

**FEMA Should Recover
\$3,061,819 in Grant Funds
Awarded to Jackson County,
Florida**





DHS OIG HIGHLIGHTS

FEMA Should Recover \$3,061,819 in Grant Funds Awarded to Jackson County, Florida

December 4, 2018

Why We Did This Audit

We conducted this audit to determine whether Jackson County (County) accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines. The County received about \$28.1 million in Public Assistance grant awards from Florida — a FEMA grantee — for damages from severe storms, tornadoes, straight-line winds, and flooding in April and May 2014.

What We Recommend

FEMA should disallow about \$3.1 million of ineligible and unsupported costs and direct Florida to provide the County with additional technical assistance and monitoring.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

Jackson County did not always properly account for and expend Federal Emergency Management Agency (FEMA) grant funds according to Federal regulations and FEMA guidelines. This occurred because the Florida Division of Emergency Management (Florida) did not fulfill its grantee responsibility to ensure the County followed applicable Federal grant requirements. FEMA, in turn, did not provide the oversight needed to ensure Florida, as the grantee, carried out its responsibilities.

Without adequate oversight, the County did not follow Federal procurement regulations in awarding a project management-consulting contract, totaling about \$2.7 million. Specifically, the County did not consider price, but instead based its contract award solely on contractor qualifications. By not following Federal procurement requirements to consider price in awarding contracts, the County may have selected contractors who may charge higher rates than other contractors who could potentially perform the same work at more competitive prices.

The County also claimed \$402,409 for materials for certain projects without adequately documenting the costs, as Federal regulations require. As a result, there is no assurance the costs the County claimed are valid and eligible, putting Federal funds and taxpayers' money at risk of fraud, waste, and abuse.

FEMA Response

FEMA officials agreed with all five recommendations. We consider the recommendations resolved and open. Appendix B includes FEMA's written response in its entirety.




OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

December 4, 2018

MEMORANDUM FOR: Gracia Szczech
Regional Administrator, Region IV
Federal Emergency Management Agency

FROM: Sondra F. McCauley 
Assistant Inspector General for Audits

SUBJECT: *FEMA Should Recover \$3,061,819 in Grant Funds
Awarded to Jackson County, Florida*

Attached for your action is our final report, *FEMA Should Recover \$3,061,819 in Grant Funds Awarded to Jackson County, Florida*. We incorporated the formal comments your office provided.

The report contains five recommendations. Your office concurred with all recommendations. Based on information provided in your response to the draft report, we consider all recommendations resolved and open. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

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 final report on our website for public dissemination.

Please call me with any questions, or your staff may contact Katherine Trimble, Deputy Assistant Inspector General for Audits, at (202) 981-6000.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Background

Jackson County is located in northwestern Florida. It is the third oldest county in Florida, established by an act of the Territorial Legislature in 1822. The County, named after Andrew Jackson, originally extended from the Choctawhatchee River on the west to the Suwannee River on the east. Jackson County is the only county in Florida to border two states, Alabama and Georgia.

On April 28, 2014, heavy rains and excessive water flow resulted in extensive flooding in the County. As a result, County roads were damaged by heavy water flow, standing water saturation of surface and base materials, and heavy runoff washouts of roads and ditches, as shown in figures 1 and 2. On May 6, 2014, the President declared a major disaster (DR-4177-FL) to assist Florida and local government with recovery efforts for damages incurred during the disaster period of April 28 to May 6, 2014.

Figure 1: Jackson County Road Damage



Source: Jackson County contractor

Figure 2: Jackson County Road Damage



Source: Jackson County contractor



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Jackson County was the first subgrantee in Florida to be approved for a grant award obligation under the Federal Emergency Management Agency's (FEMA) Public Assistance Alternative Procedures (PAAP) pilot program. The *Sandy Recovery Improvement Act of 2013*¹ authorized PAAP and authorized FEMA to implement alternative procedures through the PAAP pilot program. The law identifies the following goals for the alternative procedures:

- reducing the costs to the Federal Government of providing public assistance;
- increasing flexibility in the administration of such assistance;
- expediting the provision of assistance to a state, tribal or local government, or owner or operator of a private nonprofit facility; and
- providing financial incentives and disincentives for timely and cost-effective completion of projects with such assistance.

