



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. St. Stanislaus College Preparatory (St. Stanislaus) in Mississippi received a Public Assistance grant award of \$26.6 million for damages resulting from Hurricane Katrina, which occurred in August 2005.

DHS Response

FEMA's written response is due within 90 days.

FEMA Should Recover \$8.0 Million of the \$26.6 Million of Public Assistance Grant Funds Awarded to St. Stanislaus College Preparatory in Mississippi-Hurricane Katrina

What We Determined

FEMA should recover \$8,012,665 of the \$26.6 million grant funds awarded to St. Stanislaus. Although St. Stanislaus generally accounted for FEMA funds on a project-by-project basis, it did not always expend those funds according to Federal regulations and FEMA guidelines when awarding contracts valued at \$8,012,665. These contracts were for eligible permanent work, but the work was not critical to re-opening the school.

What We Recommend

We recommend that the Regional Administrator, FEMA Region IV:

1. Disallow \$8,012,665 of ineligible costs that St. Stanislaus claimed for contracts that did not comply with Federal requirements, unless FEMA decides to grant an exception for all or part of the costs and determines that the costs are reasonable.
2. Direct the Mississippi Emergency Management Agency (State) to remind St. Stanislaus of its responsibility to comply with Federal procurement regulations when acquiring goods and services with FEMA funds.
3. Remind the State of its grantee responsibilities to ensure that subgrantees are aware of and comply with Federal regulations.

For Further Information:

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