

# Spotlight

Department of Homeland Security



## Office of Inspector General

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### Why This Matters

The Federal Emergency Management Agency (FEMA) provides public assistance to state, tribal, and local government, 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 sub grantees to determine whether costs claimed under the awards are eligible and allowable under Federal regulations and FEMA guidelines. Palm Beach County, Florida, (County) received an award of \$40.1 million for damages resulting from Hurricane Frances, which occurred in September 2004.

### DHS Response

FEMA's written response is due within 90 days.

## FEMA Should Recover \$1.6 Million of Public Assistance Grant Funds Awarded to Palm Beach County, Florida - Hurricane Frances

### What We Determined

The County did not account for projects on a project-by-project basis as required by Federal regulations and FEMA guidelines. Also, the County's claim included \$1,595,744 of questionable costs, which included:

- \$1,013,578 of unsupported contract costs;
- \$277,596 of costs covered by insurance;
- \$156,651 of ineligible project costs;
- \$113,507 of duplicate benefits;
- \$9,222 of excessive costs; and
- \$25,190 of ineligible administrative costs.

### What We Recommend

We recommend that the Regional Administrator, FEMA Region IV:

1. Instruct the Florida Division of Emergency Management to reemphasize to the County its need to account for FEMA project expenditures on a project-by-project basis as required by Federal regulations and FEMA guidelines.
2. Conduct a full review of the County's statement of insurance losses and proceeds and reduce project costs accordingly.
3. Disallow \$1,595,744 (Federal share \$1,439,998) of questioned costs.

### For Further Information:

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