elimination and Enhanced Performance for Preparedness Grants Act*, Congress required the National Academy of Public Administration to assist FEMA in developing and implementing measurable national preparedness capability requirements and evaluation criteria. These requirements are to include a specific timetable for promptly developing a set of quantifiable performance measures and metrics to assess the effectiveness of the programs under which covered grants are awarded.

FEMA did not demonstrate that it provided Indiana with comments on its State strategy. Although a FEMA program analyst said that FEMA reviewed and provided comments on all State strategies, the analyst did not provide us with any evidence of those comments to Indiana. Also, IDHS reported that FEMA did not provide feedback on Indiana's State strategy.

FEMA also did not approve either Indiana's latest State strategy or the urban area strategy. FEMA provided the OIG team with a copy of the State strategy marked "Approved by FEMA" which showed many completion dates of 2005 through 2008 for implementation steps. IDHS provided a State strategy dated February 6, 2008, which was an updated version of the strategy that FEMA provided. The 2008 document contained completion dates of 2008 through 2010, and IDHS confirmed the strategy FEMA provided was not the most current version. IDHS also provided a copy of the urban area strategy dated April 3, 2007. Neither IDHS nor the UASI could provide documentation showing that FEMA had approved either strategy.

Without measurable goals and objectives in the State and urban area strategies, the State could not evaluate progress, compile key management information accurately, track trends, and keep planned work on track. Moreover, measurable goals and objectives would provide the State with a basis to evaluate its progress in improving preparedness, prevention, response, and recovery capabilities.

Obligation of Grant Funds

IDHS did not obligate SHSP and UASI grant funds within 45 days as required by *DHS Homeland Security Grant Program Guidance and Application Kits* for FYs 2008, 2009, and 2010. The kits also contained the following requirements:

- There must be some action to establish a firm commitment on the part of the awarding entity;



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- The action must be unconditional (i.e., no contingencies for availability of funds) on the part of the awarding entity;
- There must be documentary evidence of the commitment; and
- The award terms must be communicated to the official grantee.

We reviewed 36 awards that IDHS made to 10 local SHSP subgrantees from FY 2008 through FY 2010. Of these 36 awards, IDHS initially documented commitment of funds by issuing nine grant award letters. Three of the nine award letters were dated more than 45 days after IDHS received the award from FEMA. For the other 27 awards, IDHS signed subgrant agreements to document the written commitment of funds. These 27 subgrant agreements were signed between 132 and 781 days after FEMA awarded the grants to IDHS.

An IDHS official said its GMS did not send grant award letters to subgrantees for every project. Although the GMS sent letters to subgrantees for district allocations, the GMS relied on project managers to send non-district award letters for projects such as Exercise Initiatives, Explosives Ordinance Device Projects, and Critical Infrastructure. The GMS was unaware that project managers were not sending the letters until we requested them during our audit.

IDHS also did not issue a written commitment for the 2008 UASI funds, as required by FEMA, prior to signing a subgrant agreement with the City of Indianapolis. IDHS said it did not issue a commitment letter to the UASI because its award is always 80 percent of the UASI allocation. FEMA awarded the 2008 UASI funds to Indiana on August 22, 2008. IDHS signed a subgrant agreement with the city on April 30, 2010, or 616 days after FEMA awarded the grant to IDHS.

Not documenting commitment of funds to subgrantees promptly can negatively affect planning and delay expenditure of grant funds. The State's Homeland Security Districts evaluate spending proposals through each District's Planning Council and Oversight Committee. The districts then send proposals to IDHS for projects to which they would like to apply for grant funding. After IDHS reviews the proposed projects, it may award less funding to the districts than they requested in their budget proposals. If IDHS does not notify them promptly, districts may need to restart the process of prioritizing which of its previously proposed projects to fund. Accordingly, reprioritizing projects can increase the amount of time the district takes to spend the funds.

Inventory Requirements

IDHS' subgrantees did not consistently manage grant-funded inventory equipment according to Federal regulations or IDHS internal guidance. Specifically,



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

subgrantees did not comply with the property maintenance and physical inventory requirements of 44 CFR 13.32(d), *Management Requirements*, or IDHS' *Administrative Plan for Grants Managed by the Indiana Department of Homeland Security*, dated April 2009. Subgrantees also did not comply with the FEMA grant guidance requirement to prominently mark any equipment purchased with grant funding with the statement "Purchased with funds provided by the U.S. Department of Homeland Security" when practical. Subgrantees did not manage equipment as required because IDHS did not enforce the inventory provisions of the CFR or its own internal guidance.

Of the 13 SHSP subgrantees we selected for review, 11 purchased equipment using FY 2008 through FY 2010 grant funding. None of the 11 subgrantees complied with CFR requirements for maintaining property records. Specifically, of the 11 subgrantees:

- Five did not maintain inventory records.
- Six provided some form of an inventory record; however, they did not include all information the CFR requires, such as the location of equipment, identification number, and condition.
- Nine did not consistently mark equipment with the statement "Purchased with funds provided by the U.S. Department of Homeland Security."

IDHS did not enforce the inventory provisions in 44 CFR 13.32(d) or its own *Administrative Plan for Grants Managed by the Indiana Department of Homeland Security*. The State conducted onsite monitoring reviews of subgrantees and identified problems with inventories, but it did not always follow up to ensure deficiencies were corrected. Until 2012, IDHS did not have a formalized method to ensure compliance with inventory requirements.

Weak subgrantee inventory management practices affect the accuracy and integrity of the inventory purchased with grant funds. For example, one district could not locate two pieces of equipment—a \$50,718 generator and a \$15,000 John Deere Gator (all-terrain vehicle). The district fiscal agent responsible for the generator said it was stored at a fenced-in yard at a local police department. A police officer from that department accompanied the team to locate the generator, but we were unable to find it. Twelve days after our visit, the fiscal agent provided a photo of the generator and a close-up photo of its serial number. In the photo, the generator appeared to be at its assigned location; however, given its size, it is unlikely we would have missed it (see figure 1).



