FEMA Should Recover
$21.7 Million of $376 Million in Public
Assistance Grant Funds
Awarded to the City of Biloxi, Mississippi, for
Hurricane Katrina Damages
What We Found

For the majority of the $376 million we reviewed, the City of Biloxi, Mississippi (City) accounted for and expended Federal Emergency Management Agency (FEMA) funds according to Federal requirements. However, the City did not follow all Federal procurement standards for a contract totaling $21.7 million for management of an infrastructure project. As a result, full and open competition did not always occur, which increased the risk of fraud, waste, and abuse, and at least $8.1 million of the $21.7 million in contract costs was unreasonable.

These issues occurred primarily because of the City’s limited familiarity with Federal procurement requirements. However, the grantee (Mississippi) is responsible for ensuring that its sub-grantee (the City) is aware of and complies with these requirements, as well as for providing technical assistance and monitoring grant activities.

FEMA Response

FEMA’s written response is due within 90 days.
MEMORANDUM FOR: Gracia Szczech  
Regional Administrator, Region IV  
Federal Emergency Management Agency  

FROM: John V. Kelly  
Assistant Inspector General  
Office of Emergency Management Oversight  

SUBJECT: FEMA Should Recover $21.7 Million of $376 Million in Public Assistance Grant Funds Awarded to the City of Biloxi, Mississippi for Hurricane Katrina Damages  
Audit Report Number OIG-15-131-D  

We audited Federal Emergency Management Agency (FEMA) Public Assistance Program grant funds awarded to the City of Biloxi, Mississippi (City), for Hurricane Katrina damages. In this third audit of the City’s grant, we reviewed 22 projects totaling $376 million, or about 71 percent of the total $527 million grant the City received from the Mississippi Emergency Management Agency (Mississippi), a FEMA grantee.¹ The award provided 100 percent FEMA funding.

Although Hurricane Katrina occurred over 9 years ago, the City started spending most of its Federal funding on the 22 projects within the last 3 years and has claimed only $68 million, or about 18 percent of the $376 million. One of our goals for doing this audit was to identify areas where the City may need additional technical assistance or monitoring to ensure compliance with Federal regulations and FEMA guidelines. In addition, the City has the opportunity to correct noncompliance before it spends the majority of its grant funding. It also allows the City the opportunity to supplement deficient documentation or locate missing records before too much time elapses after project completion.

¹ The first two audits resulted in Audit Report GC-MS-06-25, Review of Hurricane Katrina Activities City of Biloxi, Mississippi, March 22, 2006; and Audit Report DA-10-03, City of Biloxi, Mississippi, December 15, 2009.
Background

On August 29, 2005, Hurricane Katrina hit the City of Biloxi, Mississippi, as a Category 4 hurricane inundating it with salt water from a 22-foot storm surge from the Gulf of Mexico. The City suffered major damages to piers, buildings and other facilities, with its water distribution, sewer collection and pumping, and storm drainage systems taking the biggest hit. The City refers to these systems collectively as its “infrastructure system.”

The City determined that it could increase the overall efficiency and effectiveness of its infrastructure system by enhancing and upgrading some parts of it while eliminating the inefficient parts. Therefore, the City elected to combine 16 projects totaling over $344 million (obligated) into 1 improved project (Project 11253) to repair the City’s infrastructure systems back to pre-disaster function and capacity. The City awarded contracts for over $340,431,499 to complete the infrastructure system project, which consisted of repairing and/or replacing (1) 426,000 linear feet of sewer main, (2) 485,000 linear feet of water main, (3) 48 sewer lift stations, (4) 320,000 linear feet of storm drainage, and (5) 100 miles of street paving.

The City did not begin construction on the infrastructure systems until May 2011. The City had been working with FEMA and Mississippi officials since 2007 to define required repair projects and hire a program management firm and multiple contractors for the massive construction project. In the interim, FEMA wrote project worksheets for temporary repairs to make the infrastructure system usable. At the start of our audit, the City had claimed about $47 million of the award amount for the infrastructure system project.

Lastly, the City is in the heart of the “Fertile Fisheries Crescent” of the northern Gulf of Mexico, and pier fishing is important to the community. The hurricane destroyed two of the City’s drive-on fishing piers: Old Highway 90 and Back Bay. The City elected an improved project (Project 10452) to rebuild the Old Highway 90 fishing pier and an alternate project (Project 10456) for the Back Bay.

