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OIG Audit Cites Millions in Unaccounted-for Funds

A New Orleans nonprofit that received more than \$19 million from the Federal Emergency Management Agency (FEMA) for damage sustained during Hurricane Katrina has so far accounted for only \$5.3 million and engaged in prohibited contracting practices, according to an audit by the Office of Inspector General (OIG), Department of Homeland Security.

The OIG found that the University Of New Orleans Research and Technology Foundation (Foundation) did not follow Federal contracting guidelines, which call for “open and free competition,” as well as opportunities for small business and those owned by women or minorities. On that basis, the OIG questioned more than \$9.6 million in contract payments.

OIG auditors further determined that the Foundation, which was originally awarded \$12 million by FEMA, ran up \$7 million in cost overruns without obtaining required permission from FEMA. They also noted that the Foundation’s accounting for taxpayer funds was still far from complete, eight years after Katrina and an average of four years after all repair projects were completed.

The report also cited FEMA and Louisiana emergency management officials for lax oversight of the Foundation’s grant. “Regulations and safeguards are in place to protect the public’s investment in disaster relief,” said Inspector General John Roth. “The monetary issues need to be resolved. But, more importantly, FEMA and state officials need to enforce the rules and provide stronger oversight over grantees.”

Read Report: [OIG-14-148-D "FEMA Should Disallow \\$9.6 Million of Disaster-Related Costs Incurred by the University of New Orleans Research and Technology Foundation, New Orleans, Louisiana"](#)

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