



### Why This Matters

The Commission received an award of \$12.3 million for damages from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), a Federal Emergency Management Agency (FEMA) grantee, resulting from Hurricane Katrina, which occurred on August 29, 2005. FEMA provides such assistance 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, focusing on grants with potential for problems and areas that are of interest to Congress and FEMA.

### DHS Response

FEMA officials generally agreed with our findings and recommendations.

## FEMA Should Recover \$1.7 Million of Public Assistance Grant Funds Awarded to Audubon Commission, New Orleans, Louisiana

### What We Determined

The Commission accounted for grant funds on a project-by-project basis as required by Federal regulations but did not always expend the funds according to Federal regulations and FEMA guidelines. The Commission claimed \$427,807 of ineligible labor costs for debris removal and emergency protective measures. As a result, we questioned \$427,807 of ineligible costs that the Commission claimed. In addition, FEMA needs to complete the allocation of approximately \$1.2 million of the Commission's insurance proceeds and correct an inadvertent \$76,800 allocation error on the Commission's insurance proceeds. We also identified \$142,697 in unused funding that FEMA could have put to better use.

### What We Recommend

We recommend that the Regional Administrator, FEMA Region VI:

- 1) Disallow \$427,807 of ineligible force account labor costs.
- 2) Complete the insurance review and allocate \$1,238,599 of unapplied insurance proceeds to the total cost of the Commission's projects and disallow those costs as ineligible.
- 3) Deobligate the incorrectly allocated insurance proceeds of \$76,800 and put these funds to better use. FEMA deobligated these costs during our audit; therefore, we consider this recommendation to be resolved and closed. No further action is required from FEMA.
- 4) Deobligate \$142,697 of unused and unneeded amounts and put these funds to better use.

### 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)