



### Why This Matters

Federal regulation 44 CFR 206.223 (a)(3) requires the subgrantee to be legally responsible for the facility to be eligible for federal disaster assistance. Relying on the subgrantee's word, rather than legal documentation, to determine ownership provides no assurance that Federal funds are going to an eligible entity.

According to Federal regulation 44 CFR 206.204, the time limitation for completing permanent work is 18 months. Based on extenuating circumstances beyond the control of the subgrantee, the grantee may extend the deadlines for an additional 30 months. Unverified assertions result in federal funds being obligated that could be put to better use.

### DHS Response

FEMA officials acknowledged that the question of legal responsibility exists regarding the Center and said that they are still reviewing the issue and working with the Commission and GOHSEP to resolve it.

Regarding the 20 projects not started, FEMA officials said that they are reviewing project status issues with the applicant. GOHSEP officials said that they are working with both the applicant and FEMA to help address project status.

### For Further Information:

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

## FEMA Should Disallow \$7.6 Million in FEMA Public Assistance Grant Funds Awarded to Audubon Commission, New Orleans, Louisiana

### What We Determined

FEMA awarded public assistance grant funds of \$12.3 million to Audubon Commission for disaster recovery work resulting from Hurricane Katrina in August 2005. Of this total award, \$7.6 million was for 29 projects that are not the Commission's legal responsibility. FEMA officials said that, during project development, they rely on the subgrantee's word to determine ownership. GOHSEP officials said that they rely on FEMA to tell them if a subgrantee is the owner of or has legal responsibility for repairing a facility. Therefore, neither FEMA nor GOHSEP fulfilled their responsibilities in managing funds awarded to the Commission.

Of the 29 projects in question, the Commission has not initiated work on 20 projects totaling \$6.9 million (90.8 percent of the questioned \$7.6 million) in the 7 years since Hurricane Katrina. In their requests for project extensions, Commission officials stated that they delayed the projects because the City Mayor's office placed a "hold" on work at the Center. However, in their requests, Commission officials did not provide any documentation to support this assertion. Rather, they stated in the extension letters that the City had verbally instructed them to delay work on the 20 projects. However, both GOHSEP and FEMA approved the Commission's project extension requests without further verification.

### What We Recommend

Regional Administrator, FEMA Region VI:

- 1) Disallow \$7.6 million of funds awarded to the Audubon Commission for Hurricane Katrina damages on 29 projects related to or funded from projects related to facilities for which the Audubon Commission is not legally responsible.
- 2) Discontinue obligation of additional Federal funds related to Audubon Nature facilities until FEMA resolves all issues related to the determination of legal responsibility for repairing the damages caused by Hurricane Katrina.
- 3) Require GOHSEP to recover all Federal funds paid to the Commission for Audubon Nature Center projects if, within 6 months, FEMA and GOHSEP cannot establish which entity has legal responsibility to repair the damages caused by Hurricane Katrina.
- 4) Work with GOHSEP to review the 20 projects not yet started, assess the need for those projects, and deobligate the funding for projects that are no longer needed.
- 5) For any of the 20 projects not yet started that are still needed, require the legally responsible applicant to start work on the projects within 6 months and complete the projects within 18 months.