Figure 1: Photo of Generator



Source: District 2 personnel

As a result of these inventory deficiencies, the State did not have adequate inventory controls in place. Accordingly, IDHS could not ensure that assets purchased with grant funds were adequately safeguarded to prevent loss, theft, or misuse. The State might not have had ready access to vital emergency preparedness equipment if needed.

Expenditure of 2008 UASI Funds

The City of Indianapolis purchased about \$3 million in equipment after the deadline for expending funds specified in its subgrant agreement with the State. The city made these purchases between 30 and 44 months after FEMA awarded its FY 2008 UASI funds. IDHS did not ensure the city adhered to its planned milestones to spend the FY 2008 UASI funds. In addition, FEMA approved two requests submitted by IDHS to extend the grant period of performance by 6 months, even though the reason for the extension requests was the same. IDHS, as well as FEMA, should have monitored the city's progress in obligating and



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

expending this funding to better ensure that the city spent the grant funds by March 1, 2011, in accordance with its subgrant agreement with the State.

FEMA awarded the FY 2008 UASI grant to the State of Indiana on August 22, 2008. The State subsequently entered into a subgrant agreement with the City of Indianapolis on April 30, 2010, authorizing expenditures for the FY 2008 UASI funding. The agreement specified that the city obligate the funds by October 30, 2010, and liquidate (expend) the funds by January 28, 2011.¹ The State amended the agreement on September 24, 2010, and extended the obligation deadline to December 31, 2010, and the expenditure deadline to March 1, 2011. Thus, the city was required to spend its FY 2008 UASI funding by March 1, 2011.

On May 19, 2011, the UASI Program Manager for the city sent a request to the State to extend the period of performance for the FY 2008 UASI grant by 6 months. The request cited a number of changes in UASI leadership, including a change to elected and appointed officials who made up 50 percent of the Executive Committee, which had resulted in budget reprioritization. According to the request, the new UASI leadership wanted to examine the purpose of UASI expenditures thoroughly, thereby slowing project encumbrances (expenditures).

IDHS did not ensure the city adhered to its plan to spend the funds as outlined in its May 19, 2011, request for extension. The city's request included a project-by-project status and its plan to exhaust the balance of funds for each project. According to the request, funds for all projects would be expended by September 1, 2011. However, the UASI did not meet these milestones, and the city purchased about \$2.6 million in equipment between September 2011 and April 2012. In all, the city purchased about \$3 million in equipment after the amended March 1, 2011 deadline.

FEMA approved two 6-month extension requests to the grant period of performance submitted by IDHS. The first extended the period of performance until February 29, 2012, and the second until August 31, 2012. Both IDHS requests to FEMA cited changes in the UASI Executive Committee leadership as the primary reason for needing an extension. However, according to the UASI's first request to IDHS, dated May 19, 2011, the pace of changes in senior leadership had slowed during the 8 months prior to the request. FEMA should have worked with IDHS to determine whether other issues affected the city's ability to spend the grant and what action, if any, could be taken.

¹ Per the agreement, obligate "includes, but is not limited to, ordering, accepting delivery, installing equipment and full completion of any service agreements or contracts."



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

In addition to not expending funds promptly, the city did not seek State reimbursement for its UASI-related expenditures promptly. As of January 25, 2012, the city had submitted requests for reimbursement of only \$257,030 of the nearly \$5 million authorized by its subgrant agreement with the State. The UASI Program Manager said the office responsible for submitting reimbursement requests to the State was apparently not doing its job. As a result, the city requested reimbursement from IDHS for a majority of its 2008 UASI expenditures during February, March, and April 2012.

These delays in expenditures may have unnecessarily delayed improvements to the Indianapolis Urban Area's preparedness and security. Furthermore, the UASI's mass billing of invoices to IDHS may have negatively affected IDHS staff's ability to manage other grant projects. The State and FEMA should have better monitored the city's progress in meeting the expenditure milestones in its May 19, 2011, extension request.

Recommendations

We recommend that the Federal Emergency Management Agency Assistant Administrator, Grant Programs Directorate:

Recommendation #1:

Require the Executive Director, Indiana Department of Homeland Security, to include measurable objectives with realistic target dates for completion in the State and urban area homeland security strategies.

Recommendation #2:

Require that for all future grants, the Indiana Department of Homeland Security's Grants Management Section comply with the requirements as stated in *DHS Homeland Security Grant Program Guidance and Application Kits* to obligate grant funds to subgrantees within 45 days and to document the commitment of those funds.

Recommendation #3:

Require the Indiana Department of Homeland Security to enforce the inventory requirement provisions of 44 CFR 13.32(d) and its own internal guidance.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Recommendation #4:

Limit the number of extensions granted to the period of performance for Homeland Security Grant Program grants.

Recommendation #5:

Work with the Indiana Department of Homeland Security to develop procedures to closely monitor the progress of subgrantees who request extensions to the period of performance and hold them accountable if they do not meet Homeland Security Grant Program project milestones.

Management Comments and OIG Analysis

FEMA thanked us for the opportunity to comment on the draft report and said it would use the findings to strengthen the effectiveness and efficiency of its execution and measurement of the subject grant programs. A summary of FEMA's and the State's responses to the recommendations and our analysis follows.

FEMA's and the State's Responses to Recommendation #1: FEMA concurred with this recommendation. The Assistant Administrator, Grant Programs Directorate (GPD), will require the State of Indiana and the Indianapolis Urban Area to update their respective Homeland Security Strategies to ensure that they include measurable target levels of performance, as well as objectives that are SMART. According to the State of Indiana, it is in the process of revising its strategy. FEMA's estimated completion date for this recommendation is September 30, 2013.

