



Why This Matters

Federal Emergency Management Agency (FEMA) and the New Mexico State Department of Homeland Security and Emergency Management, a FEMA grantee, estimated \$2.1 million for damages to the Village of Corrales (Village) 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 Village of Corrales, New Mexico, Needs Assistance to Ensure Compliance with FEMA Public Assistance Grant Requirements

What We Determined

The Village's policies, procedures, and business practices were adequate to account for FEMA grant funds according to Federal regulations and FEMA guidelines. However, the Village did not have adequate procurement policies and procedures in place to comply with all Federal procurement regulations. As a result, the Village has improperly contracted for some disaster-related work and may improperly contract for approximately \$2.1 million of remaining disaster work. Specifically, the Village did not: obtain cost estimates before receiving bids or proposals; determine that no other contract type was suitable when awarding time-and-material contracts; include a cost ceiling price in time-and-material contracts; or include all required 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 with Village officials to ensure they comply with Federal procurement regulations and to prevent the improper spending of approximately \$2.1 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