We audited FEMA Public Assistance program grant funds awarded to Jackson County. As of August 9, 2017, the County had received a Public Assistance Program award of approximately \$28.1 million from Florida — a FEMA grantee. The award provided 75 percent of FEMA funding for road repair damages and permanent work. Through the PAAP pilot program, 90 of the 126 small projects awarded to the County were combined and reclassified into three large projects for a grant award totaling approximately \$24.9 million. We audited three projects totaling approximately \$24.9 million, or 88 percent of the approximate \$28.1 million award. See appendix C, table 2, for a list of the projects we audited and our associated cost analysis.

At the time of our audit, the County had not completed work on all projects and, therefore, had not submitted a final claim to Florida for all project expenditures. The County did not receive any insurance proceeds for disaster-related damages.

Grant Management Requirements

According to the Code of Federal Regulations (CFR) (44 CFR 13.40(a)), states, as grantees, are accountable for proper grant administration. States must also monitor their subgrantees to ensure they comply with Federal regulations. Grantees must ensure subgrantees are aware of Federal regulations.² Grantees are also responsible for managing the day-to-day operations of grant and subgrant supported activities; they must monitor these activities to ensure compliance with applicable Federal requirements and achievement of

¹ *The Sandy Recovery Improvement Act of 2013* (Pub. L. No. 113-2), amends Title IV of the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (42 United States Code § 5121 et seq.) (Stafford Act). Specifically, the law authorizes alternative procedures for the Public Assistance Program under sections 403(a)(3)(A), 406, 407, and 502(a)(5) of the Stafford Act.

² 44 CFR 13.37(a)(2)
www.oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

performance goals. Grantee monitoring must cover each program, function, or activity.³

Jackson County Did Not Comply with Federal Grant Management Requirements

Florida did not fulfill its grantee responsibility to ensure the County followed applicable Federal grant management requirements, and FEMA did not ensure the grantee carried out its responsibilities. Without adequate oversight, the County did not follow Federal procurement regulations in awarding a project management-consulting contract and did not adequately document costs in accordance with Federal regulations. Improper contract award and a lack of documentation to support costs demonstrate Florida's inadequate oversight of the County. Florida's and FEMA's inadequate grant management and oversight places Federal funds at risk of fraud, waste, and abuse. Therefore, FEMA should disallow ineligible contract costs and direct Florida to provide additional technical assistance to and monitor the County to ensure compliance with all Federal grant management requirements for future disasters.

Improper Contract Award and Inadequate Cost or Price Analysis

Jackson County did not comply with Federal procurement requirements when awarding a contract for professional consulting services, valued at about \$2.7 million. Specifically, the County did not use cost as a basis for awarding the contract, and the County did not adequately analyze cost or price in awarding the contract because the County misinterpreted Federal regulations and guidelines.

According to Federal procurement regulations at 44 CFR 13.36 —

- Grantees and subgrantees may procure architectural and engineering (A/E) professional services by evaluating competitors' qualifications, subject to negotiation of fair and reasonable compensation, rather than using price as a selection factor. However, grantees and subgrantees cannot only use competitors' qualifications to purchase other types of services from A/E firms (44 CFR 13.36(d)(3)(v)); and
- Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action, including contract modifications (44 CFR 13.36(f)).

FEMA may grant exceptions to Federal procurement requirements to subgrantees on a case-by-case basis (44 CFR 13.6(c)).

³ 44 CFR 13.40(a)
www.oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Contract Award Based on Incorrect Selection Factor

Jackson County did not always comply with the requirements in Federal regulations in awarding contracts. The County awarded 11 contracts totaling about \$6.1 million for permanent road repairs under Projects 900, 980, and 981. In 10 of these awarded contracts, the County followed Federal procurement regulations. However, the County improperly awarded a project management contract totaling \$2,659,410 to an A/E firm by basing its selection solely on contractor qualifications, and not considering price, contrary to CFR requirements.

Although Federal regulations allow procurement of A/E professional services using contractor qualifications rather than price as a selection factor, the scope of work in this instance was for project management, not A/E services. To provide non-A/E services, the A/E firm should compete for work based on price, as is the case with non-A/E firms.

County officials said they did not obtain bids based on price because state guidelines do not require price to be a factor in awarding contracts for professional services. However, the County misinterpreted Federal regulations. Although 44 CFR 13.36(a) allows state agencies to follow the same policies and procedures it uses for procurements from its non-Federal funds, the County is not a state agency and thus must abide by Federal regulations.⁴

By basing the contract award solely on competitor qualifications, the County did not properly consider other firms that could potentially have performed the work at less cost. Therefore, the costs associated with the improperly awarded contract are ineligible.

