



Homeland Security

March 31, 2009

MEMORANDUM FOR: Tony Russell, Acting Director
FEMA Louisiana Transitional Recovery Office

Tonda L. Hadley

FROM: Tonda L. Hadley, Director
Central Regional Office

SUBJECT: *Louisiana Superdome Sheltering and Repair*
FEMA Disaster Number 1603-DR-LA
Public Assistance Identification Number 000-UXL4N-00
Audit Report Number DD-09-06

We audited public assistance funds awarded to the Office of Facility Planning and Control (OFPC), State of Louisiana, for sheltering and repair measures in the Louisiana Superdome associated with Hurricane Katrina. The objective of the audit was to determine whether OFPC expended and accounted for Federal Emergency Management Agency (FEMA) funds according to federal regulations and FEMA guidelines.

As of May 2008, the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), a FEMA grantee, awarded OFPC \$172.7 million. The award provided 100% funding for 16 large projects and 4 small projects.¹ Our audit covered the period August 28, 2005, through July 24, 2008, and included 15 projects totaling \$172.1 million (see Exhibit). As of the cut-off date of our audit, repairs were in various stages of completion; and, GOHSEP had disbursed \$130.4 million to OFPC.

We conducted this performance audit under the authority of the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

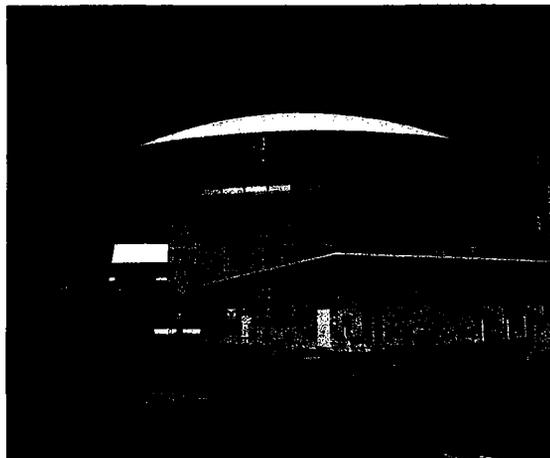
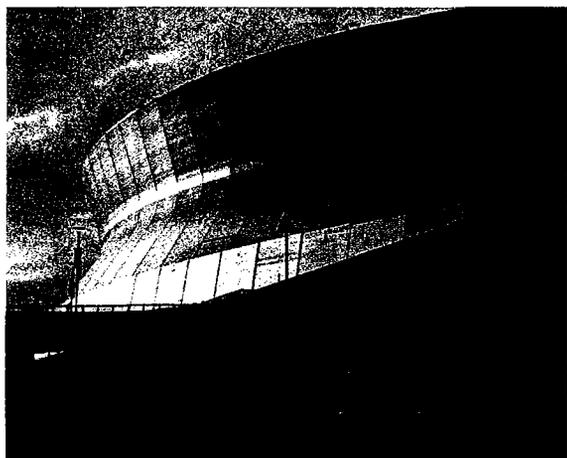
We interviewed FEMA, GOHSEP, and OFPC officials; and reviewed judgmentally selected samples (generally based on dollar value) of cost documentation. We also reviewed OFPC's policies and procedures for bidding and awarding contracts. We did not assess the adequacy of OFPC's internal

¹ Federal regulations in effect at the time of the disaster set the large project threshold at \$55,500.

controls applicable to grant activities because it was not necessary to accomplish our audit objective. We did, however, gain an understanding of OFPC's method of accounting for disaster-related costs.

BACKGROUND

The Louisiana Superdome is a multi-sport and exposition facility located in New Orleans, Louisiana. The Superdome opened on August 3, 1975, and is one of the largest fixed-dome structures in the world. The facility stands on 52 acres near the Central Business District, and its roof covers an area of 9.7 acres.



On the morning of August 28, 2005, the Louisiana Superdome opened as one of the “shelters of last resort” from Hurricane Katrina. The Superdome housed up to 25,000 evacuees. Within hours of Katrina's landfall, the City of New Orleans ordered the mandatory evacuation of all citizens. Due to roof damage caused by wind-driven rain and flooding throughout the City, the Governor of Louisiana signed an executive order authorizing additional transportation resources that facilitated the evacuation of the Superdome, beginning on Tuesday, August 30. The Superdome was fully evacuated by September 4, 2005. On December 9, 2005, the Governor signed another executive order specifically for the Superdome. The order relaxed state purchasing rules to “fast-track” essential Superdome repairs for completion by September 8, 2006, before the first home game of the New Orleans Saints.

The repairs and improvements to the Superdome required a contract manager and an architectural and design team. The contract manager directly monitored or coordinated 45 contractors and subcontractors to complete over 140 separate tasks in major categories such as mold and bacteria, roofing, scoreboards and graphics, conveyances, parking garage, fixed stadium seating, interior furniture and fixtures packages, food service equipment, and synthetic turf. The contract manager and OFPC tracked eligible FEMA-funded repairs. They also tracked state-funded repairs and improvements that were not FEMA eligible.

RESULTS OF AUDIT

OFPC expended and accounted for FEMA funds according to federal regulations and FEMA guidelines. OFPC properly accounted for costs on a project-by-project basis, and provided adequate documentation to support claimed contractor expenses.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOW-UP

We discussed the results of our audit with FEMA and GOHSEP officials on March 9, 2009, and with OFPC officials on March 18, 2009. These officials agreed with our audit results. Because the audit did not identify issues requiring further action from FEMA, we consider this audit closed. Should you have questions concerning this report, please contact me or Paige Hamrick, Audit Manager, at (940) 891-8900.

Cc: Regional Administrator, FEMA Region VI
 Audit Liaison, FEMA Region VI
 Audit Liaison, FEMA Louisiana Transitional Recovery Office
 Audit Liaison, FEMA (Job Code DG8C07)
 Audit Liaison, Gulf Coast Recovery Office

EXHIBIT

Schedule of Audited Projects
Louisiana Superdome Sheltering and Repair
FEMA Disaster Number 1603-DR-LA

<u>Project Number</u>	<u>Award Amount</u>	<u>Claimed Amount*</u>
1262	\$ 2,630,484	\$ 2,576,248
2205	144,736,523	106,577,587
2376	5,011,496	5,027,799
2526	3,577,105	3,564,900
10307	332,849	19,492
10648	93,122	93,122
11047	5,549,796	2,498,223
11822	6,483,532	5,855,707
17166	821,000	795,374
17167	1,160,756	1,197,996
17233	565,630	510,976
17279	20,000	20,075
17348	3,667	4,860
17349	64,130	57,933
17352	<u>1,087,500</u>	<u>1,091,578</u>
Totals	<u>\$172,137,590</u>	<u>\$129,891,870</u>

* As of July 24, 2008.