



Why This Matters

The Office of Inspector General (OIG) serves as an independent body to deter, identify, and address fraud, abuse, mismanagement, and waste in Department of Homeland Security (DHS) programs and operations. To this end, the OIG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of the Department. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for the Department to carry out its responsibilities in the most effective, efficient, and economical manner possible.

DHS Response

Federal Emergency Management Agency (FEMA) officials withheld comment until after we issue our report. Los Angeles County, California (County), and California Emergency Management Agency (Cal EMA) officials, agreed that the large projects we identified, as having unneeded funds, have been completed. However, both parties disagreed that the funds should be deobligated at this time because the County has not yet submitted a final claim for all large projects. Specifically, County officials (incorrectly) believed that the unneeded funds could be used for cost overruns on other large projects. Cal EMA officials told us that they have chosen to not yet take action because they feel that it would entail unnecessary financial, time-, and effort-related costs.

For Further Information:

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

Interim Report on FEMA Public Assistance Grant Funds Awarded to Los Angeles County, California

What We Determined

We audited public assistance (PA) grant funds awarded to the County for FEMA Disaster Number 1577-DR-CA.

Our audit objective was to determine whether the County accounted for and expended FEMA grant funds according to federal regulations and FEMA guidelines.

We determined that the County—after completing all of the total 143 large projects as of May 2011—has a remainder of \$16,069,737 (federal share \$12,052,303) in unneeded funds from 79 projects for which final costs have been accounted (Exhibit). The majority of these projects were completed between 2005 and 2006, and federal funding for these projects has not yet been deobligated.

What We Recommend

We recommend that the Regional Administrator, FEMA Region IX—in coordination with Cal EMA (the grantee)—deobligate \$16,069,737 (federal share \$12,052,303), from those 79 applicable projects for which final costs have been accounted and unneeded federal funds remain obligated, and put those funds to better use..

Within 90 days of the date of the grant audit report, Management should provide our office with a written response that includes their (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation.