



Why This Matters

The Federal Emergency Management Agency (FEMA) provides Hazard Mitigation Grant Program (HMGP) grants to States and local governments as well as eligible, non-profit organizations and Indian Tribes for long-term hazard mitigation measures following a major disaster declaration. 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. Rebuild Northwest Florida received HMGP grant awards totaling \$37.6 million under six Florida disaster declarations.

DHS Response

FEMA's written response is due within 90 days.

FEMA Hazard Mitigation Grant Funds Awarded to Rebuild Northwest Florida

What We Determined

Rebuild Northwest Florida (Rebuild) was formed in November 2004 as a private-not-for-profit organization in response to Hurricane Ivan, which struck Florida on September 16, 2004. In 2006, Rebuild applied for FEMA hazard mitigation grants as part of Escambia and Santa Rosa counties' local mitigation strategy plan. The grants provided 75% FEMA funding to (1) wind retrofit low- and moderate-income homes in various locations throughout Escambia and Santa Rosa counties, and (2) install transfer switches to backup generator power systems to at least 28 domestic abuse centers within Florida. A

Rebuild Northwest Florida did not fully comply with federal grant procurement requirements when procuring services under the awards, which resulted in excessive contract charges of \$878,200 (federal share \$658,650). Also, Rebuild and the State did not fully comply with post-award grant financial management requirements. Finally, certain homes modified according to the wind retrofit measures designed by Rebuild's engineer may not be able to withstand the intended wind speed of at least 130 miles per hour.

What We Recommend

We recommended that the Regional Administrator, FEMA Region IV:

- 1) Disallow \$878,200 (federal share \$658,650) of excessive contract costs.
- 2) Instruct Rebuild to implement measures to minimize the time lapsing between receipt of federal funds and the disbursement of those funds, and to keep advanced funds in an interest bearing account.
- 3) Instruct the State to reimburse Rebuild in a timely manner and to review the amount of working capital advances needed by Rebuild and to consolidate such advances whenever possible.
- 4) Impute interest, which would have been earned on the advanced funds, and instruct Rebuild to remit the interest to FEMA to be put to better use .
- 5) Instruct Rebuild and the State to review wind retrofitting on certain structure and implement corrective measures, if appropriate.

For Further Information:

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