

Spotlight

Department of Homeland Security



Office of Inspector General

July 2014 OIG-14-115-D

Why This Matters

New York City's Department of Design and Construction (Department) received a \$13.3 million award from the New York State Division of Homeland Security and Emergency Services, a Federal Emergency Management Agency (FEMA) grantee, for damages resulting from Hurricane Sandy that occurred on October 29, 2012. FEMA provides such assistance to State, Tribal, and local governments, and certain private nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President.

DHS Response

Federal Emergency Management Agency generally agreed with our findings and recommendations at the exit conference. FEMA's written response is due within 90 days.

New York City's Department of Design and Construction Needs Assistance to Ensure Compliance with Federal Regulations

What We Determined

New York City Department of Design and Construction (Department) policies, procedures and business practices were not adequate to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. The Department did not (1) adequately compete \$14.3 million in contracts for disaster repairs due to exigent circumstances, (2) track grant expenditures by project as Federal regulations require, or (3) maintain documentation adequate to support direct administrative costs.

What We Recommend

We recommend that the Executive Director, New York Sandy Recovery Field Office: (1) review the reasonableness of the \$14.3 million that the New York City Department of Design And Construction is claiming for contract costs, and (2) direct New York to assist the New York Department of Design and Construction in correcting the issues identified in this report and monitor its progress.

For Further Information:

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