



Why This Matters

The Federal Emergency Management Agency (FEMA) provides public 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 to determine whether costs claimed under the awards are eligible and allowable under Federal regulations and FEMA guidelines. The Borough of Belmar, New Jersey, (Borough) received a Public Assistance grant award of \$20.0 million for damages resulting from Hurricane Sandy in October 2013.

DHS Response

FEMA's written response is due within 90 days.

FEMA Should Review the Eligibility of \$523,007 of \$5.4 Million in Public Assistance Grant Funds Awarded to the Borough of Belmar, New Jersey for Hurricane Sandy Debris Removal Activities

What We Determined

The Borough accounted for FEMA funds on a project-by-project basis as Federal regulations and FEMA guidelines require. However, we identified \$523,007 of debris removal costs that were either (1) improperly procured, (2) not supported by adequate documentation, or (3) not eligible under the Public Assistance program.

What We Recommend

We recommend that the Director, New Jersey Sandy Recovery Office:

1. Disallow \$285,054 of improper contracting costs unless FEMA grants an exception for all or part of the costs.
2. Disallow \$53,147 of ineligible force account labor costs unless the Borough provides evidence that the costs are eligible.
3. Disallow \$184,806 of costs for which the Borough did not have adequate support unless the Borough provides additional documentation to adequately support the costs.

For Further Information:

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