




Homeland Security

SEP 02 2011

MEMORANDUM FOR: Tony Russell
Regional Administrator, Region VI
Federal Emergency Management Agency

FROM: Matt Jadacki 
Assistant Inspector General
Office of Emergency Management Oversight

SUBJECT: *FEMA Public Assistance Grant Funds Awarded to
Calcasieu Parish School Board, Lake Charles, Louisiana*
FEMA Disaster Number 1607-DR-LA
Audit Report DD-11-20

We audited public assistance grant funds awarded to the Calcasieu Parish School Board (CPSB) in Lake Charles, Louisiana (Public Assistance Identification Number 019-UZAJ3-00). Our audit objective was to determine whether CPSB accounted for and expended Federal Emergency Management Agency (FEMA) grant funds according to federal regulations and FEMA guidelines.

CPSB received an award of \$14.7 million from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), a FEMA grantee, for damages resulting from Hurricane Rita, which occurred on September 24, 2005. The award provided 100% funding for 59 large and 351 small projects.¹ The audit covered the period September 24, 2005, through August 20, 2010, the cutoff date of our audit, and included 62 projects totaling \$8.9 million, or 61% of the total award.² We also performed a limited review of six additional projects totaling \$480,977 to determine the amount of unused funds that should be deobligated and whether CPSB followed federal procurement standards. As of the cutoff date of our audit, CPSB had completed work under all projects and claimed \$19.8 million in expenses.

¹ Federal regulations in effect at the time of the disaster set the large project threshold at \$55,500.

² We audited the gross amount of \$15 million awarded before reductions for insurance.

Table 1 shows the gross and net award and claim amounts before and after insurance reductions for all projects and for our audit scope.

Table 1. Gross and Net Award and Claim Amounts

	Gross Award Amount	Gross Claim Amount	Insurance Reductions	Net Award Amount	Net Claim Amount
All Projects	\$25,942,364	\$19,808,141	(\$10,750,000)	\$14,715,443	\$9,058,141
Audit Scope	\$15,036,986	\$12,566,380	(\$6,042,624)	\$8,994,362	\$6,705,006

We conducted this performance audit pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective. We conducted this audit according to the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.

We interviewed FEMA, GOHSEP, and CPSB officials; reviewed judgmentally selected samples of project costs (generally based on dollar value); and performed other procedures considered necessary to accomplish our objective. We did not assess the adequacy of CPSB’s internal controls applicable to grant activities because it was not necessary to accomplish our audit objective. We did, however, gain an understanding of the CPSB’s methods of accounting for disaster-related costs and its procurement policies and procedures.

RESULTS OF AUDIT

CPSB accounted for FEMA grant funds on a project-by-project basis according to federal regulations. However, CPSB did not follow federal procurement standards in awarding \$11,098,915 of disaster-related contracts, and its claim included ineligible and unsupported costs. As a result, we question the following \$3,668,790 in ineligible and unsupported costs:

- Finding A: \$2,940,177 of ineligible contract costs billed under noncompetitive and improper contracts (net of insurance proceeds and net of \$39,475 also questioned in other findings—see Exhibits A, Schedule of Questioned Costs, and B, Costs Questioned Under Multiple Criteria);
- Findings B and D–G: \$160,926 of ineligible contract costs that were either unauthorized, duplicated, not reduced by applicable credits, or not valid;
- Finding C: \$22,610 of unsupported contract costs; and
- Finding H: \$545,077 of ineligible costs to be reduced by insurance proceeds.

In addition, FEMA should complete its insurance review to allocate insurance proceeds to applicable projects (finding H) and deobligate \$747,106 and put those funds to better use (finding I).

Finding A: Contracting

CPSB did not always comply with federal procurement standards in awarding \$11.1 million of disaster-related work.³ Federal regulations at 44 CFR 13.36, in part, require subgrantees to comply with the following procurement standards:

- Perform procurement transactions in a manner providing full and open competition except under certain circumstances. One allowable circumstance is when there is a public exigency or emergency for the requirement that will not permit a delay resulting from competitive solicitation. (13.36(c)(1) and 13:36(d)(4)(i)(B))
- Not use the cost-plus-percentage-of-cost method of contracting. (13.36(f)(4))
- Prepare a cost or price analysis in connection with every procurement action, including contract modifications. (13.36(f)(1))
- Include specific provisions in subgrantees' contracts. (13.36(i))
- Negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where a cost analysis is performed. (13.36(f)(2))
- Obtain price or rate quotations from an adequate number of qualified sources if the subgrantee uses small purchase procedures. (13.36(d)(1))

