



Why This Matters

The Oklahoma Department of Emergency Management, a Federal Emergency Management Agency (FEMA) grantee, awarded the cooperative \$3.76 million for damages resulting from severe winter storms from January 28, 2010, through January 30, 2010. FEMA provides such assistance to state, Tribal, and local governments, and certain types of private nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President. 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 Region VI generally agreed with our finding and recommendation.

Rural Electric Cooperative, Lindsay, Oklahoma, Generally Accounted for and Expended FEMA Public Assistance Grant Funds Correctly

What We Determined

The Rural Electric Cooperative (Cooperative) in Lindsay, Oklahoma, generally accounted for and expended FEMA funds according to Federal regulations and FEMA guidelines. However, the Cooperative did not always follow Federal regulations in awarding contracts for disaster work because it was not aware of all procurement standards that apply to Federal grants. Specifically, the Cooperative did not take the required steps to promote participation by small and minority- and women-owned businesses and did not include all required provisions in its contracts. Cooperative officials did not include all of the required provisions in their contracts because they were not aware of the Federal requirement. The Cooperative used standard Rural Utilities Service contracts and assumed the contracts met Federal standards because the Cooperative obtained them from a Federal agency.

What We Recommend

We recommend that the Regional Administrator, FEMA Region VI, direct the Oklahoma Department of Emergency Management to develop policies and procedures for future disasters to ensure that subgrantees are aware of and follow all Federal procurement standards for federally-funded disaster work.

For Further Information:

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