

**The City of Waterloo, Iowa,  
Jeopardizes \$1.9 Million in  
Estimated FEMA Grant  
Funding**





# **DHS OIG HIGHLIGHTS**

## ***The City of Waterloo, Iowa, Jeopardizes \$1.9 Million in Estimated FEMA Grant Funding***

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**April 9, 2018**

### **Why We Did This Audit**

At the time of our audit, Federal Emergency Management Agency (FEMA) estimated that the City of Waterloo, Iowa (City), sustained approximately \$1.9 million in damages from severe storms and flooding from September 21 through October 3, 2016. We conducted our review early in the grant process to identify areas in which the City may need additional technical assistance or monitoring to ensure compliance with Federal requirements.

### **What We Recommend**

We made three recommendations to FEMA that, when implemented, will prevent the City from jeopardizing \$1.9 million in estimated FEMA grant funds and protect taxpayers' dollars.

#### **For Further Information:**

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

### **What We Found**

City officials did not provide all requested information and explanations necessary to perform our review. Because the City did not provide supporting documentation for its disaster transactions, we were unable to assess whether the City's policies, procedures, and business practices were adequate to account for FEMA Public Assistance grant funds properly. The City's failure to cooperate with a Federal audit put approximately \$1.9 million dollars in potential FEMA grant funding at risk of being deobligated or not funded.

Based on the City's actions, FEMA lacks assurance that the City can properly account for disaster-related costs or that those costs are eligible and allowable. FEMA also cannot ensure that the City followed Federal procurement regulations and FEMA guidelines for disaster-related costs.

### **FEMA Response**

FEMA agreed with our findings and recommendations. Appendix B includes FEMA's response in its entirety.



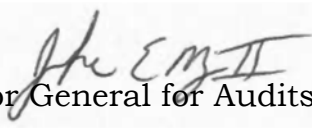
## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

APR 9 2018

MEMORANDUM FOR: Paul Taylor  
Regional Administrator, Region VII  
Federal Emergency Management Agency

FROM: John E. McCoy II   
Assistant Inspector General for Audits

SUBJECT: *The City of Waterloo, Iowa, Jeopardizes \$1.9 Million in Estimated FEMA Grant Funding*

Attached for your action is our final report, *The City of Waterloo, Iowa, Jeopardizes \$1.9 Million in Estimated FEMA Grant Funding*. We incorporated the formal comments provided by your office.

The report contains three recommendations. Your office concurred with all recommendations. Based on information provided in your response to the draft report, we consider recommendations 1 and 2 closed and recommendation 3 resolved and open.

We audited the capability of the City, a Federal Emergency Management Agency (FEMA) grant subrecipient, to manage FEMA Public Assistance grant funds. We conducted this audit early in the Public Assistance process to identify areas in which the City may need additional technical assistance or monitoring to ensure compliance with Federal regulations and FEMA guidelines. In addition, by undergoing an audit early in the grant cycle, subrecipients have the opportunity to correct noncompliance before they spend the majority of their grant funding. It also allows them the opportunity to supplement deficient documentation or locate missing records before too much time lapses.

At the time of our fieldwork, FEMA had awarded \$1.1 million of the \$1.9 million in estimated damages sustained from severe storms and flooding that began September 21, 2016, and lasted through October 3, 2016. The award will provide 75 percent Federal funding for eligible work. At the time of our audit, the City had not submitted any claims to Iowa Homeland Security and Emergency Management Department (Iowa) for reimbursement.

Consistent with our responsibility under *the Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.



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Please call me with any questions at (202) 254-4100, or your staff may contact Paul Wood, Acting Deputy Assistant Inspector General for Audits, at (202) 254-4100.

### Background

The City of Waterloo, located in northeast Iowa with a population of more than 68,000, is the county seat of Blackhawk County. On September 21, 2016, the Cedar River flooded causing damage to the low-lying areas within the City including roads and public parks (see figure 1). The President declared the flooding a major disaster on October 31, 2016. In anticipation of record flooding from the Cedar River, the City used emergency measures to reduce the immediate threat to lives, public health, and safety; and to protect publicly owned property.

