

Spotlight

Department of Homeland Security



Office of Inspector General

March 2014 OIG-14-56-D

Why This Matters

The Office of Inspector General (OIG) serves as an independent body to deter, identify, and address fraud, abuse, mismanagement, and waste in the Department of Homeland Security (DHS) programs and operations. To this end, the OIG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of DHS. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for DHS to carry out its responsibilities in the most effective, efficient, and economical manner possible.

DHS Response

Within 90 days of the date of the grant audit report, Management should provide our office with a written response that includes their (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation.

Santa Cruz Port District Generally Followed Regulations for Spending FEMA Public Assistance Funds

What We Determined

The Santa Cruz Port District, California (District) generally followed regulations for spending Federal Emergency Management Agency (FEMA) Public Assistance (PA) funds, PA Identification Number 087-U1TDI-00.

Our audit objective was to determine whether the District accounted for and expended FEMA's grant funds according to Federal regulations and FEMA guidelines.

District officials generally accounted for and expended FEMA Public Assistance grant funds according to Federal regulations and FEMA guidelines. However, the District's claim for Project 2186 included \$99,215 in disaster costs that were duplicate, ineligible, or unsupported. This amount represents less than 4 percent of the \$2,532,324 we audited. Specifically, the District's claim included the following questionable costs – \$56,878 in duplicate costs, \$36,830 for unsupported labor costs, and \$5,507 for miscellaneous ineligible costs. Therefore, FEMA should disallow \$99,215 of duplicate, ineligible, or unsupported costs. In addition, the State needs to improve its procedures for closing disaster grants more timely.

What We Recommend

We recommended that the FEMA Region IX Administrator (1) disallow \$56,878 (\$42,658 Federal share) as ineligible, duplicate costs, (2) disallow \$36,830 (\$27,622 Federal share) as unsupported costs unless the District can provide adequate documentation to support the costs, (3) disallow \$5,507 (\$4,130 Federal share) as ineligible costs, and (4) reemphasize to the State its grantee responsibilities and the need to provide FEMA better assurance on the timely closeout of large projects.

For Further Information:

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