Inadequate Cost or Price Analysis in Contract Award

In addition to using incorrect selection factors, the County also failed to properly analyze the cost or price before awarding the project management contract. The County used a point-based system to score the contractors on various factors, and negotiated the price upon award of the contract to the A/E firm. In doing so, County officials believed they had fulfilled the requirements for a cost or price analysis. However, the County misinterpreted Federal regulations because it did not compare the negotiated price with the prices offered by other contractors performing similar work. As a result, the selected contractor could have charged higher rates for project management services compared to other firms that could potentially have performed the work at a more competitive price.

⁴ 44 CFR 13.36(a),(b)
www.oig.dhs.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Lack of Documentation to Support Costs

Jackson County did not comply with the Federal cost principles requiring grant recipients to adequately document costs under a Federal award.⁵ Under the CFR, grant recipients must maintain records that adequately identify the source and application of Federal funds and maintain source documentation to support those records.⁶

The County claimed \$402,409 in force account materials for Projects 900, 980, and 981, without adequately documenting the costs. Force account materials are those purchased or taken from an applicant's inventory and used for eligible work. During road repairs following the April and May 2014 disaster, the County used daily activities sheets to document the use of dirt, a force account material. Specifically, County truck drivers and truck loaders documented the dirt they took every day from the County's dirt pits on daily activities sheets, which include the location, site details, date of use, employee's name and hours worked, equipment unit and hours used, task performed, quantity, and materials. County officials explained that truck drivers normally recorded the number of loads hauled, which pits the loads came from, and where the loads were hauled on a daily activities sheet. However, the truck loaders' daily activities sheets the County provided were incomplete; they did not include the quantity of dirt loaded or identify which truck had been loaded. See appendix D for an example of a daily activities sheet by a truck loader and a truck driver, respectively.

We determined the County's normal practice involving the daily activities sheet did not meet the requirements for documenting costs incurred using Federal grant funds. Even though, in keeping with the County's normal practice, truck drivers documented the quantity of dirt loaded, we could not trace this quantity to the daily activities sheet of the employees who loaded the trucks. Therefore, the County could not provide documentation verifying the materials were delivered and used at project sites damaged in April and May 2014. County officials also said that supervisors typically told employees how many loads to haul to a location, but that has not been documented in the activities sheets either. If properly documented, the sheets would have enabled us to trace the dirt quantity recorded in drivers' activities sheets to the dirt quantity recorded in the loaders' activities sheets.

The inadequate documentation occurred because the County does not have an operating procedure for its employees working at the dirt pit with respect to loading the trucks. Also, according to County officials, they do not have an individual designated to monitor the loading of trucks at the dirt pits.

⁵ 2 CFR 225, Appendix A,C(1)(j)

⁶ 44 CFR 13.20(b)(2),(6)



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Because the County did not adequately document \$402,409 of project costs used for these force account materials, FEMA has no assurance that those costs are valid and eligible, which puts Federal funds and taxpayers’ money at risk of fraud, waste, and abuse. Therefore, all costs associated with the force account materials are ineligible. Table 1 shows details of these unsupported costs.

Table 1: Unsupported Force Account Material Costs

Project Number	Award Amount	Amount Claimed and Questioned
900	\$ 9,649,260	\$ 133,433
980	10,764,752	191,860
981	4,453,522	77,116
Total	\$24,867,534	\$ 402,409

Source: FEMA project worksheets, Jackson County records, and Office of Inspector General (OIG) analysis

The County’s procedures are also susceptible to fraud, waste, and abuse. Although we found no evidence of abuse, without documentation of the quantities loaded onto trucks or delivered to project sites, truck drivers could inadvertently or intentionally record the wrong numbers of loads hauled.

Recommendations

Recommendation 1: We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, disallow \$2,659,410 (Federal share \$1,994,558) of ineligible contract costs for Jackson County procurements that did not comply with Federal requirements, unless FEMA decides to grant an exception for all or part of the costs, as 44 CFR 13.6(c) allows, and determines the costs are reasonable.

Recommendation 2: We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, direct the Florida Division of Emergency Management to provide technical assistance to Jackson County to ensure it understands and complies with Federal procurement requirements.

Recommendation 3: We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, disallow \$402,409 (Federal share \$301,807) of unsupported contract costs unless Jackson County provides additional documentation that FEMA determines sufficiently supports the costs.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Recommendation 4: We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, direct the Florida Division of Emergency Management to ensure Jackson County has operating procedures in place to adequately support Federal costs.

