



Why This Matters

The Village of Saltaire, New York, (Saltaire) received a \$13.2 million award from the New York State Division of Homeland Security and Emergency Service, a Federal Emergency Management Agency (FEMA) grantee, for damages resulting from Hurricane Sandy that occurred on October 29, 2012. FEMA provides such assistance to State, Tribal, and local governments, and certain private nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President.

DHS Response

FEMA officials concurred with our findings and recommendation at the exit conference. FEMA's written response is due within 90 days.

The Village of Saltaire, New York Generally Managed FEMA's Public Assistance Grant Funds Effectively

What We Determined

Saltaire's policies, procedures and business practices were adequate to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines. Saltaire accounted for costs on a project-by-project basis, used full and open competition in awarding \$3.49 million in contracts, and took affirmative steps to solicit small, minority, and women-owned firms. However, these contracts did not include all required contract provisions. We also identified two minor problems concerning Saltaire's supporting documentation for force account equipment and direct administrative costs. After we discussed these issues with Saltaire officials, they began taking steps to correct these problems.

We conducted this audit early in the Public Assistance process to identify areas where Saltaire may need additional technical assistance or monitoring to ensure compliance. In addition, proactively auditing grant recipients early in the grant cycle allows them the opportunity to correct non-compliance with Federal regulations before they spend the majority of their funding. It also allows them the opportunity to supplement deficient documentation or locate missing documentation before too much time elapses.

What We Recommend

We recommend that the Executive Director, New York Sandy Recovery Field Office, FEMA Disaster Number 4085-DR-NY, direct the New York State Division of Homeland Security and Emergency Services to work with Saltaire officials to properly document direct administrative costs.

For Further Information:

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