Table 2. Contract Costs Awarded and Questioned

Contract Type	Number of Contracts	Amounts Awarded	Amounts Questioned	Violations of Procurement Standards Under 44 CFR Subsection:				
				13.36(c)(1)	13.36(f)(1)	13.36(i)	13.36(f)(2)	13.36(d)(1)
				Full and Open Competition	Cost or Price Analysis	Federal Provisions	Profit Negotiated Separately	Price Quote for Small Purchases
Cost Plus %	4	\$ 4,679,993	\$ 4,679,993	X		X	X	
Small Purchases – Exigent	6	130,499	0		X	X	X	X
Subtotal	10	\$ 4,810,492	\$ 4,679,993					
All Other Contracts	33	\$ 6,288,423	0		X	X	X	
Gross Totals	43	\$11,098,915	\$ 4,679,993					
Insurance Deductions			\$(1,700,341)					
Total Amount Questioned	4		\$ 2,979,652					

As shown in table 2, CPSB awarded 10 noncompetitive contracts comprising 4 cost-plus-percentage-of-cost contracts (\$4,679,993) and 6 small purchases (\$130,499). Additionally, CPSB did not (1) always perform the required cost or price analysis, (2) negotiate profit as a separate element of cost, or (3) include required provisions in any of its contracts. We questioned the four noncompetitive cost-plus-percentage-of-cost contracts, but did not question the small purchases because CPSB procured them under exigent circumstances.

³ The \$11.1 million includes all contracts that did not comply with one or more of the federal procurement standards listed. However, we questioned costs for only four contracts that were not competed and were prohibited cost-plus-percentage-of-costs contracts (\$2,979,652 net of insurance proceeds).

Noncompetitive and Prohibited Contracts

CPSB awarded four noncompetitive cost-plus-percentage-of-cost contracts totaling \$4,679,993 for water and mold remediation. CPSB awarded the four contracts under exigent circumstances, which allow an exception to the requirement for competition. However, federal regulations specifically prohibit cost-plus-percentage-of-cost contracts, which provide disincentives for contractors to control costs. CPSB officials disagreed with this finding because they said they monitored all activities and costs closely, properly accounted for the costs, and deemed the costs reasonable by looking at similar costs charged by like companies in similar circumstances. GOHSEP officials also disagreed with this finding because they believe that the effect of using prohibited contract types (in this instance) was mitigated by cost reasonableness.

FEMA's general practice is to allow contract costs it considers reasonable regardless of compliance with federal procurement regulations. We do not agree with this practice because the goals of proper contracting involve more than just cost. Without full and open competition, FEMA has little assurance that contract costs are reasonable. Full and open competition provides an environment for obtaining reasonable pricing from the most qualified contractors and helps discourage favoritism, collusion, fraud, waste, and abuse.

In addition, CPSB awarded six small purchases, totaling \$130,499, without obtaining any quotes from qualified sources. According to 44 CFR 13.36, if small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources (generally three or more). However, because CPSB awarded the contracts under exigent circumstances, we do not question these costs.

Cost or Price Analysis

CPSB did not perform a cost or price analysis on the majority of contracts we reviewed. Not performing a cost or price analysis increases the likelihood of unreasonably high or low prices, contractor misinterpretations, and errors in pricing relative to the scope of work. CPSB officials disagreed with this finding, stating that they attempted to provide a cost analysis in many instances and provided bids from an adequate number of contractors on most of the projects.

Contract Provisions and Negotiation of Profits

CPSB did not include required federal contract provisions in any of its contracts. These provisions document the rights and responsibilities of the parties and minimize the risk of misinterpretations and disputes. CPSB also did not negotiate profit as a separate element of cost for any of the contracts awarded. CPSB officials agreed with this finding.

Because CPSB awarded four prohibited cost-plus-percentage-of-cost contracts, we question \$2,979,652 as ineligible contract costs (\$4,679,993 less \$1,700,341 insurance proceeds applied). This amount includes \$39,475 that we also questioned in other findings (\$16,865 under findings E and G and \$22,610 under finding C). Therefore, the net amount of total questioned costs for this finding is \$2,940,177 (\$2,979,652 minus \$39,475) (see Exhibits A, Schedule of Questioned Costs, and B, Costs Questioned Under Multiple Criteria).

