



### Why This Matters

The State of Texas received \$68 million in Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) funds as a result of three major disasters the President declared between June 2001 and January 2006. FEMA provides HMGP grants on a cost-shared basis to eligible applicants within a State declared eligible for Federal assistance to implement measures designed to reduce the loss of life and property from natural disasters.

### DHS Response

FEMA officials agreed with our findings and recommendations. FEMA's written response is due within 90 days.

## FEMA Region VI Should Ensure the Cost Effectiveness of Texas Hazard Mitigation Grant Projects

### What We Determined

We summarized the results of four Hazard Mitigation Grant Program (HMGP) audits we conducted in the State of Texas from 2010 through 2012, and identified additional conditions that warranted further Federal Emergency Management Agency (FEMA) attention. In total, we audited \$68 million of FEMA HMGP funds that the Texas Division Emergency Management (TDEM), a FEMA grantee, awarded to four subgrantees in the State of Texas. In these audits, we questioned \$17.7 million, or 26 percent of the \$68 million. Further, a scope limitation in one of our audits precluded us from reviewing the cost effectiveness of six projects totaling \$31.4 million. Had we been able to review the cost effectiveness of these projects, the total amount we questioned might have increased significantly. The majority of our questioned costs related to projects that were not cost-effective and ineligible costs TDEM reimbursed to its subgrantees. The reportable conditions we identified occurred because FEMA and TDEM did not always comply with Federal regulations or FEMA guidelines, and TDEM did not always fulfill its grantee responsibilities.

### What We Recommend

We recommend that the Regional Administrator, FEMA Region VI: 1) ensure its regional states develop, document, and implement procedures for demonstrating that HMGP projects are cost-effective and will not cost more than the estimated benefits; and 2) Require TDEM to develop, document, and implement procedures that will ensure it reimburses subgrantees for only eligible costs.

### For Further Information:

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