



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 the Department. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for the Department to carry out its responsibilities in the most effective, efficient, and economical manner possible.

DHS Response

FEMA officials told us that they will withhold comment on our findings until after they review their records and those documents associated with the Department's final claimed costs.

Cal EMA officials partially concurred with our Findings.

County officials generally did not concur with our findings.

For Further Information:

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

Los Angeles County, California, Did Not Properly Account for and Expend FEMA Grant Funds for Debris-Related Costs

What We Determined

We audited Federal Emergency Management Agency (FEMA) Public Assistance (PA) grant funds awarded to Los Angeles County, California (County), for Disaster Number 1577-DR-CA.

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

We determined that of the \$6,020,249 in claimed costs that we audited (for this interim report), County officials did not properly account for or expend a total of \$3,942,409 in costs related to their debris removal activities.

This occurred as a result of: (1) improper procurement; (2) ineligible debris basin cleanup costs; (3) unsupported debris removal contract costs; and (4) unsupported equipment costs.

What We Recommend

We recommend that the Regional Administrator, FEMA Region IX: (1) disallow \$2,473,706 (Federal share \$1,855,280) in ineligible costs claimed for Projects 2274, 2890, 2940, and 2996, related to contracts that were not procured in accordance with Federal requirements, unless FEMA officials grant an exception per 44 CFR 13.6(c) and Section 705(c) of the Stafford Act; (2) disallow \$862,878 (Federal share \$647,159) claimed for Project 2275 as ineligible and unrelated to the Federal disaster to which it was attributed; (3) instruct the County on the benefits of specific maintenance and debris measurement schedules; (4) formulate a methodology for determining eligible debris removal costs in the absence of specific measurement data for debris comingled across a variety of periods; (5) determine whether the County is entitled to receive about \$121,919 in PA grant funding for debris basin cleanup costs associated with Disaster 1585 if/when claimed, eligible, and supported; (6) disallow \$2,038,260 (Federal share \$1,528,695) in unsupported contracted debris removal costs for Project 2940, unless County officials can provide adequate support; and (7) disallow \$232,495 (Federal share \$174,371) in unsupported equipment costs associated with Projects 2274, 2890, and 2996, unless County officials can provide adequate support.

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.