**Figure 1: 2016 Flooding of Sans Souci Island Park in Waterloo, Iowa**



Source: City of Waterloo, Iowa

### Results of Audit

The City did not provide all requested information and explanations necessary to perform our review; therefore, we were unable to assess whether the City's policies, procedures, and business practices were adequate to account for FEMA Public Assistance grant funds properly. The City's failure to cooperate



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with a Federal audit put approximately \$1.9 million dollars in potential FEMA grant funding at risk of being deobligated or not funded.

Both FEMA and State officials said they experienced similar difficulties obtaining necessary information to process the City's grant awards, which affected the overall award amount. Based on the City's actions, FEMA lacks assurance that the City can account for disaster-related costs or that those costs are eligible and allowable. FEMA also cannot ensure that the City followed Federal procurement regulations and FEMA guidelines for disaster-related costs.

City officials did not provide all requested information and explanations necessary to complete this audit. As a result, we were unable to answer the audit objective and perform the duties and responsibilities required by the *Inspector General Act of 1978*, as amended, and Federal regulations. The *Inspector General Act* requires our organization to conduct and supervise audits relating to the programs and operations of the Department of Homeland Security. In accordance with 2 Code of Federal Regulations (CFR) 200.336, the non-Federal entity, in this case the City, must provide the Inspector General access to any documents, papers, or other records that are pertinent to the Federal award. That right of access also requires the non-Federal entity to give the Inspector General timely and reasonable access to its employees for the purpose of interview and discussion related to such documents. Also, the City agreed in writing, as part of the subgrant agreement, to provide Iowa and the Federal awarding agency access and examinations right for all records related to the FEMA grant subaward. Despite the City's assurances and certifications with Iowa on May 22, 2017 (see figure 2), the City did not comply with grant award requirements (see appendix C for the entirety of the State of Iowa Applicant's Assurances and Certifications).

**Figure 2: State of Iowa Applicant's Assurance and Certifications**

**IV ASSURANCES - CONSTRUCTION & NON-CONSTRUCTION PROGRAMS**  
This duly authorized representative for this applicant does hereby certify that it:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial, and financial capability (including funds sufficient to pay then on-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the Awarding Agency, the Comptroller of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award or assistance, and will establish a proper accounting system in accordance with generally accepted accounting standards, or agency directives.

Source: Iowa Homeland Security and Emergency Management Department



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On March 3, 2017, we notified FEMA, Iowa, and City officials of the audit scope and objective and provided an initial list of documents needed for review prior to entrance conferences and onsite visits. After weeks of coordination with the City's Chief Financial Officer (CFO), we scheduled a 1-week site visit in late May 2017. During the site visit, the audit team experienced significant difficulties scheduling employee interviews and obtaining City policies, procedures, and supporting documentation for disaster-related expenses and damages. The City's CFO was often unavailable for interviews, unable to answer specific questions about disaster-related costs, and unable to provide requested documents to the audit team. Although we eventually received the City's policies and procedures, we were unable to evaluate whether the City's disaster transactions complied with established policies and procedures.

Throughout the audit, City officials did not satisfy numerous information requests; did not provide necessary documents (i.e., supporting documentation for disaster contract awards); and did not facilitate scheduling site visits and employee interviews. From June to August 2017, we placed numerous phone calls and submitted information and documentation requests to the City Mayor (Mayor) and CFO that went unanswered. City officials said response delays occurred due to staff shortages and continued employee turnover.

FEMA and Iowa officials said they experienced the same issues with access to City records and documentation for this disaster. For example, the City did not provide Iowa or FEMA with supporting documentation for its \$575,578 grant subaward to replace its damaged skate park (see appendix D). As a result, FEMA reduced eligible funding to \$418,773 based on available supporting documentation. Iowa officials said they would not release funds for the City's large projects until the City provided supporting documentation. However, prior to the exit conferences, Iowa officials said they contacted a City official, other than the designated FEMA representative, to gather documentation necessary to finalize the City's disaster grants. Although Iowa officials eventually received necessary documentation, we are concerned about the City's ability to manage grant funding properly.

