

GOVERNOR'S OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
FEMA INDIVIDUALS AND HOUSEHOLDS PROGRAM -
OTHER NEEDS ASSISTANCE
HURRICANES GUSTAV AND IKE



AUDIT REPORT
ISSUED DECEMBER 1, 2010

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

September 1, 2010

MARK A. COOPER, DIRECTOR
GOVERNOR'S OFFICE OF HOMELAND
SECURITY AND EMERGENCY PREPAREDNESS
Baton Rouge, Louisiana

We have audited certain transactions of the \$15,281,079 the Federal Emergency Management Agency (FEMA) billed to the State of Louisiana (State) through the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) from September 2008 through March 2010. This amount represents the State's 25% share of the \$61,124,328 FEMA paid to Louisiana registrants under the Individuals and Households Program - Other Needs Assistance (ONA) following hurricanes Gustav and Ike. Our audit was conducted pursuant to Louisiana Revised Statute (R.S.) 39:100.26 to determine whether the payments FEMA made were to qualified registrants eligible for benefits and were in the proper amount.

Our audit primarily consisted of inquiries and analysis of selected records and other documentation. The scope of our audit was significantly less than that required by the *Government Auditing Standards*, issued by the Comptroller General of the United States.

The accompanying report presents our findings as well as management's response. This report is intended solely for the information and use of GOHSEP management and the Louisiana Legislature and is not intended and should not be used by anyone other than those parties. However, by provisions of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

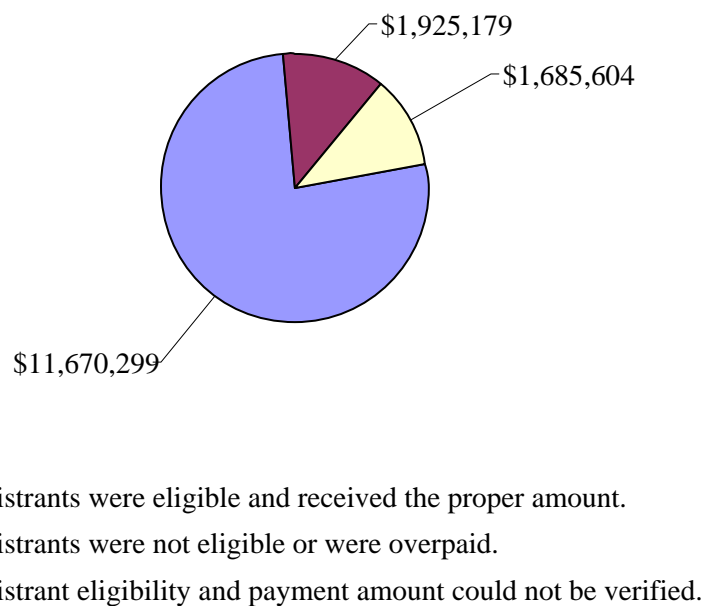
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From September 2008 through March 2010, the Federal Emergency Management Agency (FEMA) provided \$61,124,328 in Other Needs Assistance to Louisiana registrants following hurricanes Gustav and Ike. FEMA invoiced the State of Louisiana \$15,281,079 for the State’s 25% share of the total costs. The legislative auditor analyzed the supporting documentation provided by FEMA and obtained additional information from various other data sources to verify that the registrants were eligible for the assistance they received and were paid the proper amount.

The overall results of our analysis of the \$15,281,079 representing the State’s 25% share of the \$61,124,328 in assistance provided to Louisiana registrants are as follows:



Note: The difference between the State’s 25% share and the sum of the figures in the chart is due to a \$3.00 underbilling on the October 2008 invoice for Hurricane Ike.