OIG Analysis: We consider FEMA's actions responsive to the intent of recommendation 1, which is resolved and open. This recommendation will remain open pending confirmation that FEMA has received the revised Homeland Security Strategies from the State of Indiana and the Indianapolis Urban Area.

FEMA's and the State's Responses to Recommendation #2: FEMA concurred with this recommendation. The Assistant Administrator, GPD, will require the IDHS GMS to assess and streamline, where possible, processes and procedures for obligating funds to subgrantees. IDHS will report to the GPD the results of this assessment and the potential steps to be taken to expedite the obligation of funds to subgrantees. According to the State of Indiana, IDHS has made a



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

concerted effort to ensure that formal letters of obligation are issued. As of August 2010, IDHS prepared and sent formal letters of obligation to its local subgrantees, State partners, and internal IDHS partners. FEMA's estimated completion date for this recommendation is June 28, 2013.

OIG Analysis: We consider FEMA's actions responsive to the intent of recommendation 2, which is resolved and open. This recommendation will remain open pending confirmation that FEMA has received IDHS' assessment and the steps it plans to take to expedite the obligation of grant funds.

FEMA's and the State's Responses to Recommendation #3: FEMA concurred with this recommendation. The Assistant Administrator, GPD, will require IDHS to submit written policies and procedures addressing the requirement provisions of 44 CFR 13.32(d), as well as any internal guidelines, along with documentation detailing how IDHS will correct the deficiencies outlined in the final report and communicate requirements with subgrantees more effectively. According to the State of Indiana, IDHS has taken many positive steps to address the equipment inventory concerns identified by this report, including issuing a comprehensive Information Bulletin to all subgrantees in January 2012. This bulletin requires that subgrantees conduct and submit the results of a physical inventory to IDHS by April 15 of each year. FEMA's estimated completion date for this recommendation is June 28, 2013.

OIG Analysis: We consider FEMA's actions responsive to the intent of recommendation 3, which is resolved and open. This recommendation will remain open pending confirmation that FEMA has received IDHS' written policies and procedures and evidence these procedures were communicated to subgrantees.

FEMA's and the State's Responses to Recommendation #4: FEMA concurred with this recommendation. On February 17, 2012, the Assistant Administrator, GPD, issued an Information Bulletin providing grantees with guidance on, among other things, the specific procedures to be followed in requesting an extension to period of performance. These procedures specify that grantees' requests for extensions will be considered only through formal, written requests and must contain specific and compelling justification as to why an extension is required. The GPD will grant extensions only for compelling legal, policy, or operational changes. The Assistant Administrator, Grants Program Directorate must approve these requests.

OIG Analysis: We consider FEMA's actions responsive to the intent of recommendation 4, which is resolved and closed.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

FEMA's and the State's Response to Recommendation #5: FEMA concurred with this recommendation. The Assistant Administrator, GPD, will require IDHS to develop and submit subgrantee monitoring procedures that are compliant with Federal requirements and address accountability of subgrantees who request extensions to the period of performance and do not meet their project milestones. FEMA's estimated completion date for this recommendation is June 28, 2013.

OIG Analysis: We consider FEMA's actions responsive to the intent of recommendation 5, which is resolved and open. This recommendation will remain open pending confirmation that FEMA has received IDHS' written monitoring procedures to address subgrantee accountability for meeting period of performance milestones.



Appendix A Objectives, Scope, and Methodology

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

This report provides the results of our work to determine whether the State of Indiana distributed and spent SHSP and UASI grant funds (1) effectively and efficiently and (2) in compliance with applicable Federal laws and regulations. We also addressed the extent to which funds enhanced the State’s ability to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other manmade disasters.

The HSGP and its interrelated grant programs fund a range of preparedness activities, including planning, organization, equipment purchase, training, exercises, and management and administration costs. However, only SHSP and UASI funding, equipment, and supporting programs were reviewed for compliance.

The scope of the audit included the SHSP and UASI grant awards for FYs 2008, 2009, and 2010. We reviewed the strategies developed by the State to improve preparedness and response to all types of hazards, the goals and objectives set within those strategies, the measurement of progress toward the goals and objectives, and the assessments of performance improvement that result from this activity.

The scope of the audit included the following grants:

Table 1. Indiana SHSP and UASI Awards FYs 2008 Through 2010

Funded Activity	FY 2008	FY 2009	FY 2010	Total
State Homeland Security Program	\$12,650,000	\$11,633,500	\$11,326,441	\$35,609,941
Urban Areas Security Initiative	\$7,478,500	\$7,104,700	\$7,104,699	\$21,687,899
Total	<u>\$20,128,500</u>	<u>\$18,738,200</u>	<u>\$18,431,140</u>	<u>\$57,297,840</u>

Source: DHS-OIG



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

We interviewed officials from the State Administrative Agency, IDHS. We reviewed various State documents, such as the *Administrative Plan for Grants Managed by the Indiana Department of Homeland Security*, dated April 2009. We then documented the flow of transactions and events, including the key controls over the end-to-end process of developing the State Homeland Security Strategy, preparing investment justifications, and the grant transaction flow (see appendix F).

We judgmentally selected and visited 13 subgrantees to whom IDHS awarded SHSP funding in FYs 2008, 2009, and 2010. These 13 subgrantees included 10 local jurisdictions and 3 state agencies. We visited the following subgrantees:

Local Jurisdictions

- City of Elkhart
- City of South Bend
- Elkhart County
- Kosciusko County
- Starke County
- City of Columbus
- Bartholomew County
- Lawrence County
- City of Evansville
- Vanderburgh County

State Agencies

- Indiana State Police
- Indiana National Guard
- Indiana Board of Animal Health

The 10 local jurisdiction subgrantees were located in 3 of the State's 10 Homeland Security Districts. We chose the two districts that received the largest funding allocations (District 2 and District 10). Although ranked eighth in the amount of its allocation, we chose a third district (District 8) where prior IDHS site visits had disclosed several findings. These three districts were geographically dispersed throughout the State (see appendix E). We met with officials from each subgrantee in these districts. We also judgmentally selected and reviewed three State agencies.

To review SHSP expenditures, IDHS provided OIG with subgrantee agreements, requests for expenditures, and associated vendor invoices from its Indiana Grants Management System for each subgrantee. We reviewed 100 percent of these documents prior to visiting the subgrantee. We then created data collection instruments to summarize our tests of whether funds expended for equipment purchases and exercises complied with



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

grant requirements and State-established priorities. During the site visits, we interviewed responsible officials, reviewed additional documentation supporting State and subgrantee management of grant funds, and we inspected select equipment procured with grant funds.

We judgmentally selected equipment from subgrantee inventory records, requests for expenditure, and vendor invoices. We determined the validity of the inventory records and the condition of the equipment. We also determined whether the equipment purchased was approved in the subgrant agreement with the State, and whether the equipment was listed on FEMA’s Authorized Equipment List. We physically inspected the following equipment:

Table 2. Dollar Amount of Equipment Inspected by DHS OIG

District/State Subgrantee/UASI	\$ Amount Equipment Purchased	\$ Amount Equipment Inspected	Percentage of Equipment Inspected
District 2	\$2,114,413	\$661,130	31%
District 8	\$1,359,667	\$303,014	22%
District 10	\$2,235,427	\$706,801	32%
State Police	\$ 706,823	\$562,145	80%
Board of Animal Health	\$ 35,411	\$ 8,078	23%
City of Indianapolis	\$3,252,282	\$2,725,913	84%
TOTAL	\$9,704,023	\$4,967,081	51%

Source: DHS OIG Analysis and Inspection of Equipment.

We performed limited transaction testing of UASI expenditures. At the time of our first visit to the Indianapolis Urban Area in February 2012, the City of Indianapolis had requested reimbursement for \$257,000 in expenditures. When we returned in May 2012, IDHS was in the process of reviewing about \$4 million in reimbursement requests. Due to time constraints and IDHS’ ongoing processing of invoices, we limited our review to interviewing program officials about their strategic planning and risk analysis process and inspecting selected equipment purchased with UASI funding.

We relied on data processed by the Indiana Grant Management System that contained information on the grant funds awarded from FY 2008 through FY 2010. We conducted limited tests on this data and compared it with source documentation to ensure that the data were sufficiently reliable to be used in meeting our audit objective.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

We conducted this performance audit between December 2011 and August 2012 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix B
FEMA Management Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20472



FEMA

JAN 16 2013

MEMORANDUM FOR: Anne L. Richards
Assistant Inspector General for Audits
Office of Inspector General

FROM: *for* David J. Kaufman *Tim Boden*
Associate Administrator for
Policy, Program Analysis and International Affairs

SUBJECT: Response to OIG Draft Report: *"The State of Indiana's
Management of State Homeland Security Program and Urban
Areas Security Initiative Grants Awarded During Fiscal Years
2008 Through 2010"* – OIG Project No. 12-100-AUD-FEMA

Thank you for the opportunity to comment on the draft report. The findings in the report will be used to strengthen the effectiveness and efficiency of how we execute and measure our programs. We recognize the need to continue to improve the process, including addressing the recommendations raised in this report. Our responses to the recommendations are as follows:

OIG Recommendation #1: Require the Executive Director, Indiana Department of Homeland Security, to include measurable objectives with realistic target dates for completion in the State and urban area homeland security strategies.

FEMA Response: FEMA concurs with this recommendation. The Assistant Administrator of the Grant Programs Directorate (GPD) shall require the State of Indiana and the Indianapolis Urban Area to update their respective Homeland Security Strategies, ensuring the strategies include measurable target levels of performance, as well as objectives that are specific, measurable, achievable, results-oriented, and time-limited, and an appropriate evaluation. State of Indiana and the Indianapolis Urban Area shall submit the revised Homeland Security Strategies to GPD for review within six months after issuance of the OIG final report.

FEMA requests this recommendation be resolved and open pending the completion, submission and review of the strategy revisions. The estimated completion date (ECD): September 30, 2013.

OIG Recommendation #2: Require that for all future grants, the Indiana Department of Homeland Security's Grants Management Section comply with the requirements as stated in DHS' Homeland Security Grant Program Guidance and Application Kits to obligate grant funds to subgrantees within 45 days and to document the commitment of those funds.

www.fema.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

FEMA Response: FEMA concurs with this recommendation. The Assistant Administrator of the Grants Programs Directorate shall require Indiana Department of Homeland Security's Grants Management Section to assess and streamline (where possible) processes and procedures for obligating funds to sub grantees. The Indiana Department of Homeland Security shall report to GPD the results of this assessment and potential steps to be taken to expedite the obligation of funds to the subgrantees within 90 days after the issuance of the OIG final report.

FEMA requests this recommendation be resolved and open pending the completion of the corrective action. The ECD: June 28, 2013.

OIG Recommendation #3: Require the Indiana Department of Homeland Security to enforce the inventory requirement provisions of 44 CFR 13.32(d) and its own internal guidance.

FEMA Response: FEMA concurs with this recommendation. Within 90 days of issuance of the final report, the Assistant Administrator of the Grant Programs Directorate shall require the Indiana Department of Homeland Security to submit written policies and procedures addressing the requirement provisions of 44 CFR 13.32(d) as well as any internal guidelines along with documentation detailing how the Indiana Department of Homeland Security will correct the deficiencies outlined in the final audit report and communicate requirements with subgrantees more effectively.

FEMA requests this recommendation be considered resolved and open pending the corrective actions stated above. The ECD: June 28, 2013.

