



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. Palm Beach County, Florida, (County) received an award totaling \$47.9 million for damages resulting from Hurricane Jeanne, which occurred in September 2004.

DHS Response

FEMA's written response is due within 90 days

FEMA Should Recover \$951,221 of Public Assistance Grant Funds Awarded to Palm Beach County, Florida - Hurricane Jeanne

What We Determined

The County did not account for projects on a project-by-project basis as required by Federal regulations and FEMA guidelines. In addition, we determined that the County's claim included \$951,221 of questionable costs, which consisted of:

- \$416,529 of contract costs that were not supported by adequate documentation;
- \$461,366 of ineligible project costs;
- \$49,560 of duplicate benefits for debris removal activities; and
- \$23,766 of ineligible administrative costs

What We Recommend

We recommend that the Regional Administrator, FEMA Region IV:

1. Instruct the Florida Division of Emergency Management (State) 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. Disallow \$416,529 (Federal share \$374,876) of unsupported contract costs claimed.
3. Disallow \$461,366 (Federal share \$415,229) of improper contract costs, and instruct the State to remind the County that they are required to comply with Federal procurement standards when acquiring goods and services under FEMA awards.
4. Disallow \$49,560 (Federal share \$45,203) of debris removal activities that were funded by the Federal Highway Administration.
5. Disallow \$23,766 of ineligible administrative allowance paid to the County.

For Further Information:

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