Finding B: Project Scope of Work

CPSB's claim included \$114,983 for costs not in the project scope of work. CPSB claimed the following costs:

- Roof repairs for a concession stand totaling \$2,190 under Project 2327,
- Building demolition and flooring installation totaling \$62,820 under Project 2279,
- Change orders for replacement of a school auditorium roof totaling \$17,292 under Project 4084,
- Architectural services for roof repairs totaling \$6,936 under Project 2609,
- Roof repairs to the boys' and girls' gymnasiums totaling \$19,045 under Project 2265, and
- Repairs to the gymnasium floor totaling \$6,700 under Project 3204.

According to the *Public Assistance Policy Digest* (FEMA 321, p. 75), funds for costs that are outside the scope of work approved by FEMA are not eligible. GOHSEP also reviewed these projects and reduced CPSB's claim by \$108,047 for some of these ineligible costs (see Exhibit C, Costs Disallowed by GOHSEP). We reviewed these reductions and agreed with GOHSEP's actions. Therefore, we question \$114,983 of costs not in the project scope of work. GOHSEP officials said that they will work with CPSB officials to determine whether the costs are for eligible work that should be included in new versions of the projects.

Finding C: Documentation of Costs

CPSB's claim included \$22,610 of unsupported contract costs. The invoices for these costs did not include support for labor hours worked or material purchases. Cost principles at 2 CFR 225, *Cost Principles for State, Local, and Indian Tribal Governments*, appendix A, section C.1.j, state that a cost must be adequately documented to be allowable under federal awards.⁴ Therefore, we question \$22,610 in unsupported costs. CPSB officials said that they will request additional documentation from the contractors to support the questioned costs. We will consider any additional support CPSB provides during audit follow-up.

Finding D: Duplicate Costs

CPSB's claim included \$21,137 for duplicate invoices. CPSB submitted three invoices under Projects 2619 and 2971 twice. The invoices were for repainting the auditorium ceiling (\$17,995), ceiling tile replacement (\$2,092), and advertising signs (\$1,050). GOHSEP also reviewed these projects and reduced CPSB's claim by \$21,137 for these ineligible costs. We reviewed these reductions and agreed with GOHSEP's actions (see Exhibit C, Costs Disallowed by GOHSEP). Therefore, we question \$21,137 of duplicate costs.

Finding E: Costs Credited

CPSB's claim included \$15,154 of costs that its contractor credited back to CPSB. CPSB received two credits for mold and remediation work under Projects 3223 (\$8,885) and 3375 (\$6,269) that it did not deduct from its claim. According to 2 CFR 225, *Cost Principles for*

⁴ OMB Circular A-87, in effect at the time of the disaster, was relocated to 2 CFR, part 225, on August 31, 2005.

State, Local, and Indian Tribal Governments, appendix A, sections C.1.i and C.4.a, costs claimed under a federal award must be net of applicable credits. Such credits, whether accruing or received by the government unit, shall be credited to the federal award as either a cost reduction or a cash refund, as appropriate. Therefore, we question \$15,154 of ineligible costs not reduced by applicable credits. CPSB officials agreed with this finding.

Finding F: Items Not Purchased

CPSB's claim included \$7,941 for items not purchased. CPSB claimed costs for two invoices under Project 2971 for advertising signs that it did not purchase. GOHSEP also reviewed this project and reduced CPSB's claim for this ineligible cost. We reviewed this reduction and agreed with GOHSEP's action (see Exhibit C, Costs Disallowed by GOHSEP). Therefore, we question \$7,941 of ineligible costs for items not purchased.

Finding G: Math Error

CPSB's claim included a \$1,711 math error on a contractor invoice under Project 1765. Therefore, we question \$1,711 of ineligible contract costs.

Finding H: Insurance

CPSB received \$11,295,077 in insurance proceeds for property and computer damages. However, FEMA allocated only \$10,750,000 of the proceeds to CPSB's projects. According to 44 CFR 206.253(a), eligible costs must be reduced by the actual amount of insurance proceeds relating to the eligible costs. Therefore, FEMA should complete its insurance review, allocate the remaining \$545,077 in applicable insurance proceeds to CPSB's projects, and disallow those costs as ineligible (see Exhibit A, Schedule of Questioned Costs). CPSB officials agreed with this finding.

