



Why This Matters

The City of Bogalusa, Louisiana (City) received a \$4.39 million award from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), a Federal Emergency Management Agency (FEMA) grantee, for damages caused by Hurricane Katrina, which occurred on August 29, 2005, and Hurricane Gustav which occurred on September 1, 2008. FEMA provides such assistance to state, Tribal, and local governments, 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.

DHS Response

FEMA generally agreed with our findings and recommendations. FEMA's written response is due within 90 days.

FEMA Public Assistance Grant Funds Awarded to the City of Bogalusa, Louisiana

What We Determined

The City accounted for FEMA grant funds on a project by project basis, as required. However, the City did not obtain and maintain insurance for certain repaired facilities; claimed ineligible costs for labor; and did not complete one small project. As a result, we question \$583,312 of ineligible costs claimed for Hurricane Katrina. In addition, FEMA should deobligate and put to better use \$194,509 in Federal funds that exceeded the actual amounts the City incurred and claimed for Hurricanes Katrina and Gustav; and GOHSEP should complete reviews of all large projects awarded for Hurricanes Katrina and Gustav and submit an accounting of eligible costs to FEMA.

What We Recommend

We recommend that the Regional Administrator, FEMA Region VI:

- 1) Require the City to obtain and maintain insurance to cover the full amount of eligible disaster assistance provided or disallow \$514,280 as ineligible.
- 2) Disallow \$24,249 of ineligible costs claimed for an uncompleted small project unless FEMA approves a request by the City to fund an appropriate alternate project.
- 3) Deobligate \$182,889 of unused Federal funds awarded for Hurricane Katrina and put those funds to better use.
- 4) Deobligate \$12,911 (\$11,620 Federal share) of unused Federal funds awarded for Hurricane Gustav and put those funds to better use.
- 5) Require GOHSEP to complete reviews of all large projects awarded for Hurricanes Katrina and Gustav and submit an accounting of eligible costs to FEMA.

For Further Information:

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