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2 An applicant may decide to improve a damaged facility when performing restoration work on it. FEMA calls projects that incorporate such improvements “improved projects.”

3 Because the infrastructure systems project is an improved project, it is capped at $340,431,499, the FEMA award amount. Therefore, we did not review or question above the FEMA award amount.

4 At the start of our audit, the City had claimed about $68 million, which included $47 million for the infrastructure system project, $11 million related to fishing piers, and $10 million for program management.
Bay pier.\(^5\) The City used the funding FEMA provided for the alternate project to make the improvements to the Old Highway 90 fishing pier. As of the start of our audit, the City had completed work on the fishing pier projects and submitted a final claim of about $11 million to Mississippi for project expenditures.\(^6\)

**Results of Audit**

For most of the 22 large projects in our audit scope, the City generally accounted for FEMA funds properly and complied with Federal regulations. However, the City did not comply with all Federal procurement standards in awarding a contract totaling over $21.7 million for managing the infrastructure projects.\(^7\) As a result, full and open competition did not always occur, which increased the risk of fraud, waste, and abuse; and at least $8.1 million of the $21.7 million in contract costs was unreasonable. Therefore, FEMA should disallow $21.7 million in improper contracting costs, of which at least $8.1 million was also unreasonable.

These issues occurred because of the City’s unfamiliarity with Federal procurement requirements. However, the grantee (Mississippi) is responsible for ensuring that its sub-grantee (the City) is aware of and complies with these requirements, as well as for providing technical assistance and monitoring grant activities. Therefore, FEMA should also direct Mississippi to (1) monitor the City’s grant activities and (2) provide technical assistance to assist the City in improving its procurement policies and procedures for federally funded work and thereby decrease the risk of losing additional FEMA funds.

\(^5\) An alternate project allows an applicant to determine that the public welfare would not be best served by restoring a damaged facility or its function. With FEMA's approval, an applicant may use the grant funding for that facility for other eligible purposes.

\(^6\) Table 3 in appendix B lists the 22 projects in our audit scope, which consisted of 17 projects for the improved infrastructure work, 1 project for managing that improved project, and 4 projects related to fishing piers.
Finding A: Contracting Procedures for Infrastructure Project Management

The City did not comply with all Federal procurement regulations when awarding a contract valued at over $21,711,231 for management of an infrastructure project. As a result, full and open competition did not always occur, which increased the risk of fraud, waste, and abuse; and at least $8,093,971 in contract costs were unreasonable. Federal procurement standards at 44 Code of Federal Regulations (CFR) 13.36, in part, require the City to—

1. conduct all procurement transactions in a manner providing full and open competition. Sub-grantees may use noncompetitive procurement under certain circumstances, one of which is when the public exigency or emergency will not permit a delay resulting from competitive solicitation (44 CFR 13.36(c) and 44 CFR 13.36(d)(4)(i)(B));

2. use competitive procurement and make awards to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered (44 CFR 13.36(d)(3)(iv)); and

3. procure architectural and engineering (A/E) professional services using a method where price is not used as a selection factor but competitors’ qualifications, subject to negotiation of fair and reasonable compensation. However, a sub-grantee cannot use this method to purchase other types of services from A/E firms (44 CFR 13.36(d)(3)(v)).

FEMA may grant exceptions to Federal procurement requirements to sub-grantees on a case-by-case basis (44 CFR 13.6(c)). In addition, Federal cost principles (Cost Principles for State, Local and Indian Tribal Governments at 2 CFR 225, Appendix A, Section C.2) state that costs must be necessary and reasonable for efficient and reasonable performance and administration of the grant to be eligible under a Federal award.

The City improperly awarded a contract for more than $21,711,231 for managing the infrastructure project to a firm based solely on its qualifications, rather than using price as a selection factor. Federal regulations allow this method of selection only for A/E work. When A/E firms perform other types of services, they must compete for the work based on cost, just like all other types of firms. Although the City awarded the contract to an A/E firm, the scope of work was for project management, not A/E work. As a result, other responsible firms that might have been willing to perform the work for less did not receive the City’s consideration. In addition, because the City negotiated price based
on rates appropriate for A/E work, rather than the lower rates appropriate for project management, the $21,711,231 contract exceeded a reasonable cost amount by at least $8,093,971.