Based on the City's actions, we were unable to determine whether the City is capable of accounting for and expending FEMA grant funds according to Federal regulations and FEMA guidelines. As a result, FEMA lacks assurance that the City can account for disaster-related costs or that those costs are eligible and allowable. Additionally, FEMA cannot ensure that the City followed Federal regulations and FEMA guidelines for disaster-related costs. Therefore, we recommend FEMA suspend or delay approval of additional project funding for the City, under 4289-DR-IA, until Iowa verifies that the City complied with Federal requirements for sufficient access to records and information.



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Additionally, FEMA should direct Iowa to suspend or delay reimbursements to the City until Iowa completes onsite visits to ensure the City complies with Federal grant regulations. We also recommend FEMA consider the City an at-risk subrecipient and direct Iowa to impose special award conditions through additional requirements as needed to ensure the City's compliance with Federal grant regulations as allowed by 2 CFR 200.207(a)(4).<sup>1</sup> These special award conditions may include requiring the City to obtain technical assistance, imposing additional project monitoring, or withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period.<sup>2</sup>

### Recommendations

**Recommendation 1:** We recommend that the Regional Administrator, Federal Emergency Management Agency Region VII, suspend or delay approval of additional project funding for the City, under 4289-DR-IA, until Iowa verifies that the City complied with Federal requirements for sufficient access to records and information.

**Recommendation 2:** We recommend that the Regional Administrator, Federal Emergency Management Agency Region VII, direct Iowa to suspend or delay reimbursements to the City until Iowa completes onsite visits to ensure the City complies with Federal grant regulations for 4289-DR-IA.

**Recommendation 3:** We recommend that the Regional Administrator, Federal Emergency Management Agency Region VII, consider the City as an at-risk subrecipient and direct Iowa to impose special award conditions through additional requirements as needed to ensure the City's compliance with Federal grant regulations as allowed by 2 CFR 200.207.

### Discussions with Management and Audit Follow-up

We discussed the results of our audit with FEMA, Iowa, and City officials. We considered their comments when developing our report and incorporated their comments as appropriate. We also provided a draft report to these officials and discussed it at exit conferences with FEMA officials on January 18, 2018, and with Iowa and City officials on January 26, 2018. FEMA, Iowa, and City officials generally agreed with our findings and recommendations. At the exit

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<sup>1</sup> 2 CFR 200.207(a)(4) allows the Federal awarding agency or pass-through entity to impose additional specific award conditions as needed when an applicant or recipient is not otherwise responsible.

<sup>2</sup> 2 CFR 200.207(b).



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conference, City officials said they will cooperate with future information requests from Iowa.

FEMA officials provided a written response to this report on February 16, 2018, agreeing with our findings and recommendations (see appendix B). FEMA's responses were sufficient to resolve all three recommendations in this report. For recommendations 1 and 2, FEMA provided evidence that it has suspended approving additional project work for the City until it receives the results of Iowa's monitoring visit and a memo directing Iowa to suspend or delay reimbursements to the City until the City is in compliance with Federal requirements. Therefore, we consider recommendations 1 and 2 closed with no further action required.

For recommendation 3, FEMA provided a corrective action plan with a target completion date of 90 days after final report issuance. As a result, we consider recommendation 3 resolved and open, and we will close this recommendation when we receive documentation to verify that FEMA has completed its planned actions.

The Office of Audits major contributors to this report were Larry Arnold, Director; Chiquita Washington, Audit Manager; Heather Hubbard, Auditor-in-Charge; Lauren Moore, Auditor; Michael McGee, Auditor; Thomas Hamlin, Communications Analyst; Kevin Dolloson, Communications Analyst; and Audrey Van, Independent Reference Reviewer.





