



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 subgrantees 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 \$31.6 million for emergency work resulting from Hurricane Wilma, which occurred in October 24, 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Should Recover \$4.9 Million of Public Assistance Grant Funds Awarded to Palm Beach County, Florida - Hurricane Wilma

What We Determined

Although the County accounted for FEMA projects on a project-by-project basis as required, we determined that the County's claim included \$3,002,817 of questionable costs, as follows:

- \$2,180,752 of unsupported force account labor and equipment costs;
- \$272,518 of ineligible contract costs;
- \$331,865 of ineligible improved project costs;
- \$28,044 of unauthorized work; and
- \$189,638 of costs covered by insurance

In addition, FEMA should deobligate \$1,872,416 of project funding because work under the project is complete and the funding is no longer needed.

What We Recommend

We recommend that the Regional Administrator, FEMA Region IV:

1. Disallow the \$3,002,817 of questioned costs.
2. Instruct the Florida Division of Emergency Management (State) to remind the County that it is required to comply with Federal procurement standards when acquiring goods and services under FEMA awards.
3. Conduct a full review of the County's statement of insurance losses and proceeds and reduce project costs accordingly.
4. Deobligate \$1,872,416 of unneeded project funds and put them to better use.
5. Reemphasize to the State of its responsibility to adequately review costs claimed by subgrantees for adherence to Federal regulations and FEMA guidelines.

For Further Information:

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