



### Why This Matters

Orleans Parish Criminal Sheriff's Office (OPCSO) received a \$178 million award from the Governor's Office of Homeland Security and Emergency Preparedness, a Federal Emergency Management Agency (FEMA) grantee, for damages caused by Hurricane Katrina, which occurred in August 2005. 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. 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.

### DHS Response

FEMA agreed with our recommendations and reserved further comment until after we issue our final report.

## Legal Responsibility Issues Related to FEMA Public Assistance Grant Funds Awarded to Orleans Parish Criminal Sheriff's Office, Orleans Parish, Louisiana

### What We Determined

FEMA obligated \$104.5 million under 14 projects for work that was either (1) related to properties that OPCSO does not own or (2) funded from projects related to properties that OPCSO does not own. The City of New Orleans (City) owns most of the properties OPCSO uses for its operations, but does not have a written agreement with OPCSO regarding their usage. As a result, OPCSO has incurred, or may incur, about \$103 million of costs that are not eligible because the scope of work was not its legal responsibility. Further, neither FEMA nor GOHSEP knows for sure who is legally responsible for obtaining and maintaining insurance on damaged facilities, which is a condition of funding for receiving public assistance funds.

This condition occurred because neither FEMA nor GOHSEP determined which entity was legally responsible before approving work on the properties. FEMA officials said that, during project development, they rely on the subgrantee's word to determine ownership. GOHSEP officials said they rely on FEMA to tell them if a subgrantee is the owner of or has legal responsibility of a facility. Relying on the subgrantee's word, rather than legal documentation, to determine ownership provides no assurance that Federal funds are going to an eligible entity.

### What We Recommend

We recommend that the Regional Administrator, FEMA Region, VI:

- 1) Disallow \$97,868,553 of funds obligated for work that was either related to properties that OPCSO does not own or funded from projects related to properties that OPCSO does not own.
- 2) Cease and desist the obligation of additional Federal funds related to properties for which legal responsibility is disputed.
- 3) If OPCSO and the City do not reach a legally binding agreement regarding ownership and legal responsibility for these properties within 6 months, require GOHSEP to recover all Federal funds paid to date to the two entities for these properties.

### For Further Information:

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