In April 2008, the City used competitive proposal procedures based on qualifications to solicit contract work for project management activities for an infrastructure project valued at $340,431,499. Upon evaluating the proposals it received, the City selected an A/E firm that it believed was best qualified for the work. The City then used FEMA Cost Curve B (FEMA 322, June 2007, p. 60)—which applies to engineering and design fees for construction projects of average complexity—to negotiate the firm’s compensation of about 6.38 percent of total construction costs of the infrastructure project ($21,711,231 divided by $340,431,499 equals 6.377562 percent).

However, the City’s solicitation package and initial contract included no details of A/E services and, instead, mentioned only “other engineering services.” FEMA Public Assistance Guide (FEMA 322, June 2007, p. 56) defines A/E work as preliminary engineering analysis, preliminary design, final design, and construction inspection. Our review of the services the A/E firm actually performed did not identify any A/E-type work. In fact, in November 2009, the City approved the A/E firm’s change order request to amend its contract to remove any mention of engineering services and increase labor hours and rates for project management activities. Finally, we noted that the City hired 16 separate A/E firms for almost $23 million to perform actual A/E services on the infrastructure project. Table 1 outlines required work in the solicitation package and initial and amended contracts, and actual work the A/E firm performed.

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8 We used FEMA 322, June 2007, as criteria because advertisement for the project management services did not start until April 2008.
Table 1: Comparison of Required vs. Actual Work Performed

<table>
<thead>
<tr>
<th>Type of Contract Work</th>
<th>Solicitation Package/Initial Contract</th>
<th>Amended Contract</th>
<th>Actual Duties</th>
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<tbody>
<tr>
<td><strong>Architect and Engineering Activities</strong>&lt;sup&gt;9&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Preliminary engineering analysis</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction inspection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project Management Design Activities</strong>&lt;sup&gt;10&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing A/E contract for final design</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Managing the permitting and special review process</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Interfacing with other agencies</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Project Management Construction Activities</strong>&lt;sup&gt;11&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review of bids</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Work site inspection visits</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Checking and approving material samples</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Review of shop drawings and change orders</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Review of Contractor’s request for payments</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Acting as Client’s representative</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Special Services</strong>&lt;sup&gt;12&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering surveys</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soil investigations</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services of a resident engineer</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feasibility Studies</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Office of Inspector General (OIG) site visit and analysis of City procurement records

During the initial solicitation in April 2008, the City should have procured the project management services based on costs, not qualifications. Although the City renegotiated the firm’s contract in November 2009 to exclude special services, it did not renegotiate the firm’s compensation to establish a fair and reasonable price for the project management services the firm would perform. Therefore, the City’s contract included at least $8,093,971 of unreasonable costs for project management services the firm performed as we explain in the following paragraphs.

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<sup>9</sup> A/E activities as defined in FEMA Public Assistance Guide 322, June 2007, p. 56.
<sup>10</sup> Project management design activities as defined in FEMA CEF Instructional Guide for Large Projects, 11.1(H)(1).
<sup>11</sup> Project management construction activities as defined in FEMA Public Assistance Guide 322, June 2007, p. 59.
<sup>12</sup> Special Services as defined in FEMA Public Assistance Guide 322, June 2007, p. 59.
According to FEMA Public Assistance Guide (FEMA 322, June 2007, p. 59), “for a project requiring basic construction inspection services, a fee not exceeding 3 percent of construction costs may be used.” Further, the FEMA Cost Estimating Format (CEF) Instructional Guide for Large Projects, 11.1(H)(1), allows 1 percent of construction costs for management of the project design phase. Using these cost guidelines for construction services, we concluded that 4 percent of construction costs or $13,617,260 ($340,431,499 times 4 percent) is fair and reasonable compensation for project management services the firm provided. Therefore, we determined that the City’s contract for project management costs included at least $8,093,971 ($21,711,231 less $13,617,260) of unreasonable contract costs.

City officials said they believed they had followed all of FEMA’s required guidelines and Mississippi procurement laws. However, Federal procurement regulations required the City to award the contract to the most responsible bidder whose bid was lowest in price.