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### Appendix A Objective, Scope, and Methodology

We audited the capability of the City of Waterloo, Iowa, Public Assistance Identification Number 013-82425-00, to manage FEMA Public Assistance grant funds. Our audit objective was to determine whether the City's policies, procedures, and business practices were adequate to account for and expend FEMA grant funds according to Federal regulations and FEMA guidelines for FEMA Disaster Number 4289-DR-IA. FEMA's preliminary damage assessments estimated total damages of \$1.9 million resulting from severe storms and flooding that began on September 21, 2016, and continued through October 3, 2016. The audit covered the period from September 21, 2016, through May 22, 2017. As of May 22, 2017, FEMA awarded \$1,120,199 for three small and four large projects and had not yet completely developed project worksheets for the remaining projects.<sup>3</sup> The award will provide 75 percent FEMA funding for eligible work.

**Table 1: Schedule of Projects and Award Amounts**

Project Worksheet <sup>3</sup>	Category of Work <sup>4</sup>	Estimated Damages	Total Award Amount
278	A	\$ 250,000	\$ 160,951
203,226	B	587,000	481,895
240	C	310,000	167,504
169	E	20,000	0
99	F	127,500	5,600
291	G	600,000	304,249
<b>Totals:</b>		<b>\$1,894,500</b>	<b>\$1,120,199</b>

Source: Office of Inspector General analysis, FEMA preliminary damage assessments and City documentation

We interviewed FEMA, Iowa, and City officials; reviewed applicable Federal regulations and FEMA guidelines; gained a basic understanding of how the City plans to account for disaster-related costs; and performed other procedures necessary to accomplish our objective. Due to the scope limitation,

<sup>3</sup> Federal regulations in effect at the time of the disaster set the large project threshold at greater than \$123,100 [Notice of Adjustment of Disaster Grant Amounts, Vol. 81, No. 197, Fed. Reg. 70,434 (Oct. 12, 2016)].

<sup>4</sup> A project worksheet is the form FEMA uses to document the details of the Applicant's project and costs claimed.

<sup>5</sup> FEMA identifies type of work by category: "A" for debris removal, "B" for emergency protective measures, and "C-G" for permanent work.



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### **Appendix A** **Objective, Scope, and Methodology (continued)**

we could not select a sample of project costs or disaster-related contracts for detailed testing. We also could not perform a detailed assessment of the City's internal controls over its grant activities.

We conducted this performance audit between May 2017 and January 2018 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. In conducting this audit, we applied the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.



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**Appendix B**  
**FEMA Region VII Audit Response**

U.S. Department of Homeland Security  
Region VII  
11224 Holmes Rd.  
Kansas City, MO 64131-3626



**FEMA**

February 16, 2018

MEMORANDUM TO: Paul Wood  
Acting Deputy Assistant Inspector General for Audits  
Office of Inspector General

FROM: Paul Taylor  
Regional Administrator, Region VII  
Federal Emergency Management Agency

SUBJECT: Management's Response to OIG Draft Report: *City of Waterloo, Iowa, Jeopardizes \$1.9 Million in Estimated FEMA Grant Funding*  
Audit Project Number: G-17-019-EMO-FEMA

**PAUL J TAYLOR**  
Digitally signed by PAUL J TAYLOR  
DN: c=US, o=U.S. Government,  
ou=Department of Homeland  
Security, ou=FEMA, ou=Region  
VII, email=j.taylor@dhs.gov,  
serial=1920030010011408963,  
767775246,  
Date: 2018.02.16 11:10:20 -0600

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) Region VII appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report. FEMA Region VII also appreciates the additional efforts by the audit team to coordinate with regional personnel throughout the process and to ensure that FEMA Region VII was continuously apprised of the status of the audit.

The draft report contained three recommendations with which FEMA Region VII concurs. Please see the attached for our detailed response to the recommendations.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you in the future.

Attachment



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**Appendix B**  
**FEMA Region VII Audit Response (continued)**

**Attachment A**  
**FEMA Region VII Management Response to**  
**Recommendations Contained in G-17-019-EMO-FEMA**

**Recommendation 1:** Suspend or delay funding for additional grant awards until the City, through Iowa, complies with subgrant award requirements for sufficient access to records and information.