Background

As a result of damages sustained from hurricanes Gustav and Ike, the President of the United States declared major disasters in the State on September 2, 2008, and September 13, 2008, respectively, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). In response to the major disaster declarations, the State entered into an agreement with FEMA to establish a partnership for the delivery of the ONA program. The ONA program provides financial assistance to individuals and households who have disaster-related necessary expenses or serious needs other than housing, including the following:

- Medical, dental, and funeral expenses
- Personal property, transportation, and other expenses

The ONA program may also provide financial assistance for other items or services that FEMA and the State approve as eligible to meet the unique disaster-related necessary expenses and serious needs of individuals and households. (See Appendix B for a complete list of the approved expenses for hurricanes Gustav and Ike.) Generally, FEMA provides assistance through the ONA program up to 18 months following a disaster. According to a FEMA representative, additional payments could be made after this time period in unique situations. Also, the State could continue to receive refunds years after the period of assistance has ended.

From September 2008 through March 2010, FEMA made a total of \$61,124,328 in ONA payments to Louisiana registrants. According to the Stafford Act, the State is responsible for reimbursing FEMA 25% of the total eligible costs. The State agreed to pay FEMA within 30 days of receipt of FEMA's invoices and acknowledged that interest and penalties would accrue if each invoice was not paid within 30 days. As of March 2010, FEMA invoiced the State \$15,281,079 for the State's 25% share of the ONA payments and \$1,688,559 for penalties and interest. (See Appendix C for a complete list of the FEMA invoices as of March 2010.)

We first notified FEMA of our intention to analyze the ONA invoices in September 2008. We then requested that FEMA provide the supporting documentation. FEMA provided summary information for the first two invoices in November 2008; however, this information did not contain enough detail to conduct our work. Over the next 14 months, FEMA provided some additional information for the first two invoices and subsequent invoices but did not provide complete information until February 2010 for invoices covering payments from September 2008 through January 2010. At that time we began the first phase of our analysis. FEMA submitted additional invoices covering payments from February and March 2010, which we included in the second phase of our analysis. (See Appendix D for our methodology.)

Results of Work Performed

We analyzed the \$61,124,328 in assistance provided to Louisiana registrants in two phases based on the timing of the documentation provided by FEMA. The first phase included \$61,113,363 in assistance provided to 63,740 registrants. We determined our sample size of 211 using a 99% confidence level, a 5% margin of error, and an 8.7% expected error rate.¹ For the 211 registrants in our sample who received a total of \$215,762 in assistance, we determined the following:

- \$164,783 of the \$215,762 (76%) was provided to eligible registrants in the proper amounts.
- \$27,167 of the \$215,762 (13%) either was provided to ineligible registrants or was overpaid.

¹ The expected error rate is the actual error rate of the Louisiana Legislative Auditor's (LLA) analysis of the FEMA invoices for ONA submitted to the State for hurricanes Katrina and Rita, as reported in October 2006. This report is available on the LLA Web site at www.lla.la.gov/about/divisions/performanceaudit/2006.

- \$23,812 of the \$215,762 (11%) was not adequately supported by the documentation FEMA provided or other information obtained from various data sources.²

Based on our projected sample results, we reached the following conclusions about the \$61,113,363 in assistance that we analyzed in the first phase:

- \$46,674,025 of the \$61,113,363 (76%) was provided to eligible registrants in the proper amounts. The State’s 25% share of the \$46,674,025 is \$11,668,506.
- \$7,695,026 of the \$61,113,363 (13%) either was provided to ineligible registrants or was overpaid. The State’s 25% share of the \$7,695,026 is \$1,923,757.
- \$6,744,312 of the \$61,113,363 (11%) was not adequately supported by the documentation FEMA provided or other information obtained from various data sources. The State’s 25% share of the \$6,744,312 is \$1,686,078.

The second phase of our testing included \$12,860 in assistance provided to six registrants. We determined that \$7,172 (56%) in assistance was provided to eligible registrants in the proper amounts. The State’s 25% share of the \$7,172 is \$1,793. We also determined that \$5,688 (44%) was provided to ineligible registrants. The State’s 25% share of the \$5,688 is \$1,422.

FEMA did not provide the registrant IDs or the documentation for ONA payments totaling \$7,594 and refunds totaling (\$9,489) for a net of (\$1,895). Without adequate documentation, registrant eligibility and payment amounts could not be verified, and refund allocations could not be made. Therefore, we did not include these payments and refunds in our analysis.