The City did not concur with our finding. The City believes that its program management costs are eligible and reimbursable costs. The City asserts that the excessive contract costs were for program management special services; specifically, resident project representative services. City officials said that they followed the Mississippi procurement guidelines pertaining to the selection of A/E professional services when procuring the program management firm.

The City also asserts that we do not define A/E services in this report, but instead only list some of the basic services. The City believes that program management is an A/E service and cites the Federal Acquisition Regulations (FAR) 48 CFR 36.601-4(a) and 48 CFR 2.101(b)(2) (1)-(3); 23 United States Code (USC) 112(b)(2)(A); and the FEMA Field Manual to support its definition of “architect-engineer services.” City officials said that 48 CFR 36.601-4(a)(3) states that contracting officers should consider professional services of an architectural or engineering nature or services incidental thereto (including program management) to be “architect-engineer services.” The criteria explain that the services must logically or justifiably require registered architects or engineers or their employees to perform the services. The City asserts that the services the program manager performed required a registered professional engineering firm perform the established scope of work.

We disagree with the City’s methodology and reasoning. The program management services in question are not A/E services. After our review of the program management contract, site visits, and interviews with the A/E firm personnel concerning work it performed, we concluded the work did not include any special resident project representative services as the City asserts.
The duties the A/E firm performed were normal inspection and monitoring for a construction project. The 4 percent fee we used in our calculation covers these types of duties. Therefore, we do not consider them special resident project representative services.

In addition, the fact that the City followed Mississippi procurement laws is not relevant here. Federal procurement standards at 44 CFR 13.36(a) allow a State, when procuring property and services under a grant, to follow the same policies and procedures it uses for procurements from its non-Federal funds; however, other grantees and sub-grantees must follow 44 CFR 13.36(b)-(i). The City is a FEMA sub-grantee, not a State agency, and therefore must follow 44 CFR 13.36(b)-(i), not State procurement policies and procedures.

The FAR, USC, and FEMA Field Manual discuss A/E services and other professional services of an A/E nature, but do not justify the City’s assertion that all program management is an A/E service or of an A/E nature. Finally, our interviews with the A/E firm personnel performing the program management duties revealed that most employees were not engineering professionals; therefore, the work the firm performed did not logically or justifiably require that registered architects or engineers perform the work.

**Summary**

Because of the City’s procurement actions, FEMA has no assurances that the City paid a fair and reasonable price for the contract work. FEMA generally does not disallow contracting costs based solely on a sub-grantee’s noncompliance with Federal contracting requirements. Instead, FEMA usually determines whether the contracting costs were reasonable under the circumstances, and allows only reasonable costs. We do not agree with this practice because the goal of proper contracting involves more than just cost. Therefore, we are questioning the $21,711,231 of contract costs as ineligible—$8,093,971 as unreasonable, and the remaining $13,617,260 because the City procured the contract improperly.

**Finding B: Grant Management**

Mississippi did not fulfill its grantee responsibility to ensure the City followed applicable Federal procurement regulations. The nature and extent of ineligible costs we identified demonstrate that Mississippi should have been more thorough in reviewing the City’s contracting methods. Federal regulations require grantees to (1) ensure that sub-grantees are aware of Federal regulations, (2) manage the operations of sub-grant activity, and (3) monitor
sub-grant activity to ensure compliance.\footnote{44 CFR 13.37(a)(2) and 44 CFR 13.40(a)} Therefore, FEMA should direct Mississippi to monitor the City’s grant activities and provide technical assistance to assist the City in improving its procurement policies and procedures for federally funded work. Doing so should decrease the risk of the City losing additional FEMA funds.

Mississippi and FEMA officials withheld comments pending receipt of this report.

**Recommendations**

We recommend that the Regional Administrator, FEMA Region IV:

**Recommendation 1:** Disallow as ineligible $8,093,971 of the $21,711,231 contract the City awarded for management of an infrastructure project because the costs are unreasonable according to Federal cost principles, FEMA’s *Public Assistance Guide*, and FEMA’s *Cost Estimating Format (CEF) Instructional Guide for Large Projects* (finding A).

**Recommendation 2:** Disallow as ineligible the remaining $13,617,260 of the $21,711,231 contract the City awarded for management of an infrastructure project because the City did not follow Federal procurement standards when awarding the contract, unless FEMA decides to grant an exception for all or part of the costs as provided for in 44 CFR 13.6(c) and determines that the costs are reasonable (finding A).

