



Why This Matters

The Office of Inspector General (OIG) serves as an independent body to deter, identify, and address fraud, abuse, mismanagement, and waste in Department of Homeland Security (DHS) programs and operations. To this end, the OIG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of DHS. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for DHS to carry out its responsibilities in the most effective, efficient, and economical manner possible.

Management Response

Central Region and Alaska Division of Homeland Security and Emergency Management (Grantee) officials partially concurred with our findings and recommendations.

FEMA officials generally withheld comment.

For Further Information:

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

The Alaska DOT and Public Facilities, Central Region, Did Not Properly Account for and Expend \$1.5 Million in FEMA Grant Funds

What We Determined

We audited Federal Emergency Management Agency (FEMA) Public Assistance (PA) grant funds awarded to the Alaska Department of Transportation and Public Facilities, Central Region (Central Region), for Disaster Number 1663-DR-AK.

Our audit objective was to determine whether Central Region officials accounted for and expended FEMA PA grant funds according to Federal regulations and FEMA guidelines.

We determined that of the \$1,927,140 in PA grant funding we audited, Central Region officials did not account for or expend \$1,456,170 (or 76 percent) according to Federal regulations and FEMA guidelines.

What We Recommend

We recommend that the Regional Administrator, FEMA Region X: (1) disallow \$1,346,508 (\$1,009,881 Federal share) of costs related to improper procurement, unless FEMA makes an affirmative decision that all or part of the contract costs are fair and reasonable and waives the Federal and State procurement requirements; (2) disallow \$67,987 (\$50,990 Federal share) of costs related to ineligible force account (equipment and labor) costs; (3) review claimed costs, outside of the scope of this audit, associated with those Central Region officials involved in charging FEMA for the excessive, ineligible force account charges, in order to identify any additional instances of improperly-claimed costs; (4) disallow a total of \$33,223 (\$24,917 Federal share) in ineligible fringe benefits costs—for 6 projects—derived from a methodology that is not in compliance with Federal and State criteria; (5) identify and review all applicable fringe benefits claimed costs related to the Central Region, other Department of Transportation and Public Facilities' regional offices (i.e., Northern and Southeast Regions), and Alaska subgrantees that based its fringe benefit calculations on this improper methodology; and (6) disallow \$8,452 (\$6,339 Federal share) of ineligible costs related to work beyond FEMA's approved scope of work.

Within 90 days of the date of the grant audit report, Management should provide our office with a written response that includes their (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation.