

Spotlight

Department of Homeland Security



Office of Inspector General

July 2014 OIG-14-120-D

Why This Matters

New York City's Department of Transportation received a \$19.1 million award from the New York State Division of Homeland Security and Emergency Service, 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

FEMA officials concurred with our findings and recommendations at the exit conference. FEMA's written response is due within 90 days.

New York City's Department of Transportation Needs Assistance to Ensure Compliance with Federal Regulations

What We Determined

The Department's policies, procedures, and business practices were not adequate to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. As a result, the department did not (1) adequately compete a \$3.0 million contract for disaster repairs, (2) track grant expenditures by project as Federal regulations require, or (3) maintain adequate documentation supporting direct administrative costs. In addition, the department should have taken additional steps to provide opportunities when possible for small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms to compete for contract work.

What We Recommend

We recommend that the Executive Director, FEMA New York Sandy Recovery Field Office, review the reasonableness of the \$3.0 million that New York City's Department of Transportation intends to claim for contract work that it did not adequately compete and direct the New York State Division of Homeland Security and Emergency Services to assist New York City's Department of Transportation in correcting the issues in this report and monitor its progress.

For Further Information:

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