**Response:** Concur. Region VII has suspended funding and has not approved work for additional projects for the City of Waterloo. The suspension will not be removed until FEMA has verified that the City has provided sufficient access to records and information.

Estimated Completion Date (ECD): Region VII requests that this recommendation be considered resolved and closed.

**Recommendation 2:** Direct Iowa to suspend or delay reimbursements to the City until Iowa completes onsite visits to ensure the City complies with Federal grant regulations.

**Response:** Concur. FEMA has issued a letter directing Iowa to suspend or delay reimbursements to the City until Iowa completes their analysis of the February 5, 2018 site visit and has determined that the City is in compliance with federal requirements. A copy of the letter to Iowa was provided separately to the OIG audit team.

ECD: Region VII requests that this recommendation be considered resolved and closed.

**Recommendation 3:** Consider the City as an at-risk subrecipient and direct Iowa to impose special award conditions through additional requirements as needed to ensure the City's compliance with Federal grant regulations as allowed by 2 CFR 200.207.

**Response:** Concur. It is our understanding that Iowa conducted a site visit with City officials on February 5, 2018 and that the City is working with Iowa to ensure compliance with the terms and conditions of the subaward. Iowa is in the process of developing the monitoring report which will include any findings and required corrective actions. Region VII has requested a copy of the report when available and will make a determination on the appropriate next steps for imposing special conditions based on the information provided by Iowa.

ECD: Within 90 days of issuance of the final audit report.



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## Appendix C State of Iowa Applicant's Assurances and Certifications

**STATE OF IOWA  
APPLICANT'S ASSURANCES AND CERTIFICATIONS**

NOTE: Certain of these assurances and certifications may not be applicable to this project or program. If you have questions, please contact the Awarding Agency. Certain Federal assistance Awarding Agencies may require applicants to certify to additional assurances not included in this document. Applicants will be instructed by the Awarding Agency if additional assurances are required.

AS THE DULY DESIGNATED AUTHORIZED REPRESENTATIVE FOR THIS APPLICANT, I DO HEREBY AGREE IN THEIR NAME AND ON THEIR BEHALF TO ALL OF THE FOLLOWING TERMS AND CONDITIONS OF THIS GRANT.

**I HOLD HARMLESS AGREEMENT**

Pursuant to sections 403 and 407 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288), as amended, (42 U.S.C. §§5170 et seq. and 5173(b)), the undersigned agrees to indemnify, hold harmless, and defend the United States of America and the State of Iowa, as well as their agents and employees, from any claims arising from the removal of debris or wreckage for this disaster event. This applicant agrees that debris removal from public and private property will not occur until such time as the land-owner provides an unconditional authorization for the removal of debris.

**II CERTIFICATION REGARDING LOBBYING**

As required by the regulations implementing the New Restrictions on Lobbying this applicant hereby certifies that, to the best of their knowledge and belief:

1. No Federal appropriated funds have been or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction, imposed by § 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

**III DEBARMENT, SUSPENSION, & OTHER RESPONSIBILITY MATTERS**

As required by Executive Orders #12549 and 12689, Debarment and Suspension, for prospective participants in primary covered transactions.

This applicant hereby certifies that it and its principals:

1. (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency.
- (b) Have not within a three-year period preceding this application been convicted of, or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (c) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local), with commission of any of the offenses enumerated in the preceding paragraph of this certification.
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the applicant is unable to certify to any of the statements in this certification, they shall attach an explanation to this application.