The overall results of our analysis of the \$61,124,328 in assistance provided to Louisiana registrants are as follows:

Conclusion	First Phase	Second Phase	Not Analyzed	Total	State’s 25% Share of Total
Registrants were eligible and received the proper amount	\$46,674,024.61	\$7,171.65	--	\$46,681,196.26	\$11,670,299.07
Registrants were not eligible or were overpaid	7,695,026.22	5,688.52	--	7,700,714.74	1,925,178.69
Inadequate documentation was provided by FEMA	6,744,311.69	--	(\$1,895.11)	6,742,416.58	1,685,604.15
Total	\$61,113,362.52	\$12,860.17	(\$1,895.11)	\$61,124,327.58	*\$15,281,081.91

*The difference between the State’s 25% share as shown in this table and the total amount billed to the State (\$15,281,078.91) is due to a \$3.00 underbilling on the October 2008 invoice for Hurricane Ike.

² According to FEMA policy, FEMA is not required to maintain documentation to support the ONA payments.

Details of Analysis

First Phase - For our sample of 211 registrants with ONA payments totaling \$215,762, we determined that 169 registrants were eligible for \$164,783 of the assistance they received and were paid the proper amount. We also determined that 18 registrants were ineligible for \$27,167 of the assistance they received for the following reasons:

Issue	No. of Registrants	Ineligible Amount
Generators - The documentation FEMA provided indicates the registrants did not purchase the generators during the eligible period.	5	\$3,649.95
Transportation - The vehicles were not registered in the registrants' names at the time of the disaster according to the Louisiana Department of Motor Vehicles.	5	2,750.00
Transportation - The registrants did not maintain a minimum of liability insurance on their vehicles at the time of the disaster.	2	5,550.00
Overpayments - Two registrants received more assistance than they should have. In one case, the registrant received FEMA's line-item price (\$729.99) for a generator but actually paid a lesser amount (\$434.91). FEMA policy states the payment should be the <i>lesser</i> of the line-item price or the actual amount paid by the registrant. The ineligible amount is the difference between the line-item price and the amount the registrant paid for the generator. In the other case, the registrant received the actual amount paid for a dehumidifier (\$162.25) and a one-year service plan (\$21.55); however, the service plan is ineligible according to FEMA policy. The ineligible amount is the amount the registrant paid for the service plan.	2	316.63
Occupancy - The registrant did not occupy the damaged address at the time of the disaster. According to his probation officer, the Amite District Probation and Parole made personal contacts with the registrant at a different address on March 19, 2008, and January 30, 2009.	1	7,862.30
Group Flood Insurance Policy (GFIP) - FEMA purchased two flood insurance policies for the same property, one for Hurricane Gustav and one for Hurricane Ike. According to our FEMA contact, FEMA will issue a credit of \$600.	1	600.00
Moving and Storage - According to FEMA policy, moving and storage assistance is provided for moving household items into storage to avoid additional disaster damage while repairs are underway and returning them back to the pre-disaster primary residence. However, the registrant did not return to the residence. FEMA indicated the registrant was in pre-recoupment status at the time of our analysis.	1	88.00

Issue	No. of Registrants	Ineligible Amount
National Flood Insurance Program (NFIP) - The registrant received assistance for flood-related damage caused by Hurricane Ike and previously received assistance for flood-related damage caused by Hurricane Rita. However, the registrant did not maintain a flood insurance policy on the damaged address at the time of Hurricane Ike. According to the National Flood Insurance Reform Act, if a person previously received federal disaster assistance for flood-related damage and does not obtain and maintain adequate flood insurance on the property, the person is not eligible for any subsequent federal disaster assistance.	1	\$6,350.51
Total	18	\$27,167.39

FEMA did not provide adequate documentation and the additional information we obtained from various other data sources was insufficient to support that 26 registrants³ were eligible for \$23,811 of the assistance they received for the following reasons:

