



Why This Matters

The Federal Emergency Management Agency (FEMA) provides public 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. We perform audits of FEMA grantees and subgrantees to determine whether costs claimed under the awards are eligible and allowable under federal regulations and FEMA guidelines. The Long Beach School District received a public assistance award of \$20.2 million for damages resulting from Hurricane Katrina in August 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Public Assistance Grant Funds Awarded to Long Beach School District (District), Long Beach, Mississippi

What We Determined

The District accounted for expenditures on a project-by-project basis, as required by federal regulations and FEMA guidelines. However, the District did not reduce eligible project costs for insurance recoveries totaling \$439,950. In addition, the District did not always comply with federal grant procurement procedures and cost documentation requirements, resulting in \$632,457 of ineligible and unsupported costs.

What We Recommend

We recommend that the Regional Director, FEMA Region IV:

- 1) Disallow the \$1,072,404 (\$1,072,404 federal share) of ineligible and unsupported costs.
- 2) Instruct the District to comply with federal grant procurement procedures when acquiring goods and services under the award.

For Further Information:

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