**IV ASSURANCES - CONSTRUCTION & NON-CONSTRUCTION PROGRAMS**  
This duly authorized representative for this applicant does hereby certify that it:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial, and financial capability (including funds sufficient to pay their on-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the Awarding Agency, the Comptroller of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award or assistance, and will establish a proper accounting system in accordance with generally accepted accounting standards, or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives, and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review, and approval of construction plans and specifications.
5. Will provide and maintain competent, adequate engineering supervision at all construction sites to ensure that the complete work conforms with the approved plans and specifications, and will furnish progress reports and other information as required by the assistance awarding agency, or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes, or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728 - 4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen (19) statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personal Administration (5 CFR §300, Sub-part F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of a lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include, but are not limited to:
  - (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin.
  - (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 - 1683 and 1685 - 1686), which prohibits discrimination on the basis of sex.
  - (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps.
  - (d) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101 - 6107), which prohibits discrimination on the basis of age.
  - (e) The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to non-discrimination on the basis of drug abuse.
  - (f) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to non-discrimination on the basis of alcohol abuse or alcoholism.
  - (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records.
  - (h) Title VIII of the Civil Rights Act of 1968, (42 U.S.C. §§801 et seq.), as amended, relating to non-discrimination in the sale, rental, or financing of housing.
  - (i) Any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made.
  - (j) The requirements on any other non-discrimination statute(s) which may apply to the application.



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Department of Homeland Security

Appendix C
State of Iowa Applicant's Assurances and Certifications
(continued)

- 11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501 - 1508 and 7324 - 7328) which limit the political activities of employees whose principle employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §327 - 333) regarding labor standards for federally-assisted construction sub-agreements.
14. Will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with the environmental standards which may be prescribed pursuant to the following:
(a) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190 and Executive Order (EO) 11514.)
(b) Notification of violating facilities pursuant to EO 11738.
(c) Protection of wetlands pursuant to EO 11990.
(d) Evaluation of flood hazards in flood plains in accordance with EO 11988.
(e) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.).
(f) Conformity of Federal actions to State (Clean Air) Implementation Plans under section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.).
(g) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523).
(h) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic river systems.
17. Will assist the Awarding Agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

- V CERTIFICATION OF DRUG-FREE WORKPLACE REQUIREMENTS
This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988. The regulations, published in the May 25, 1990 Federal Register, require certification by sub-recipients, prior to award, that they will maintain a drug-free workplace. The certification that follows is a material representation of fact upon which reliance will be placed when the Agency determines to award the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.
1. The sub-recipient certifies that it will or will continue to provide a drug-free workplace by:
(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the sub-grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
(b) Establishing an ongoing drug-free awareness program to inform employees about -
(1) The dangers of drug abuse in the workplace.
(2) The sub-recipient's policy of maintaining a drug-free workplace.
(3) Any available drug counseling, rehabilitation, and employee assistance programs.
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the notification statement required by paragraph (a).
(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -
(1) Abide by the terms of the statement.
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
(e) Notifying the agency in writing within ten calendar days after receiving notice under sub-paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant actively the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
(f) Taking one of the following actions within 30 calendar days of receiving notice under sub-paragraph (d)(2), with respect to any employee who is so convicted -
(1) Taking appropriate personnel action against such an employee, up to and including termination of employment, consistent with the requirements of the Rehabilitation Act of 1973, as amended, - or -
(2) Requiring the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.
(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), & (f).

The terms and conditions of this certification apply to any and all sites and locations at which the sub-recipient works or otherwise conducts business.

THE SIGNATURE CERTIFICATION OF THIS FORM SHALL BE TREATED AS A MATERIAL REPRESENTATION OF FACT UPON WHICH RELIANCE WILL BE PLACED WHEN THE GRANTEE DETERMINES TO AWARD THE COVERED TRANSACTION, GRANT, OR COOPERATIVE AGREEMENT.

CITY OF WATERLOO
Applicant Name
Signature of Designated Authorized Representative

DR-4289
Grant ID
5-22-17
Date



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

## Appendix D Region VII Project Worksheet 291 Determination Memo

**FEMA Public Assistance Determination Memorandum**

Date:	07/25/2017		
Applicant Name:	City of Waterloo	Applicant Type:	<input type="checkbox"/> State Agency <input checked="" type="checkbox"/> Local Government <input type="checkbox"/> Tribe <input type="checkbox"/> Private Nonprofit
Disaster Number:	DR4289-Iowa		
SA #:	PW 291	Category: G	Facility / Title: Leisure Services / Skate Park
Amount Requested:	\$575,577.90	Amount Approved:	\$418,773.35

**Project Description:**

During the Incident Period that began on September 21, and lasted through October 3, 2016, the City of Waterloo in Black Hawk County, Iowa suffered the Impact of the resulting storms and flooding. Specifically, site 1-2, Skate Park (GPS 42.51005, -92.35898). The Skate Park suffered severe damage from the fast moving flood water. A report from Spohn Ranch Skateparks Incorporated is included in this project recommending total replacement of this equipment due to the damage it has received, condition of the equipment, and their concern of a safety issue.