OIG Recommendation #4: Limit the number of extensions granted to the period of performance for Homeland Security Grant Program grants.

FEMA Response: FEMA concurs with this recommendation. FEMA notes that per Secretary Napolitano's guidance issued on February 13, 2012 titled "*Guidance to State Administrative Agencies to Expedite the Expenditure of Certain DHS/FEMA Grant Funding*," and subsequent Information Bulletin (IB) No. 379, extensions to the initial period of performance identified in Homeland Security Grant Program grants will be considered only through formal, written requests to the grantee's respective GPD Program Analyst and must contain specific and compelling justifications as to why an extension is required. Extensions are granted only due to compelling legal, policy, or operational challenges. FEMA's enforcement of this policy has limited the number of extensions granted.

FEMA believes this satisfies the intent of the recommendation and requests this recommendation be resolved and closed.

OIG Recommendation #5: Work with the Indiana Department of Homeland Security to develop procedures to closely monitor the progress of subgrantees that request extensions to the period of performance and hold them accountable if they do not meet Homeland Security Grant Program project milestones.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

FEMA Response: FEMA concurs with this recommendation. Within 90 days of receipt of the issuance of the OIG report, the Indiana Department of Homeland Security is required by the Assistant Administrator of the Grants Programs Directorate to develop and submit subgrantee monitoring procedures that are compliant with federal requirements and address accountability of those subgrantees that request extensions to the period of performance and do not meet their project milestones.

FEMA requests this recommendation be resolved and open pending submission and FEMA approval of the stated corrective actions. The ECD: June 28, 2013.

Thank you for the work that you and your team did to better inform us throughout this audit. We look forward to the final report. Please direct any questions regarding this response to Gary McKeon, FEMA's Chief Audit Liaison, at 202-646-1308.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix C
State of Indiana Management Comments to the Draft Report



MITCHELL E. DANIELS, Jr., Governor STATE OF INDIANA

Leadership for a Safe and Secure Indiana

Joseph E. Wainscott, Jr., Executive Director
Indiana Department of Homeland Security
Indiana Government Center South
303 West Washington Street
Indianapolis, IN 46204
317-232-3980

December 10, 2012

Ms. Anne Richards
Assistant Inspector General for Audits
Office of Inspector General; Department of Homeland Security
245 Murray Drive, SW, Building 410/Mail Stop 2600
Washington, DC 20528

Dear Ms. Richards:

This letter is in response to the Audit Report of the State of Indiana's Management of State Homeland Security Program and Urban Areas Security Initiative Grants Awarded during Fiscal Years 2008 through 2012 (OIG Project No. 12-100-AUD-FEMA). Pursuant to Public Law 110-53, Implementing Recommendations of the 9/11 Commission Act of 2007, as amended, a required audit was conducted by the Department of Homeland Security (DHS) Office of Inspector General (OIG) for the aforementioned Grants.

1. Indiana Strategy for Homeland Security 2008

The Indiana Strategy for Homeland Security was developed and approved based on the Homeland Security Presidential Directive/HSPD-8 released on December 17, 2003.

This Indiana State Strategy was then circulated for review and input by all stakeholders in December 2007. The Indiana State Strategy was finalized, approved and adopted by the Indiana Counter-Terrorism and Security Council in February of 2008. At that time FEMA's approval of the Indiana State Strategy specific milestones and/or target dates were not a requirement. Many of the Strategic Goals and Objectives do have specific dates for completion, however by their very nature, many of these goals and objectives are multi-year projects. While various aspects of a project may be completed with one year of funding, the completion of the entire project was reliant upon funding from future grant years.

The current Indiana Strategy for Homeland Security is being revised and updated at this time. IDHS plans to submit this document to FEMA for their review and approval within the first quarter of 2013 and will include specific, project oriented measurable milestones.

2. Grant Award Letter

The Indiana Department of Homeland Security (IDHS) acknowledges that formal award letters of obligation were not sent to our grant sub-recipients for the 2008 and 2009 Homeland Security Grant Program (HSGP) grant awards to include the Urban Areas Security Initiative (UASI) within the 45-day timeframe. We also acknowledge that formal award letters of obligation were not provided for our internal IDHS projects and as well as Indiana State Agency partners.

This oversight on the part of IDHS was outlined to IDHS as a result of a monitoring visit in the summer of 2010. Therefore, as part of the monitoring report, IDHS has made a concerted effort to rectify this monitoring observation. As of August of 2010, IDHS has prepared and sent formal letters of obligation

An Equal Opportunity Employer



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

to our local sub-recipients as well as our state partners and our own internal IDHS partners. We feel as though we have corrected this issue by providing the obligation letters within the 45-day requirement for the 2010, 2011 and 2012 HSGP grants.

The UASI grant award is somewhat different and is a process based on a committee consisting of members of the state and the Indianapolis Urban Area (including both Hamilton and Marion Counties). The award and obligation of the UASI grant funding is based on the decisions made by the members of this group. While this does not negate the need for a formal obligation letter, all local UASI partners are the prime decision makers for approved UASI initiatives.

3. Equipment Inventories

The Indiana Department of Homeland Security realized a great need for an employee in the Grants Management Branch solely dedicated to the daunting task of grant monitoring. This staff position was created and the first IDHS Grants Compliance Monitor was hired in January 2009. During the initial months of this undertaking, the entire grant monitoring program was created, vetted and approved by IDHS management. This process culminated in the "Compliance Monitoring for Preparedness Grants Managed by the Indiana Department of Homeland Security" originally written in May 2010 and revised in September 2011.

Many positive steps have been taken to address the equipment inventory concerns in the Inspector General's Audit Report.

