

Spotlight

Department of Homeland Security



Office of Inspector General

September 2014 OIG-14-136-D

Why This Matters

Federal Emergency Management Agency (FEMA) and the New Mexico State Department of Homeland Security and Emergency Management, a FEMA grantee, estimated \$2.6 million for damages to the City of Albuquerque (City) resulting from severe storms and flooding, which occurred July 23, through 28, 2013. FEMA provides such assistance to state, local, and tribal governments, and certain private nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies. We perform audits of FEMA grantees and subgrantees, focusing on grants with potential for problems and areas that are of interest to Congress and FEMA.

DHS Response

FEMA officials agreed with our findings and recommendation. FEMA's written response is due within 90 days.

The City of Albuquerque, New Mexico, Needs Assistance to Ensure Compliance with FEMA Public Assistance Grant

What We Determined

Except for procurement, the City has adequate policies, procedures, and business practices in place to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. The City did not have adequate procurement policies and procedures in place to comply with all Federal procurement regulations. As a result, the City has improperly contracted for some disaster-related work and may improperly contract for future disaster work of approximately \$2.6 million. Specifically, the City awarded: contracts that included prohibited cost-plus-percentage of cost terms; time-and-material contracts that did not include a cost ceiling or determination that no other contract types were suitable; and did not include all required contract provisions in its contracts.

What We Recommend

We recommend that the Regional Administrator, FEMA Region VI: Direct the New Mexico State Department of Homeland Security and Emergency Management to work closely with City officials to ensure they comply with Federal procurement regulations for all disaster-related contracts and to prevent the improper spending of approximately \$2.6 million in disaster damages.

For Further Information:

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