Finding I: Funds Put to Better Use

CPSB completed work and claimed \$2,655,662 for 16 projects, which was \$135,411 less than the total amount FEMA estimated and approved for the 16 projects. CPSB completed the majority of these projects 4 years ago. GOHSEP and CPSB officials agreed that the \$135,411 were unused funds.

In addition, FEMA overobligated Project 3276 by \$310,095 and Project 2279 by \$301,600 because of incorrect adjustments for insurance, hazard mitigation, and cost estimates. Therefore, FEMA should deobligate \$747,106 (\$135,411 plus \$310,095 plus \$301,600) and put those federal funds to better use. FEMA officials agreed and stated that they will deobligate the funds for Project 3276 and will discuss with CPSB the possibility of additional funding for alternate work for Project 2279. CPSB and GOHSEP officials agreed that there were errors on Project 3276 and the funds should be deobligated, and stated that they will discuss the alternate work with FEMA.

Other Matters

GOHSEP overpaid CPSB \$2.3 million in funding on 15 projects. The overpayment occurred because FEMA adjusted for actual insurance proceeds after GOHSEP paid CPSB. CPSB had set the funds aside for project closeout. GOHSEP officials said that they plan to bill CPSB to recover the funds. Because the overpayments did not reduce authorized FEMA funding, we did not question any costs. However, GOHSEP should collect the overpayment to fund other projects. CPSB officials agreed with this observation.

RECOMMENDATIONS

We recommend that the Regional Administrator, FEMA Region VI:

Recommendation #1: Disallow \$2,940,177 (\$2,940,177 federal share) of improperly contracted costs that were ineligible (finding A).

Recommendation #2: Disallow \$114,983 (\$114,983 federal share) of ineligible contract costs that were outside the authorized scope of work (finding B).

Recommendation #3: Disallow \$22,610 (\$22,610 federal share) of unsupported contract costs (finding C).

Recommendation #4: Disallow \$21,137 (\$21,137 federal share) of ineligible duplicate contract costs (finding D).

Recommendation #5: Disallow \$15,154 (\$15,154 federal share) of contract costs that are ineligible because CPSB received credit for them (finding E).

Recommendation #6: Disallow \$7,941 (\$7,941 federal share) of ineligible contract costs for items not purchased (finding F).

Recommendation #7: Disallow \$1,711 (\$1,711 federal share) of ineligible contract costs caused by a math error (finding G).

Recommendation #8: Allocate \$545,077 (\$545,077 federal share) of insurance proceeds to CPSB's projects and disallow those amounts from the projects as ineligible (finding H).

Recommendation #9: Deobligate \$747,016 (\$747,016 federal share) and put those federal funds to better use (finding I).

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the results of our audit with CPSB officials during our audit and included their comments in this report, as appropriate. We also provided written summaries of our findings and recommendations in advance to FEMA, GOHSEP, and CPSB officials and discussed them at exit conferences held with FEMA on July 7, 2011, and with GOHSEP and CPSB officials on July 14, 2011. FEMA officials stated that they would not agree to disallow the value of any improperly procured contracts identified in Finding A if the costs were reasonable, but generally agreed with the other findings and recommendations. GOHSEP and CPSB officials generally agreed with recommendations 4 through 9, disagreed with recommendation 1 based on reasonableness of cost, and disagreed with recommendations 2 and 3 because of additional support that CPSB officials said that they will provide.

Within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until your response is received and evaluated, the recommendations will be considered open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we are providing copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. To promote transparency, this report will be posted to our website. Significant contributors to this report were Tonda Hadley, Paige Hamrick, James Mitchell, and Chiquita Washington.

Should you have questions concerning this report, please contact me at (202) 254-4100 or Tonda Hadley, at (214) 436-5200

cc: Administrator, FEMA
Audit Liaison, FEMA Louisiana Recovery Office
Audit Liaison, FEMA Region VI
Audit Liaison, FEMA (Job Code G-11-009)
Audit Liaison, DHS

Schedule of Questioned Costs
Calcasieu Parish School Board, Lake Charles, Louisiana
FEMA Disaster Number 1607-DR-LA