- In 2008, IDHS created an Administrative Plan for Grant Programs Administered by the Indiana Department of Homeland Security, requiring all grantees to conduct a physical equipment inventory and submit the report to IDHS with their quarterly progress report due on April 15th of each year.
- An equipment inventory spreadsheet tool was created in late December 2010 by our grants compliance monitor to assist sub-recipients. This tool contained all of the information fields as required by 44 CFR 13.32(d) and is available for use by our sub-recipients. This tool was not required to be used by the locals as long as they already had an established system for inventory/equipment control and that it too met all of the federal inventory requirements.
- In the summer of 2011, IDHS launched a new module within the Indiana Grants Management System (iGMS) called the Equipment Inventory Module. This tool was created in response to requests from our sub-recipients and provides a standardized process for assistance with the inventory/equipment control documents requirement. The Equipment Inventory Module has been modified/changed as suggestions from our local partners have used the module. Again, this is a tool for our grant sub-recipients to use at their discretion.
- In January 2012 a comprehensive Information Bulletin No. 12-01, Subject: Equipment Inventory Requirement for Preparedness Grants, was disseminated to all of our sub-recipients. This Information Bulletin outlined the requirements of CFR44 13.32(e) with an annual due date of April 15th.
- For 2008 and 2009 HSGP, the Grant Guidance Document indicates that IDHS and sub-grantees are required to:
 - 5.10 -- Equipment Marking. Applicants are advised that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: "Purchased with funds provided by the U.S. Department of Homeland Security."
- For 2010 HSGP the Grant Guidance Document indicates the following is the requirement:

An Equal Opportunity Employer



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- 5.10 – Equipment Marking. Awardees may consider marking equipment in the following manner, “Purchased with funds provided by the U.S. Department of Homeland Security,” in order to facilitate their own audit processes, as well as Federal audits and monitoring visits, which may result from receiving federal funding.
- Clearly the above cited documents indicate that equipment marking requirements is required “when practicable” (2008/2009 HSGP) and each sub-recipient “may consider marking equipment” (2010 HSGP). It appears there is an allowance of discretion on the part of our sub-recipients for the purpose of equipment marking.

4. Performance Period Extensions

The Indiana Department of Homeland Security recognizes that requests for extensions to performance periods appear to be excessive. To remedy that situation, IDHS has instituted a policy that “tightens up” the justifications for extensions of performance periods and also limits the number of approved performance period extensions.

Specifically, IDHS Information Bulletin 12.G005 dated October 3, 2012 (attached) definitively outlines the performance periods for 2011-12 HSGP funds and 2011 EMPG funds and all subsequent grants.

For 2011 HSGP grants the following applies:

- Performance periods for this grant will not be approved past the date of March 1, 2013.
- A thirty (30) day extension (March 31, 2013) may be approved upon request to the Grants Management Branch Chief.
- Any request for an extension of the performance period past this time will require the requester to submit their justification and complete and submit a spending plan.
- If the extension is approved, the requestor will receive notification of the approval through iGMS.

For the 2012 HSGP grants the following applies:

- An initial six (6) month performance period will be approved.
- A thirty (30) day extension may be approved upon request to the Grants Management Branch Chief.
- Any request for an extension of the performance period past this time will require the requester to submit their justification and complete and submit a spending plan.
- If the extension is approved, the requestor will receive notification of the approval through iGMS.

IDHS feels that these requirements for accountability will alleviate the need to request performance period extensions to U.S. Department of Homeland Security.

5. Sub-Recipient Grant Progress

In addition to the limitations of the performance period for HSGP grants, project manager (PM) meetings are held monthly. These meetings provide Grants Management an opportunity to meet with project managers to discuss the progress of the grant funds awarded to them as project managers. This meeting also outlines the spending rates of each project manager’s sub-recipients. The Grants Management Branch Chief uses this process to emphasize to the PMs the need to contact their individual sub-recipients and have a discussion with them regarding their spending rates and address any issues that the sub-recipient may be facing such as a long bidding process, selection of vendors and possible equipment manufacture and/or shipment delays. All of these discussions with the sub-recipients, the PMs and the Grants Management Branch Chief provide a clear picture of the status of grants. IDHS

An Equal Opportunity Employer



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

feels this step goes a very long way in creating an atmosphere of accountability for all of our grant recipients.

The Indiana Department of Homeland Security appreciates the opportunity to respond to the recommendations as outlined in the Department of Homeland Security, Office of Inspector General's Audit Report. We believe that the positive and progressive steps IDHS has taken recently and over the past few years shows our commitment to a grant program that is transparent and accountable to not only our sub-recipients, but to the taxpayer.

Should you have any questions or require further information, please feel free to contact me or our Grants Management Branch Chief, Rachel Woodall.

Sincerely,

Joseph E. Wainscott
Executive Director
Indiana Department of Homeland Security

Attachment

An Equal Opportunity Employer



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security



Indiana Department of Homeland Security

Information Bulletin

Date: October 3, 2012
Bulletin No: 12.G005
To: All District Coordinators
All IDHS Staff
All IDHS Field Services Staff
All Emergency Management Directors
From: Rachel Woodall
Branch Chief, Grants Management
Subject: Performance Period End Dates

Purpose

The purpose of this Information Bulletin is to provide guidance and information regarding the policy for submission and approval of Performance Period End Dates.

Background

In the past, the Indiana Department of Homeland Security (IDHS) has required that sub-recipients of grant funds provide notes/justifications when requesting an extension of the performance period end date. This Information Bulletin updates that requirement.

Additional Guidance

Beginning with the 2011 State Homeland Security Grant (SHSP) the following will apply:

- o Performance periods for this grant will not be approved past the date of March 1, 2013.
- o A thirty (30) day extension (March 31, 2013) may be approved upon request to the Grants Management Branch Chief.
- o Any request for an extension of the performance period past this time will require the requestor to submit their justification and complete and submit a spending plan. The spending plan form to be completed is attached to this Information Bulletin. Your spending plan will be uploaded to the budget/project in question.
- o If your extension is approved, you will receive notification of the approval through IGMS.