Recommendation 5: We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, direct the Florida Division of Emergency Management to provide additional technical assistance and monitoring of Jackson County to correct the deficiencies identified in this report and to ensure compliance with requirements in Federal grant regulations.

Management Comments and OIG Analysis

FEMA provided a written response to this report and agreed with our findings and recommendations. We included a copy of FEMA's management comments in their entirety in appendix B. FEMA's responses were sufficient to resolve all five recommendations in this report. We consider all five recommendations resolved and open. We will close the recommendations when we receive and review documentation that FEMA has completed its proposed corrective actions.

Recommendation 1

FEMA Response: FEMA will review documentation provided by the County related to its procurement process and the reasonableness of costs for the questioned contract. FEMA will then make a determination regarding procurement compliance and, if necessary, the appropriate enforcement remedy for non-compliance, per 44 CFR 13.43.

OIG Analysis: FEMA's planned actions should satisfy the recommendation. Until FEMA provides documentation and support for the determination regarding the \$2,659,410 (Federal share \$1,994,558) of ineligible contract costs for Jackson County procurements that did not comply with Federal requirements, this recommendation will remain resolved and open. The estimated completion date (ECD) is June 30, 2019.

Recommendation 2

FEMA Response: FEMA will direct the Florida Division of Emergency Management to provide technical assistance to Jackson County to ensure it understands and complies with Federal procurement requirements.

OIG Analysis: FEMA's planned actions should satisfy the recommendation. This recommendation will remain resolved and open until FEMA provides documented evidence of the technical assistance provided to the County. ECD is January 31, 2019.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Recommendation 3

FEMA Response: FEMA will review documentation provided by the County and disallow inadequately documented costs as required.

OIG Analysis: FEMA's planned actions should satisfy the recommendation. This recommendation will remain resolved and open until FEMA provides documented evidence of FEMA's review and determination of the \$402,409 (Federal share \$301,807) of unsupported contract costs. ECD is June 30, 2019.

Recommendation 4

FEMA Response: FEMA will direct the Florida Division of Emergency Management to ensure Jackson County has operating procedures in place to support Federal costs as required.

OIG Analysis: FEMA's planned actions should satisfy the recommendation. This recommendation will remain resolved and open until FEMA provides documented evidence of Jackson County's operating procedures to support Federal costs as required. ECD is January 31, 2019.

Recommendation 5

FEMA Response: FEMA will direct the Florida Division of Emergency Management to provide additional technical assistance and monitoring to Jackson County to correct the deficiencies identified in this report and to ensure compliance with requirements in Federal grant regulations.

OIG Analysis: FEMA's planned actions should satisfy the recommendation. This recommendation will remain resolved and open until FEMA provides documented evidence of Florida Division of Emergency Management's additional technical assistance and monitoring to Jackson County. ECD is January 31, 2019.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Appendix A

Objective, Scope, and Methodology

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public L. No. 107-296) by amendment to the *Inspector General Act of 1978*.

We audited Public Assistance Program grant funds awarded to Jackson County (Public Assistance Identification Number 063-99063-00). Our audit objective was to determine whether the County accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines.

As of August 9, 2017, the County had received a Public Assistance Program award of about \$28.1 million from the Florida Division of Emergency Management, a FEMA grantee, for damages resulting from FEMA Disaster Number 4177-DR-FL, which occurred in April and May 2014. The audit covered the period April 28, 2014, through August 9, 2017. The award provided 75 percent FEMA funding for 3 large projects and 126 small projects.⁷ We audited the three large projects totaling about \$24.9 million, or 88 percent of the Federal funds awarded to the County.

We selected our sample of projects for testing from a universe of projects downloaded from FEMA's computerized information system (EMMIE). We verified the payments and claimed costs were supported by source documents. We did not place any significant reliance on nor test the data from the system, but deemed it to be sufficient to meet our audit objective. We compared FEMA obligated costs to Florida payments and Jackson County claimed costs, and also verified the payments and claimed costs were supported by source documents.

To accomplish our objective, we interviewed FEMA, Florida, and County officials; and performed other procedures considered necessary under the circumstances to accomplish our audit objective. We gained an understanding of the County's method of accounting for disaster-related costs and its policies, procedures, and business practices the County used and planned to use to administer activities provided for under the FEMA award.

We discussed the results of our audit with County, Florida, and FEMA officials during our audit and included their comments in this report as appropriate. We also provided a Notice of Findings and Recommendations in advance to these officials and discussed it at the exit conference on June 20, 2018. County officials generally disagreed with our comments.