**Issue:**

**Identification of damages and Ineligible Work and Material Costs associated with ineligible work**

The Applicant has not identified what was specifically damaged as a direct result of this storm event or the cost for repairing each damaged element back to its pre-disaster condition. In a letter and cost estimate provided by the Applicant from Spohn Ranch Skateparks Incorporated (dated December 14<sup>th</sup>, 2016) it states "The equipment was originally installed in 2002. Since then it has suffered from several high water incidents, which have strained the equipment and left it severely fatigued." At this time the applicant has not been able to identify what elements were damaged as a direct result of this incident and has only provided estimates for a complete replacement of the entire facility at a cost of \$156,804.55.

**Project Documentation**

At this time the Applicant has not provided any documentation to validate the damages were a direct cause of this event and have not been able to provide maintenance and safety records for this facility. The only documentation provided by the Applicant is a one page, handwritten inspection report dated April 2017 which does not address routine maintenance and/or safety aspects of this damaged facility. Additionally, during the previous disaster repairs from DR-1763 this facility was insured, however the applicant has not provided any insurance documentation or statement if this facility is still insured at this time or not.

**Local Floodplain Management Ordinances**

The Applicant provided repair schematics currently do not meet the local flood ordinances for a designated "AE" Flood Zone. Currently Waterloo's locally adopted ordinance (4725, 09/20/04) states a structure is "Anything constructed or erected including, but not limited to, buildings, mobile homes, factory built homes, fences, billboards and signs." The city's ordinance (5049, 06/20/11) states "Non-residential buildings – All new or substantially improved non-residential buildings shall have the elevated a minimum of 1.0 foot above the 100 year flood level...". This ordinance further states "Any use which involves placement of structures... may be allowed only upon a determination by the Iowa Department of Natural Resources (IDNR)...", at this time the Applicant has not been able to provide a determination of approval from the IDNR.

**Applicable Law, Regulations, and FEMA Policy:**

- **Robert T. Stafford Disaster Relief and Emergency Assistance Act Section(s):**  
*Section 406.a (1) (42 U.S.C. 5172) – Repair, Restoration, and Replacement of Damaged Facilities*



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**Appendix D**  
**Region VII Project Worksheet 291 Determination Memo**  
**(continued)**

**FEMA Public Assistance Determination Memorandum**

- Title 44, Code of Federal Regulations Section(s):  
44 C.F.R. §§ 206.223(a) – General Work Eligibility  
44 C.F.R. §§ 206.202(d)(1)(ii) – Project Worksheets  
44 C.F.R. §§ 60.3 – Flood plain management criteria for flood-prone areas
- FP 104-009-2, Public Assistance Program and Policy Guide (PAPPG):  
Ch. 2.VII.C.5 – Local Floodplain Management Ordinances  
Ch. 3.II.A – Identify and Report Damage  
Ch.3.II.E – Project Documentation

**Analysis:**

Based upon the Applicant not being able to provide a listing of damages directly caused by this event, cannot produce routine and regular maintenance documentation along with safety inspections, proper insurance documentation, and proof of compliance with local floodplain ordinances. The funding for this site 1-2, Skate Park (GPS 42.51005, -92.35898) has been determined to be ineligible for Public Assistance grant funding.

Eligibility Determination: Approved Partial Denied

As a result to the above missing information to justify funding of this Public Assistance Grant Project, the project costs have been reduced from \$575,577.90 to \$418,773.35.

Prepared by: FEMA Region VII | Recovery Division | Public Assistance Branch | QA/QC

Signature \_\_\_\_\_  
\_\_\_\_\_

**Documents Considered:**

- PW291 supporting documentation





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

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