For the 2011 Emergency Management Performance Grant (EMPG) the following will apply:

- o The Performance Period for this grant will not be approved past the date of March 31, 2013.
- o A thirty (30) day extension (April 30, 2013) may be approved upon request to the Grants Management Branch Chief.
- o Any request for an extension of the performance period past this time will require the requestor to submit their justification and complete and submit a spending plan. The



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

spending plan form to be completed is attached to this Information Bulletin. Your spending plan will be uploaded to the budget/project in question.

- If your extension is approved, you will receive notification of the approval through IGMS.

For the 2012 State Homeland Security Grant (SHSP) and the Emergency Management Performance Grant (EMPG) the following will apply:

- An initial six (6) months performance period will be approved.
- A thirty (30) day extension may be approved upon request to the Grants Management Branch Chief.
- Any request for an extension of the performance period past this time will require the requestor to submit their justification and complete and submit a spending plan. The spending plan form to be completed is attached to this Information Bulletin. Your spending plan will be uploaded to the budget/project in question.
- If your extension is approved, you will receive notification of the approval through IGMS.

General

If plans are not received at Grants@dhs.in.gov by the assigned deadline, penalties will be assessed. Penalties may include Items such as placing a restriction on creating RFEs and/or de-obligation of funds.

Questions

Please direct questions regarding this program to your District Emergency Management Field Coordinator or a member of the IDHS Grants Management staff. Grants Management may be reached by e-mail at grants@dhs.in.gov or by phone at 317-234-5917.



Appendix D

Description of Homeland Security Grant Program

The HSGP provides Federal funding to help State and local agencies enhance capabilities to prevent, deter, respond to, and recover from terrorist attacks, major disasters, and other emergencies. It encompasses several interrelated Federal grant programs that together fund a range of preparedness activities, including planning, organization, equipment purchase, training, and exercises, as well as management and administration costs. Programs include the following:

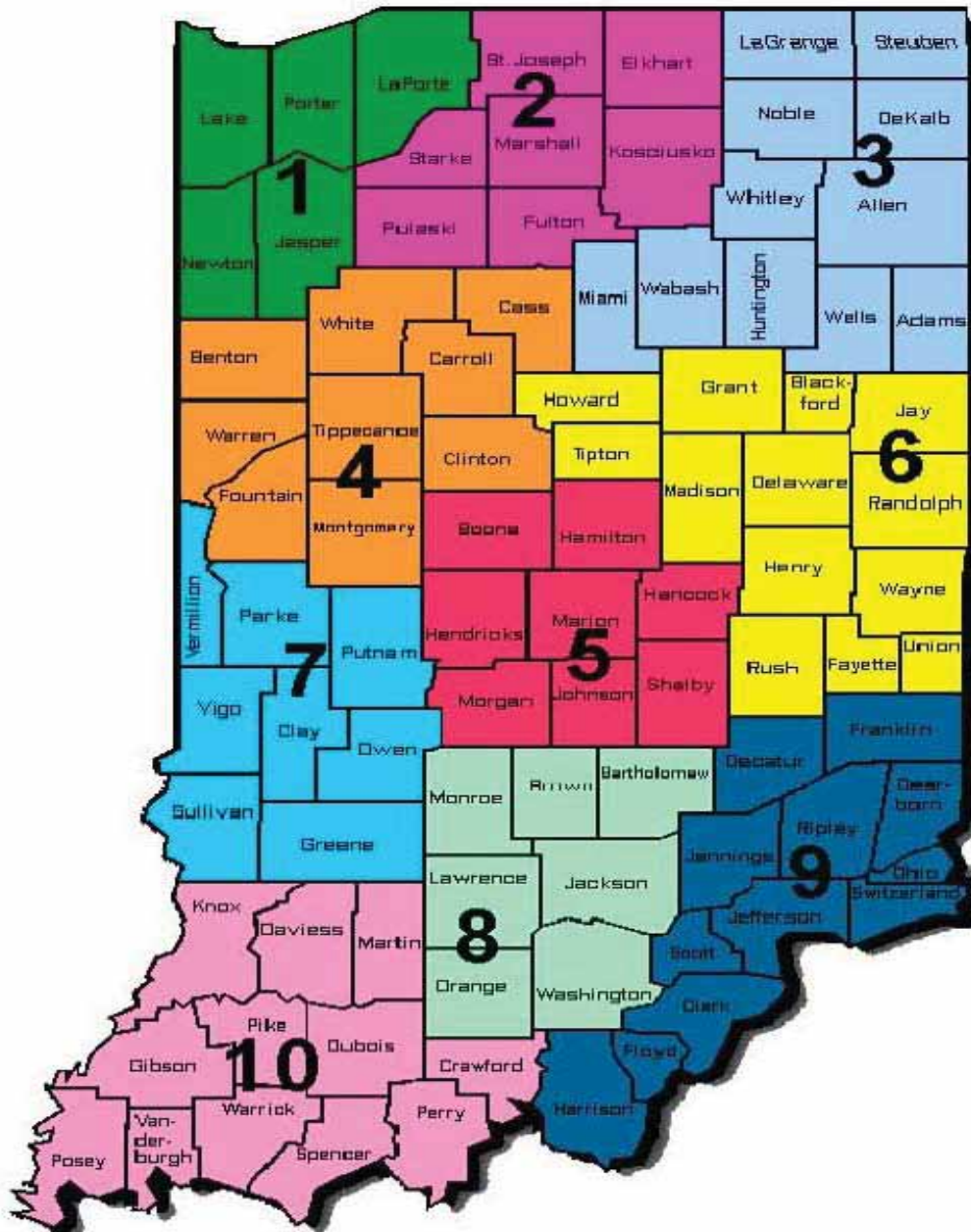
- **The State Homeland Security Program** provides financial assistance directly to each of the States and Territories to prevent, respond to, and recover from acts of terrorism and other catastrophic events. The program supports the implementation of the State Homeland Security Strategy to address identified planning, equipment, training, and exercise needs.
- **The Urban Areas Security Initiative** provides financial assistance to address the unique planning, equipment, training, and exercise needs of high-risk urban areas, and to assist in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism and other disasters. Allowable costs for the urban areas are consistent with the SHSP. Funding is expended based on the Urban Area Homeland Security Strategies.

