

Spotlight

Department of Homeland Security



Office of Inspector General

February 2013 OIG-13-46

Why This Matters

The American Recovery and Reinvestment Act of 2009, as amended, (Recovery Act) appropriated \$610 million to the Federal Emergency Management Agency (FEMA) for emergency food and shelter programs, and grants for public transit, port security assistance, and non-Federal fire station construction. FEMA awarded \$150 million of that amount in port security grants to 214 ports, port authorities, ferry systems, and other eligible entities. To protect the revenue, it is paramount to ensure that the costs claimed are allowable, allocable, and reasonable.

DHS Response

FEMA concurred with the recommendation. To resolve the question of \$174,060 costs pertaining to the fiber infrastructure hardening at the Marina, FEMA will request that the Port of Los Angeles submit an updated Investment Justification/Project Plan outlining the details of the expansion of the fiber-optic communications network in question. If the updated proposal submitted by the Port of Los Angeles is acceptable, FEMA will amend their grant to incur these charges and deem them as an eligible cost.

For Further Information:

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

Costs Claimed by the Port of Los Angeles Under Port Security Grant Number 2009-PU-R1-0176

What We Determined

The objective of the audit was to determine whether costs claimed were allowable, allocable, and reasonable according to the grant agreement and applicable Federal requirements. FEMA granted \$6 million to the Port of Los Angeles (port) for a port-wide fiber optics project. We questioned \$174,060 of the \$5,703,711 claimed by the port. The questioned costs represent costs incurred at the Cabrillo Way Marina that were transferred to the Port of Los Angeles FEMA grant project. The port could not support the basis for the transfer. We also determined that the port fulfilled the requirements for submitting quarterly reports, for paying prevailing wages, and for complying with the requirement to use goods manufactured in the United States. Furthermore, we concluded that the quarterly reports contained data on expenditure and jobs that was adequately supported. The report contained one recommendation.

What We Recommend

We recommend for FEMA's Contracting Officer to resolve the \$174,060 of unsupported grant costs.