**Recommendation 3:** Direct Mississippi to (1) monitor the City’s grant activities and (2) provide technical assistance to assist the City in improving its procurement policies and procedures for federally funded work and thereby decrease the risk of losing additional FEMA funds (finding B).

**Discussion with Management and Audit Follow-Up**

We discussed the results of our audit with City, Mississippi, and FEMA officials during our audit. We also provided a draft report in advance to these officials and discussed it at the exit conference on April 15, 2015. We included the officials’ comments, as applicable, in the body of the report. The City disagreed
with finding A, and Mississippi and FEMA officials elected to withhold comments until after we issue our final report.

Within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include the contact information for responsible parties and any other supporting documentation necessary to inform us about the status of the recommendations. Please email a signed pdf copy of all responses and closeout request to larry.arnold@oig.dhs.gov. Until we receive and evaluate your response, we will consider the recommendations as open and unresolved.

The Office of Emergency Management Oversight major contributors to this report are David Kimble, Director; Larry Arnold, Director; Melissa Powe Williams, Acting Audit Manager; Jerry Aubin, Auditor; Emma Peyton, Auditor; and Alicia Lewis, Auditor.

Please call me with any questions at (202) 254-4100, or your staff may contact Larry Arnold, Director, Gulf Coast Regional Office, at (228) 822-0346.
Appendix A

Objective, Scope and Methodology

We audited FEMA Public Assistance Program grant funds awarded to the City (Public Assistance Identification Number 047-06220-00). Our audit objective was to determine whether the City accounted for and expended FEMA funds according to Federal regulations and FEMA guidelines for FEMA Disaster Number 1604-DR-MS. The City received a Public Assistance grant award of $526.7 million ($496.9 million net after reductions for insurance and other adjustments) from Mississippi, a FEMA grantee, for damages resulting from Hurricane Katrina, which occurred in August 2005. The award provided 100 percent FEMA funding for debris removal, emergency protective measures, and permanent repairs to buildings and facilities and consisted of 164 large projects and 145 small projects.14

Our audit covered the period August 29, 2005, to March 13, 2014, during which the City claimed $68.3 million in costs for the 22 projects in our audit scope.15 At the time of our audit, the City had not completed work on all projects and, therefore, had not submitted a final claim to Mississippi for all project expenditures.

To accomplish our objective, we interviewed FEMA, Mississippi, and City officials; gained an understanding of the City’s method of accounting for disaster-related costs and its procurement policies and procedures; judgmentally selected and reviewed (generally based on dollar values) project costs and procurement transactions for the projects in our audit scope; reviewed applicable Federal regulations and FEMA guidelines; and performed other procedures considered necessary under the circumstances to accomplish our audit objective. As part of standard audit procedures, we also notified the Recovery Accountability and Transparency Board of all contracts the City awarded under the projects within our audit scope to determine whether the contractors were debarred or whether there were any indications of other issues related to those contractors that would indicate fraud, waste, or abuse. The Recovery Accountability and Transparency Board determined that none of the contractors were debarred and no other issues came to its attention related to those contractors that would indicate fraud, waste, or abuse. We did not

14 Federal regulations in effect at the time of Hurricane Katrina set the large project threshold at $55,500.
15 We adjusted our audit period for Projects 10456, 10924, and 10925 to April 15, 2014, April 2, 2014, and April 2, 2014, respectively, to add these projects to our scope because during audit fieldwork we determined that the projects costs were an integral part of Project 10452 already within our scope.
perform a detailed assessment of the City’s internal controls applicable to its grant activities because it was not necessary to accomplish our audit objective.

Table 2 shows the gross and net award amounts before and after reductions for insurance, salvage and other adjustments for all projects and for those in our audit scope.

