



Why This Matters

The Federal Emergency Management Agency (FEMA) provides public assistance to state, tribal, and local government, 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 to determine whether cost claimed under the awards are eligible and allowable under Federal regulations and FEMA guidelines. The City of Miramar, Florida, (City) received an award of \$16.5 million for damages resulting from Hurricane Wilma that occurred in October 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Public Assistance Grant Funds Awarded to the City of Miramar, Florida -- Hurricane Wilma

What We Determined

The City did not separately account for project expenditures as required by Federal regulations. In addition, we question \$5,991,845 of contract costs claimed for debris removal activities because the City did not comply with Federal procurement standards. Finally, the City's claim contained \$30,238 of costs covered by insurance and the Federal Highway Administration.

What We Recommend

We recommend that the Regional Administrator, FEMA Region IV:

- 1) Instruct the State to emphasize to its subgrantees the requirement that FEMA funding be accounted for on a project-by-project basis.
- 2) Disallow the \$5,991,845 of ineligible costs claimed for debris removal contracts that were not procured in accordance with Federal procurement requirements, unless FEMA makes an affirmative decision that all or part of the contract costs are fair and reasonable, and waives the procurement requirements.
- 3) Disallow \$30,238 of ineligible costs claimed for costs covered by insurance and the Federal Highway Administration.

For Further Information:

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