The HSGP also includes other interrelated grant programs with similar purposes. Depending on the fiscal year, these programs include the following:

- Metropolitan Medical Response System
- Citizen Corps Program
- Operation Stonegarden (only applicable for FY 2010)



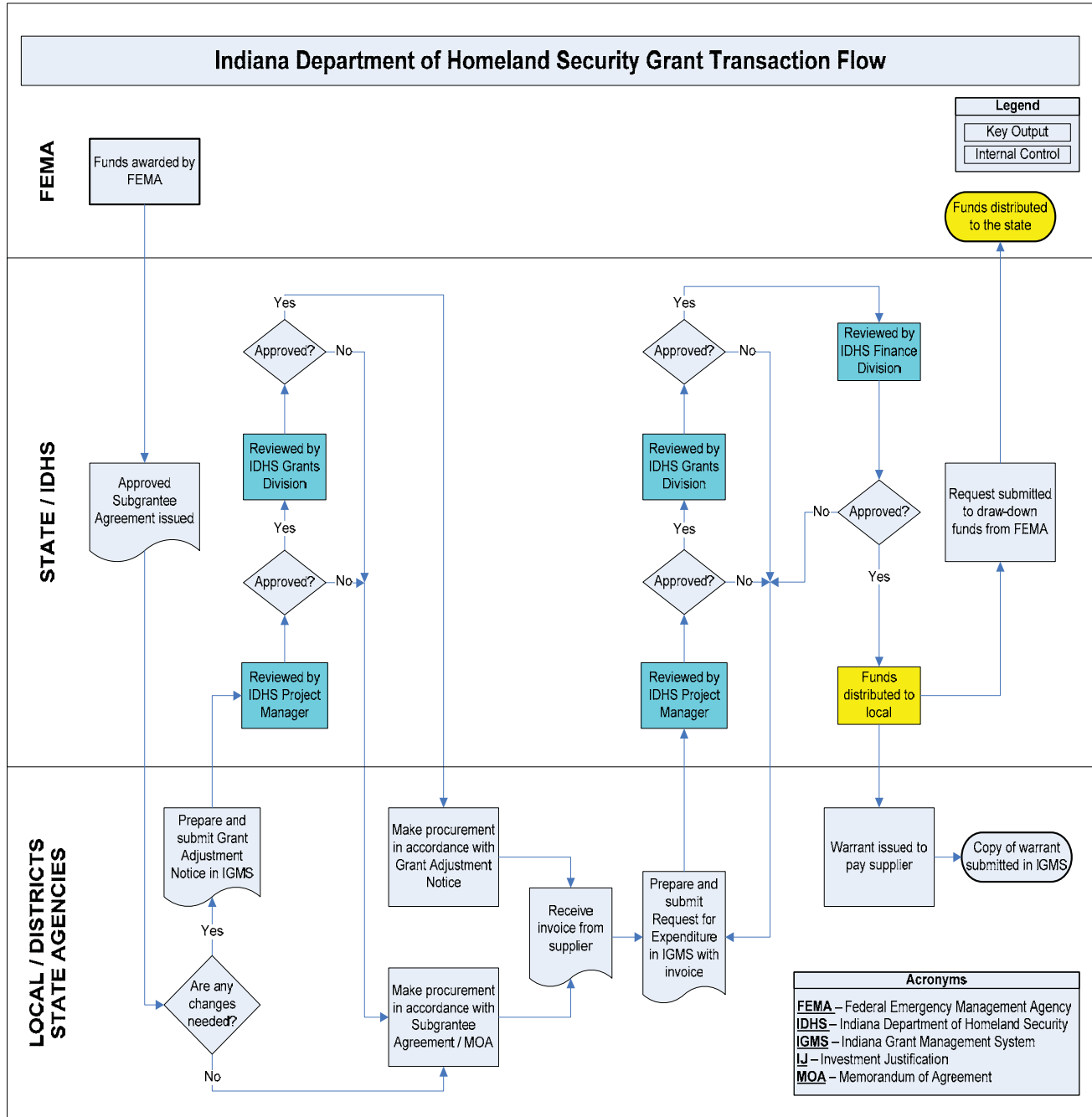
Appendix E State of Indiana Homeland Security Districts



Source: Indiana Department of Homeland Security.



Appendix F Grant Transaction Flowchart





Appendix G

Major Contributors to This Report

Linda Howard, Director
Robert Ferrara, Audit Manager
Gary Crownover, Program Analyst
Kathleen Hyland, Auditor
Kendra Kellett, Program Analyst
David Kinard, Auditor
Ebenezer Jackson, Program Analyst
Kelly Herberger, Communications Analyst
Katrina Bynes, Independent Referencer



Appendix H

Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
Acting Chief Privacy Officer
FEMA Audit Liaison

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees, as appropriate

ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this document, please call us at (202) 254-4100, fax your request to (202) 254-4305, or e-mail your request to our Office of Inspector General (OIG) Office of Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

For additional information, visit our website at: www.oig.dhs.gov, or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).

OIG HOTLINE

To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at www.oig.dhs.gov and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

Should you be unable to access our website, you may submit your complaint in writing to: DHS Office of Inspector General, Attention: Office of Investigations Hotline, 245 Murray Drive, SW, Building 410/Mail Stop 2600, Washington, DC, 20528; or you may call 1 (800) 323-8603; or fax it directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.