



### Why This Matters

The Puerto Rico Department of Housing (Department) received a Hazard Mitigation Grant Program award of \$165.3 million from the Puerto Rico Office of Management and Budget (Puerto Rico), a Federal Emergency Management Agency (FEMA) grantee, to provide replacement disaster-resistant housing throughout Puerto Rico to eligible applicants whose homes received significant damage from Hurricane Georges in September 1998. We conducted the audit at the request of FEMA Region II to facilitate FEMA's closeout of the grant.

### DHS Response

FEMA's written response is due within 90 days.

## The Puerto Rico Department of Housing Generally Complied with FEMA Hazard Mitigation Program Eligibility Requirements for Participants of the New Secure Housing Program - Hurricane Georges

### What We Determined

Due to the complexity of the project and the dollar amount of the grant award, we divided the audit into two phases. For phase one of the audit, we reviewed the Department process to determine eligible applicants for compliance with Hazard Mitigation Grant and the New Secure Housing Program eligibility requirements.

The Department generally complied with Hazard Mitigation Grant Program and New Secure Housing Program eligibility requirements for participants who received assistance under the hazard mitigation project. However, FEMA should disallow \$785,706 (Federal share \$625,854) of costs the Department claimed under the grant, which included \$146,298 (Federal share \$146,298) for duplicate benefits that program participants received, and \$639,408 (Federal share \$479,556) of ineligible case management costs.

### What We Recommend

We recommended that the Regional Administrator, FEMA Region II:

1. Disallow \$146,298 (Federal share \$146,298) of duplicate benefits received by program participants.
2. Disallow \$639,408 (Federal share \$479,556) of ineligible case management costs unless the Department provides additional evidence to show that the costs are eligible.

### For Further Information:

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