

# Department of Homeland Security **Office of Inspector General**

FEMA Should Recover \$34,219 From a  
\$3.0 Million Public Assistance Grant  
Awarded to Bibb County, Georgia



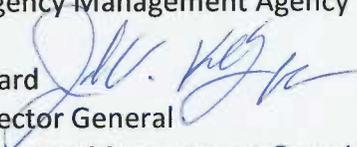


**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

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MAR 15 2013

MEMORANDUM FOR: Major P. (Phil) May  
Regional Administrator, Region IV  
Federal Emergency Management Agency

FROM: D. Michael Beard   
Assistant Inspector General  
Office of Emergency Management Oversight

SUBJECT: *FEMA Should Recover \$34,219 From a \$3.0 Million  
Public Assistance Grant Awarded to Bibb County, Georgia*  
FEMA Disaster Number 1761-DR-GA  
Audit Report Number DA-13-12

We audited Public Assistance funds awarded to Bibb County, Georgia (County) (FIPS Code 021-99021-00). Our audit objective was to determine whether the County accounted for and expended Federal Emergency Management Agency (FEMA) funds according to Federal regulations and FEMA guidelines.

The County received a Public Assistance grant award totaling \$3.0 million from the Georgia Emergency Management Agency (State), a FEMA grantee, for damages resulting from severe thunderstorms and strong tornado winds, which occurred in May 2008. The award provided 75 percent FEMA funding for debris removal, emergency protective measures, and permanent repairs to buildings and recreational facilities. The award consisted of 6 large projects and 21 small projects.<sup>1</sup>

We audited the six large projects with awards totaling \$2.8 million (see Exhibit, Schedule of Projects Audited). The audit covered the period May 11, 2008, to September 21, 2012, during which the County claimed \$2.7 million under the projects reviewed. At the time of our audit, the County had completed work on all large projects and had submitted a final claim to the State for all project expenditures.

We conducted this performance audit between June 2012 and February 2013 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective. To conduct this audit, we

<sup>1</sup> Federal regulations in effect at the time of the disaster set the large project threshold at \$60,900.



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applied the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.

We judgmentally selected project costs (generally based on dollar value); interviewed County, State, and FEMA personnel; reviewed the County's procurement policies and procedures; reviewed applicable Federal regulations and FEMA guidelines; and performed other procedures considered necessary to accomplish our audit objective. We did not assess the adequacy of the County's internal controls applicable to its grant activities because it was not necessary to accomplish our audit objective. However, we gained an understanding of the County's method of accounting for disaster-related costs and its policies and procedures for administering activities provided for under the FEMA award.

### RESULTS OF AUDIT

FEMA should recover \$34,219 of grant funds awarded to the County. Although the County generally accounted for FEMA funds according to Federal regulations and FEMA guidelines, the County did not have adequate support for \$22,309 of costs claimed for equipment use, and did not reduce its claim under Project 28 for \$11,910 of project income received from the sale of mulch.

#### **Finding A: Supporting Documentation**

The County's \$22,309 claim for use of force account equipment under Project 266 was not supported by adequate documentation.<sup>2</sup> Cost principles at 2 CFR 225, *Cost Principles for State, Local, and Indian Tribal Governments*, Appendix A, Section (C)(1)(j) states that a cost must be adequately documented to be allowable under Federal awards.

During the disaster, the County used its police vehicles for patrolling streets and as barricades at intersections where traffic lights that were not operational. According to FEMA's Schedule of Equipment Rates published on May 1, 2008, police vehicles used for patrolling are reimbursed at \$0.63 per mile and vehicles used for barricades while stationary with the engine running are reimbursed at \$18.00 per hour.

The County did not have adequate documentation to support its claim. The County used timesheets of police officers who were assigned to each police vehicle on a daily basis to calculate its claim. For instance, if an officer with an assigned vehicle worked a 10-hour day, the County claimed 10 hours of use for that vehicle. However, this methodology assumed that all vehicles were used as barricades the entire time the officer worked. It did not take into

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<sup>2</sup> Force account refers to the County's personnel and equipment.  
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consideration those vehicles used for patrolling, whose costs are reimbursed at significantly reduced rates. The County did not maintain any other documentation such as activity logs to support its claim for police vehicle use. Therefore, we question the \$22,309 as unsupported because we could not validate the accuracy and eligibility of the equipment costs claimed.

County officials agreed with this finding. They said that they normally maintain supporting documentation for mileage driven by police officers patrolling and for hours that vehicles are used as barricades. However, they did not keep such documentation because they relied on guidance from FEMA officials, who said that they should claim vehicle costs using hourly rates regardless of vehicle use.

### **Finding B: Project Income**

The County did not reduce its claim under Project 28 for \$11,910 of project income it received from the sale of mulch resulting from the reduction of disaster-related vegetative debris. Federal regulation (44 CFR 13.25 (b) and (g)(1)) states that income received or earned by a subgrantee during the grant period that is related to the grant-supported activity shall be deducted from the total allowable costs to determine the net allowable costs. Therefore, we question the \$11,910.

County officials agreed with this finding.

### **RECOMMENDATIONS**

We recommend that the Regional Administrator, FEMA Region IV:

**Recommendation #1:** Disallow \$22,309 (Federal share \$16,732) of unsupported project costs (finding A) unless the County can provide additional evidence to support the costs.

**Recommendation #2:** Disallow \$11,910 (Federal share \$8,933) of ineligible project income (finding B).



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### DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the results of our audit with County, State, and FEMA officials during our audit. We also provided a draft report in advance to these officials and discussed it at the exit conference held on February 6, 2013. County officials agreed with our findings and recommendations.

Within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until we receive and evaluate your response, the recommendations are considered open and unresolved.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Major contributors to this report were David Kimble, Eastern Region Audit Director; Adrienne Bryant, Audit Manager; Amos Dienye, Auditor-in-charge.

Please call me with any questions at (202) 254-4100, or your staff may contact David Kimble, Eastern Region Audit Director, at (404) 832-6702.



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Exhibit

**Schedule of Projects Audited  
May 11, 2008, to September 21, 2012  
Bibb County, Georgia  
FEMA Disaster Number 1761-DR-GA**

Project Number	Category Of Work	Description Of Work	Amount Awarded	Amount Claimed	Amount Questioned	Finding
28	A	Debris Removal	\$1,179,313	\$1,204,503	\$11,910	B
32	A	Debris Removal	242,415	401,771	-	
95	A	Debris Removal	471,638	171,946	-	
299	B	Emergency Protective Measures	641,774	627,614	-	
266	B	Emergency Protective Measures	123,071	123,071	22,309	A
268	B	Emergency Protective Measures	145,823	145,823	-	
Total			\$2,804,034	\$2,674,728	\$34,219	



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