<u>Project Number</u>	<u>Net Award Amount</u>	<u>Net Claim Amount</u>	<u>Finding A</u>	<u>Findings B & D-G</u>	<u>Finding C</u>	<u>Total Costs Questioned</u>	<u>Net Deobligation Amount</u>
1960	\$1,913,372	\$ 486,864	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1570	355,860	380,709	0	0	0	0	(24,849)
2327	351,903	351,969	0	2,190	0	2,190	(67)
3470	310,775	310,775	310,775	0	0	310,775	0
3276	310,095	0	0	0	0	0	310,095
2279	301,600	0	0	62,820	0	62,820	301,600
1998	289,075	289,075	0	0	0	0	0
2160	255,375	255,371	0	0	0	0	0
439	253,208	253,208	253,208	0	0	253,208	0
345	250,000	250,000	250,000	0	0	250,000	0
438	250,000	250,000	250,000	0	0	250,000	0
2619	244,580	208,517	0	20,087	0	20,087	36,063
4084	226,893	101,924	0	17,292	0	17,292	0
2850	215,858	205,167	0	0	0	0	0
3048	210,025	212,393	0	0	0	0	(2,368)
2609	203,286	125,697	0	6,936	0	6,936	77,589
2208	169,117	169,117	169,117	0	0	169,117	0
3223	166,087	166,087	166,087	8,885	0	174,972	0
359	153,312	153,312	153,743	0	0	153,743	0
2538	141,677	141,677	127,422	0	0	127,422	0
346	139,099	139,099	139,099	0	0	139,099	0
2265	130,845	119,065	0	19,045	0	19,045	11,780
358	126,109	126,109	126,109	0	0	126,109	0
3443	125,143	125,244	0	0	0	0	(101)
2553	121,652	121,652	116,133	0	0	116,133	0
313	110,691	105,330	105,330	0	0	105,330	5,361
2971	106,838	108,616	0	8,991	0	8,991	(1,778)
1765	100,521	100,521	100,521	1,711	0	102,232	0
3375	78,075	75,459	75,029	6,269	0	81,298	2,616
1961	68,800	68,800	68,800	0	0	68,800	0
351	71,967	71,967	71,967	0	0	71,967	0
428	63,154	63,154	63,154	0	0	63,154	0
2261	61,897	61,897	61,897	0	0	61,897	0
352	60,514	60,514	60,514	0	22,610	83,124	0
2231	59,717	59,717	59,717	0	0	59,717	0
456	56,990	56,990	0	0	0	0	0

Schedule of Questioned Costs
Calcasieu Parish School Board, Lake Charles, Louisiana
FEMA Disaster Number 1607-DR-LA
(Continued)

Project Number	Net Award Amount	Net Claim Amount	Finding A	Findings B & D-G	Finding C	Total Costs Questioned	Net Deobligation Amount
3814	53,570	53,570	0	0	0	0	0
4261	51,993	51,993	51,993	0	0	51,993	0
2301	51,837	51,837	0	0	0	0	0
3204	51,727	40,485	0	6,700	0	6,700	0
1952	50,823	50,823	0	0	0	0	0
2888	48,040	48,040	0	0	0	0	0
2802	47,535	47,535	0	0	0	0	0
2516	45,278	45,278	0	0	0	0	0
338	43,117	43,117	43,117	0	0	43,117	0
3418	41,489	41,489	41,489	0	0	41,489	0
2786	39,984	39,984	0	0	0	0	0
3376	39,312	39,312	33,958	0	0	33,958	0
1064	39,087	39,087	0	0	0	0	0
2932	38,943	38,943	0	0	0	0	0
3031	38,264	38,264	0	0	0	0	0
450	36,725	36,725	0	0	0	0	0
317	33,951	33,951	33,951	0	0	33,951	0
2523	31,423	31,423	0	0	0	0	0
2486	30,825	30,825	0	0	0	0	0
3378	29,089	29,089	29,089	0	0	29,089	0
2328	24,445	24,445	0	0	0	0	0
3052	20,584	20,584	17,433	0	0	17,433	0
3207	19,796	19,796	0	0	0	0	0
2719	14,254	14,254	0	0	0	0	0
2274	12,223	12,223	0	0	0	0	0
2636	5,938	5,938	0	0	0	0	0
Subtotals*	<u>\$8,994,362</u>	<u>\$6,705,006</u>	<u>\$2,979,652</u>	<u>\$160,926</u>	<u>\$22,610</u>	<u>\$3,163,188</u>	<u>\$715,941</u>

* These subtotals are the totals for the projects we included in our initial audit scope.

