



### Why This Matters

The City of Cedar Rapids received an award of \$330 million from the Iowa Homeland Security and Emergency Management Division, a Federal Emergency Management Agency (FEMA) grantee, for damages caused by severe flooding that occurred May 25, to August 13, 2008. Our audit objective was to determine whether the city's hydroelectric plant was eligible for FEMA funding. 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.

### DHS Response

FEMA officials withheld comment on our finding and recommendation until after we issue the final report.

## FEMA Should Recover \$13.8 Million in FEMA Public Assistance Funds Awarded to Cedar Rapids, Iowa, for Ineligible Hydroelectric Plant

### What We Determined

The City of Cedar Rapids' hydroelectric facility was inactive at the time of the Federally-declared disaster and did not meet any of the three exceptions to FEMA's inactive facility regulation. Further, the city included inaccurate information in its appeals to FEMA regarding its budget and how much it would cost and how long it would take to repair the preexisting, non-Federally-declared, ice damage. FEMA headquarters relied on this information when ruling in favor of the city's second appeal and may have ruled differently had the city submitted accurate information.

### What We Recommend

We recommend that the Assistant Administrator, FEMA Recovery Directorate, reconsider FEMA's decision to fund Project 1415 and deobligate and put to better use the \$13,786,951 (\$12,408,256 Federal share) estimated for the repair of the city's hydroelectric facility.

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#### For further information:

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