



Why This Matters

Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*, requires the Department of Homeland Security, Office of Inspector General, to audit individual States' and Territories' management of State Homeland Security Program (SHSP) and Urban Areas Security Initiative (UASI) grants. This report responds to the reporting requirement for the Commonwealth of Puerto Rico.

The Federal Emergency Management Agency (FEMA) awarded the Commonwealth of Puerto Rico more than \$24 million in SHSP and UASI funds during fiscal years 2009 through 2011.

DHS Response

FEMA concurred with all 15 recommendations, and is taking or planning to take corrective actions to implement the recommendations.

For Further Information:

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

Puerto Rico's Management of Homeland Security Grant Program Awards for Fiscal Years 2009 Through 2011

What We Determined

In most instances, the State Administrative Agency did an effective and efficient job of administering the program requirements, distributing grant funds, and ensuring that all available funds were used. However, we identified seven areas for improvement in the Commonwealth of Puerto Rico: Fusion Center contingency planning, grant expenditures, strategic planning, subgrantee monitoring, Single Audits, financial reporting, and obligation of funds. Additionally, we identified more than \$2 million in questioned costs, primarily resulting from unsupported costs, unauthorized equipment purchases, and improper use of funds by subgrantees in fiscal years 2009 through 2011.

What We Recommend

FEMA Assistant Administrator, Grant Programs Directorate, to conduct an immediate onsite review of the Fusion Center to ensure it is operational, and monitor sustainability of the Fusion Center on a periodic basis.

FEMA Assistant Administrator, Grant Programs Directorate, to require the Office for Public Safety and Security to:

- Develop a management plan for operation of the Fusion Center that addresses continuity of operations and sustainability without DHS funding. If FEMA determines the Fusion Center to be non-operational, return to FEMA the full cost of \$501,430.
- Provide to FEMA sufficient support for the questioned costs totaling \$2,001,841 related to unsupported, unauthorized, or improper grant expenditures, or return the funds to FEMA.
- Establish and implement policies and procedures for development of its Homeland Security Strategies to ensure compliance with Federal guidance, and assist in updating its strategies to include goals and objectives that are specific, measurable, and time-limited.
- Develop policies and procedures for subgrantee monitoring to ensure subgrantee compliance with appropriate guidance, and to visit subgrantee sites to locate equipment or to return to FEMA \$63,937 if the equipment cannot be located.
- Establish and implement policies and procedures for annual procurement of Single Audit services, and ensure compliance prior to draw-down of grant funds.
- Develop and enforce policies and procedures to ensure that funds are obligated to subgrantees in accordance with grant guidance, for review and approval of grant expenditures, and to ensure accurate reporting of amounts obligated and expended.