Schedule of Questioned Costs
Calcasieu Parish School Board, Lake Charles, Louisiana
FEMA Disaster Number 1607-DR-LA
(Continued)

Projects Added for Limited Review

Project Number	Net Award Amount	Net Claim Amount	Finding A	Findings B & D-G	Finding C	Total Costs Questioned	Net Deobligation Amount
2807	124,986	124,903	0	0	0	0	83
2157	78,424	61,211	0	0	0	0	17,213
2884	77,720	70,142	0	0	0	0	7,578
2627	72,363	71,295	0	0	0	0	1,068
2694	70,888	70,850	0	0	0	0	38
3043	<u>56,597</u>	<u>51,412</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,185</u>
Subtotals	<u>\$9,475,340</u>	<u>\$7,154,819</u>	<u>\$2,979,652</u>	<u>\$160,926</u>	<u>\$22,610</u>	<u>\$3,163,188</u>	<u>\$747,106</u>
Insurance to be Allocated (finding H)						<u>\$ 545,077</u>	
Subtotals	<u>\$9,475,340</u>	<u>\$7,154,819</u>	<u>\$2,979,652</u>	<u>\$160,926</u>	<u>\$22,610</u>	<u>\$3,708,265</u>	<u>\$747,106</u>
Less Costs Questioned Twice (from exhibit B)			<u>(\$ 39,475)</u>			<u>(\$ 39,475)</u>	
Grand Totals	<u>\$9,475,340</u>	<u>\$7,154,819</u>	<u>\$2,940,177</u>	<u>\$160,926</u>	<u>\$22,610</u>	<u>\$3,668,790</u>	<u>\$747,106</u>
Total Questioned Costs Recommended for Disallowance						<u>\$3,668,790</u>	
Total Recommended for Deobligation (finding I)							<u>\$747,106</u>

**Costs Questioned Under Multiple Criteria
Calcasieu Parish School Board, Lake Charles, Louisiana
FEMA Disaster Number 1607-DR-LA**

Project Number	Costs Questioned in Finding A (From Exhibit A)	Amounts Questioned More than Once⁵	Net Costs Questioned
3470	\$ 310,775	\$ 0	\$ 310,775
439	253,208	0	253,208
345	250,000	0	250,000
438	250,000	0	250,000
2208	169,117	0	169,117
3223	166,087	(8,885)	157,202
359	153,743	0	153,743
2538	127,422	0	127,422
346	139,099	0	139,099
358	126,109	0	126,109
2553	116,133	0	116,133
313	105,330	0	105,330
1765	100,521	(1,711)	98,810
3375	75,029	(6,269)	68,760
351	71,967	0	71,967
1961	68,800	0	68,800
428	63,154	0	63,154
2261	61,897	0	61,897
352	60,514	(22,610)	37,904
2231	59,717	0	59,717
4261	51,993	0	51,993
338	43,117	0	43,117
3418	41,489	0	41,489
3376	33,958	0	33,958
317	33,951	0	33,951
3378	29,089	0	29,089
3052	<u>17,433</u>	<u>0</u>	<u>17,433</u>
Totals	<u>\$2,979,652</u>	<u>(\$39,475)</u>	<u>\$2,940,177</u>

⁵ The \$2,979,652 (net of insurance proceeds) questioned as improper contract costs (finding A) includes \$16,865 of ineligible contract costs (findings E and G) and \$22,610 of unsupported contract costs (finding C). Recommendation 1 (finding A) is to disallow \$2,940,177 of questioned costs, which is net of the amounts questioned in findings C, E, and G. Therefore, if FEMA does not disallow the \$16,865 of ineligible contract costs (findings E and G) and \$22,610 of unsupported costs (finding C), it should add back these amounts to increase the amount of recommendation 1 to \$2,979,652.

Costs Disallowed by GOHSEP
Calcasieu Parish School Board, Lake Charles, Louisiana
FEMA Disaster Number 1607-DR-LA

Project Number	Disallowed Amount	Reason GOHSEP Disallowed	Finding
2327	\$ 2,190	Costs not in the scope of work	B
2279	62,820	Costs not in the scope of work	B
2265	19,045	Costs not in the scope of work	B
3204	6,700	Costs not in the scope of work	B
4084	17,292	Costs not in the scope of work	B
2971	7,941	Items not purchased	F
2971	1,050	Duplicate costs	D
2619	20,087	Duplicate costs	D
Total	<u>\$137,125</u>		