Table 2: Gross and Net Award Amounts

<table>
<thead>
<tr>
<th>Gross Award Amount</th>
<th>Insurance Reductions</th>
<th>Salvage and Other Adjustments</th>
<th>Net Award Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Projects $526,729,565</td>
<td>$(29,700,000)</td>
<td>$(98,221)</td>
<td>$496,931,344</td>
</tr>
<tr>
<td>Audit Scope $376,436,101</td>
<td>$(2,900,365)</td>
<td>$(0)</td>
<td>$373,535,736</td>
</tr>
</tbody>
</table>

Source: FEMA Insurance Summary Review Report

We conducted this performance audit between March 2014 and April 2015 pursuant to 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 upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective. Unless stated otherwise in this report, we applied the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.
Appendix B

Potential Monetary Benefits

Table 3: Projects Audited and Questioned Costs

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Category of Work - Project Scope</th>
<th>Amount Awarded</th>
<th>Amount Claimed</th>
<th>Questioned Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>11253</td>
<td>F-Water, Sewer, Drainage Infrastructure - Improved Project</td>
<td>$</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>11019</td>
<td>F-Area 1 - Water, Sewer &amp; Drain Lines</td>
<td>9,705,311</td>
<td>781,802</td>
<td>247,410</td>
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<tr>
<td>11021</td>
<td>F-Area 2 - Water, Sewer &amp; Drain Lines</td>
<td>30,887,771</td>
<td>5,977,682</td>
<td>466,984</td>
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<tr>
<td>11017</td>
<td>F-Area 3 - Water, Sewer &amp; Drain Lines</td>
<td>14,706,955</td>
<td>1,084,438</td>
<td>264,411</td>
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<tr>
<td>10977</td>
<td>F-Area 4 - Water, Sewer &amp; Drain Lines</td>
<td>19,586,857</td>
<td>19,586,857</td>
<td>267,163</td>
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<td>11000</td>
<td>F-Area 5 - Water, Sewer &amp; Drain Lines</td>
<td>16,318,990</td>
<td>318,432</td>
<td>137,650</td>
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<td>11001</td>
<td>F-Area 6 - Water, Sewer &amp; Drain Lines</td>
<td>17,524,050</td>
<td>818,675</td>
<td>240,477</td>
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<td>10999</td>
<td>F-Area 7 - Water, Sewer &amp; Drain Lines</td>
<td>15,783,750</td>
<td>825,838</td>
<td>231,597</td>
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<tr>
<td>10998</td>
<td>F-Area 8 - Water, Sewer &amp; Drain Lines</td>
<td>25,228,591</td>
<td>10,874,073</td>
<td>228,086</td>
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<tr>
<td>11020</td>
<td>F-Area 9 - Water, Sewer &amp; Drain Lines</td>
<td>11,951,812</td>
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<td>11023</td>
<td>F-Area 10 - Water, Sewer &amp; Drain Lines</td>
<td>12,758,757</td>
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<td>11016</td>
<td>F-Area 11 - Water, Sewer &amp; Drain Lines</td>
<td>61,130,529</td>
<td>1,143,003</td>
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<td>11018</td>
<td>F-Area 12 - Water, Sewer &amp; Drain Lines</td>
<td>51,514,124</td>
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<td>542,988</td>
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<td>11015</td>
<td>F-Area 13 - Water, Sewer &amp; Drain Lines</td>
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<td>11022</td>
<td>F-Area 14 - Water, Sewer &amp; Drain Lines</td>
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<td>456,468</td>
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<tr>
<td>7112</td>
<td>F-Lift Stations</td>
<td>4,315,173</td>
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<td>11043</td>
<td>F-Special Services for Water, Sewer &amp; Drain Lines</td>
<td>3,667,865</td>
<td>3,096,398</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$344,517,554</strong></td>
<td><strong>$47,361,134</strong></td>
<td><strong>$4,086,054</strong></td>
</tr>
</tbody>
</table>

16 FEMA classifies disaster-related work by type: debris removal (Category A), emergency protective measures (Category B), and permanent work (Categories C through G).

www.oig.dhs.gov
Table 4: Summary of Potential Monetary Benefits

<table>
<thead>
<tr>
<th>Type of Potential Monetary Benefit</th>
<th>Amounts</th>
<th>Federal Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questioned Costs – Ineligible</td>
<td>$21,711,231</td>
<td>$21,711,231</td>
</tr>
<tr>
<td>Questioned Costs – Unsupported</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Funds Put to Better Use</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$21,711,231</strong></td>
<td><strong>$21,711,231</strong></td>
</tr>
</tbody>
</table>

Source: OIG analysis of findings in this report
Appendix C

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