⁷ Federal regulations in effect at the time of the 2014 storms set the large project threshold at \$120,000. *Amendment to the Public Assistance Program's Simplified Procedures Project Thresholds*, 79 Fed. Reg. 10,685 (Feb. 26, 2014) (codified at 44 CFR 206.203(c))
www.oig.dhs.gov 10 OIG-19-12



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

We conducted this performance audit between August 2017 and June 2018, under the authority of 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, to conduct this audit, we applied the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix B
FEMA Region IV Comments

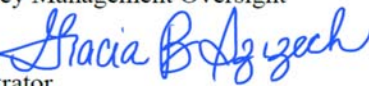
U. S. Department of Homeland Security
Region IV
3003 Chamblee Tucker Road
Atlanta, GA 30341



FEMA

November 8, 2018

MEMORANDUM FOR: Larry Arnold
Director
Eastern Regional Office
Office of Emergency Management Oversight

FROM: Gracia B. Szczech 
Regional Administrator
FEMA Region IV

SUBJECT: Management's Response to OIG Draft Report:
"FEMA Should Recover \$3,061,819 in Grant Funds Awarded to
Jackson County, Florida"
FEMA Disaster: 4177-DR-FL
Draft Audit Report Number: OIG-17-037-EMO-FEMA

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

The Department is pleased to note OIG's positive recognition that Jackson County generally accounted for FEMA funds on a project-by-project basis as Federal regulations and FEMA guidelines require. The OIG did however, identify \$3,061,819 of costs that it recommends that FEMA disallow for the reasons contained in the audit findings.

The draft report contained five recommendations with which the Department concurs. Please see the attached for our detailed response to each of the recommendations.

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

www.fema.gov



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Attachment: FEMA Management Response to Recommendations Contained in OIG-17-037

Recommendation 1: “We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, disallow \$2,659,410 (Federal Share \$1,994,558) of ineligible contract costs for Jackson County procurements that did not comply with Federal requirements, unless FEMA decides to grant an exception for all or part of the costs, as 44 CFR 13.6 (c) allows, and determines the costs are reasonable.”

Response: Concur. FEMA will review documentation provided by the County related to its procurement process and the reasonableness of costs for the questioned contract and make a determination regarding procurement compliance and, if necessary, the appropriate enforcement remedy for non-compliance, as per 44 C.F.R. § 13.43. ECD: 06/30/2019.

Recommendation 2: “We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, direct the Florida Division of Emergency Management to provide technical assistance to Jackson County to ensure it understands and complies with Federal procurement requirements.”

Response: Concur. FEMA will direct the Florida Division of Emergency Management to provide technical assistance to Jackson County to ensure it understands and complies with Federal procurement requirements. ECD: 01/31/2019.

Recommendation 3: “We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, disallow \$402,409 (Federal share \$301,807) of unsupported contract costs unless Jackson County provides additional documentation that FEMA determines sufficiently supports the costs.”

Response: Concur. FEMA will review documentation provided by the County and disallow inadequately documented costs as required. ECD: 06/30/2019.

Recommendation 4: “We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, direct the Florida Division of Emergency Management to ensure Jackson County has operating procurements in place to adequately support Federal costs.”

Response: Concur. FEMA will direct the Florida Division of Emergency Management to ensure Jackson County has operating procurements in place to support Federal costs as required. ECD: 01/31/2019.

Recommendation 5: “We recommend the Regional Administrator, Federal Emergency Management Agency Region IV, direct the Florida Division of Emergency Management to provide additional technical assistance and monitoring of Jackson County to correct the deficiencies identified in this report and to ensure compliance with requirements in Federal grant regulations.”

Response: Concur. FEMA will direct the Florida Division of Emergency Management to provide additional technical assistance and monitoring of Jackson County to correct the



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

deficiencies identified in this report and to ensure compliance with requirements in Federal grant regulations. ECD: 01/31/2019.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix C
Potential Monetary Benefits

Table 2: Projects Audited and Questioned Costs

Project Number	Category of Work - Project Scope ⁸	Amount Awarded	Amount Claimed	Questioned Costs Improper Procurement	Questioned Costs Unsupported Costs	Total Questioned Costs
900 Plus 128 Other Projects ⁹	C-Road System Alternative Procedures	\$ 9,649,260	\$2,792,751	\$2,659,410	\$ 133,433	\$ 2,792,843
980	C-Road System Alternative Procedures	10,764,752	3,179,971	0	191,860	191,860
981	C-Road System Alternative Procedures	4,453,522	1,610,421	0	77,116	77,116
Totals		\$24,867,534	\$7,583,143	\$2,659,410	\$402,409	\$3,061,819

Source: OIG analysis of FEMA and Jackson County records

Table 3: Summary of Potential Monetary Benefits

Type of Potential Monetary Benefit	Rec. No.	Amounts	Federal Share
Questioned Costs – Ineligible	1	\$ 2,659,410	\$ 1,994,558
Questioned Costs – Unsupported	3	402,409	301,807
Funds Put to Better Use		0	0
Totals		\$3,061,819	\$2,296,365

Source: OIG analysis of findings in this report

⁸ FEMA classifies disaster-related work by type: debris removal (Category A), emergency protective measures (Category B), and permanent work (Categories C through G).

⁹ We audited 3 of the 129 projects. We question contract costs of \$2,659,410 for professional consulting work, which was allocated among 129 projects, including Project 900.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix D
Examples of Jackson County Truck Loader's and
Truck Driver's Daily Activities Sheets

As shown in the copies below, the truck loader's daily activities sheet includes the location name, work date, task performed, equipment, and hours used, employee's name (redacted), and the hours worked. On the other hand, the truck driver's daily activities sheet includes the location name, work date, task performed, equipment unit and hours used, employee's name (redacted), the hours worked, the quantity of dirt loaded (outlined in red by OIG), and the dirt pit where the dirt was obtained. Because the truck loader's daily activities sheet does not provide the quantity of dirt loaded or identify which truck was being loaded, we could not trace the quantities listed on the truck driver's daily activities sheet to the employee who loaded the truck.

Truck Loader's Daily Activities Sheet

Daily Activities					
Location Name: <u>Providence Ch Rd</u>		Storm: <input type="checkbox"/>		Work Date: <u>10/17/14</u>	
Project #	Site Detail: _____				
	Employee Name	Unit #	Hours	Task Code: <u>76750</u>	
		<u>141</u>	<u>1</u>	Task Notes: <u>Loaded</u>	
	Employee Hours	<u>506</u>	<u>3</u>	<u>Aggregate to KP</u>	
	Regular	Overtime			
	<u>3</u>				
Serv Req #	Qty	Materials	Ticket / Invoice #	Vendor / Pit	V = stock

Source: Jackson County contractor

Truck Driver's Activities Sheet

Daily Activities					
Location Name: <u>Providence Ch Rd</u>		Storm: <input type="checkbox"/>		Work Date: <u>10-17-14</u>	
Project #	Site Detail: <u>E. of Hwy 69</u>				
	Employee Name	Unit #	Hours	Task Code: <u>76740</u>	
		<u>288</u>	<u>8</u>	Task Notes: _____	
	Employee Hours				
	Regular	Overtime			
	<u>8</u>				
Serv Req #	Qty	Materials	Ticket / Invoice #	Vendor / Pit	V = stock
	<u>6</u>	<u>in dirt</u>		<u>K.P.</u>	

Source: Jackson County contractor



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix E
Office of Audits Major Contributors to This Report

Larry Arnold, Director
Melissa Williams, Audit Manager
John Skrmetti, Audit Manager
Alicia Lewis, Auditor-in-Charge
Cristina Finch, Auditor
Sean Forney, Auditor
Denis Foley, Independent Reference Reviewer
Kevin Dolloson, Communications Analyst



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix F
Report Distribution List

Department of Homeland Security

Secretary
Chief of Staff
Chief Financial Officer
Under Secretary for Management
Chief Privacy Officer
Audit Liaison, DHS

Federal Emergency Management Agency

Administrator
Chief of Staff
Chief Financial Officer
Chief Counsel
Director, Risk Management and Compliance
Chief Procurement Officer
Audit Liaison, FEMA (Job Code G-17-037)
Audit Liaison, FEMA Region IV

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees

External

Executive Director, Florida Division Emergency Management
State Auditor, Florida
FEMA Coordinator, Jackson County, Florida

Additional Information and Copies

To view this and any of our other reports, please visit our website at:
www.oig.dhs.gov.

For further information or questions, please contact Office of Inspector General
Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.
Follow us on Twitter at: @dhsoig.



OIG Hotline

To report fraud, waste, or abuse, visit our website at www.oig.dhs.gov and click on the red "Hotline" tab. If you cannot access our website, call our hotline at (800) 323-8603, fax our hotline at (202) 254-4297, or write to us at:

Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305