Issue	No. of Registrants	Unsupported Amount
Occupancy - We could not verify from the documentation FEMA provided and from the additional information we obtained from various other data sources that the registrants occupied the damaged addresses at the time of the applicable disaster.	19	\$17,762.76
Generators, Chainsaws, and Dehumidifiers - FEMA did not provide the supporting documentation, such as receipts, for the purchase of these items. Therefore, we could not verify that the items were purchased during the eligible period and that the registrants were paid the proper amounts. According to FEMA policy, the FEMA inspectors must view the supporting documentation, but they are not required to maintain a copy of the documentation.	5	2,559.95
Possible Duplicate Payments - Two registrants received assistance for both hurricanes Gustav and Ike. In one case, the FEMA inspection for Hurricane Gustav was conducted after Hurricane Ike occurred. The registrant received assistance for a bedroom and living room for both hurricanes. In the other case, the FEMA inspection for both hurricanes was conducted on the same date. The registrant received assistance for two bedrooms and a living room for both hurricanes.	2	3,488.17
Total	26	\$23,810.88

³ Two registrants are included in both the 18 registrants who were not eligible for all or part of the assistance they received and the 26 registrants where we were unable to verify their eligibility and payment amount.

FEMA OTHER NEEDS ASSISTANCE

Second Phase - For the \$12,860 in assistance provided to six registrants, we determined that three registrants with ONA payments of \$7,172 were eligible for the assistance they received and were paid the proper amounts. We also determined that three registrants were not eligible for \$5,688 of the assistance they received for the following reasons:

Issue	No. of Registrants	Ineligible Amount
Generator - The documentation FEMA provided indicates the registrant did not purchase the generator during the eligible period.	1	\$729.99
National Flood Insurance Program (NFIP) - The registrant received assistance for flood-related damage caused by Hurricane Ike and previously received assistance for flood-related damage caused by Hurricane Rita. However, the registrant did not maintain a flood insurance policy on the damaged address at the time of Hurricane Ike. According to the National Flood Insurance Reform Act, if a person previously received federal disaster assistance for flood-related damage and does not obtain and maintain adequate flood insurance on the property, the person is not eligible for any subsequent federal disaster assistance.	1	4,358.53
Group Flood Insurance Policy (GFIP) - According to Federal Regulation 44 CFR §61.17, if a registrant received ONA because of flood-related damage, the damaged address may be eligible for a GFIP. In one case, the registrant received assistance for a generator and chainsaw because of flood-related damage caused by Hurricane Ike, and FEMA purchased a flood insurance policy on the damaged address. The registrant subsequently returned the assistance to FEMA but still received the insurance policy. It appears the registrant is no longer eligible for a GFIP because he returned the assistance he received. Our FEMA contact will recommend that FEMA issue a credit of \$600.	1	600.00
Total	3	\$5,688.52

Management's Response

FEMA OTHER NEEDS ASSISTANCE _____



BOBBY JINDAL
GOVERNOR

State of Louisiana
Governor's Office of Homeland Security
and
Emergency Preparedness

MARK A. COOPER
DIRECTOR

October 15, 2010

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-3870

RE: Audit of FEMA Other Needs Assistance Program

Dear Mr. Purpera:

We have reviewed the audit report concerning the FEMA Other Needs Assistance Program forwarded by letter dated September 1, 2010. As the state agency responsible for interfacing with FEMA on Stafford Act grant programs implemented as a result of a Presidential Declaration of a Major Disaster, we are familiar with the background of the audit and have assisted your staff in its preparation. As authorized by the Stafford Act and the implementing regulations, the State has elected that the Other Needs Assistance Program be administered during a disaster by FEMA. Auditing of the efficiency of FEMA's delivery of that program is an important issue for the State as it evaluates the most effective method to deliver disaster aid to the Citizens of the State.

As indicated, we have reviewed the report and concur that it reflects deficiencies in the manner in which FEMA identifies eligible applicants for the Other Needs Assistance Program. We will work with your office, the Division of Administration, and other effected agencies to develop an appropriate response to the Bill of Collection submitted by FEMA for the State's cost share of the program.

We appreciate the efforts of your staff in preparing this report and if there is further assistance we can provide, please feel free to contact me directly.

Sincerely

A handwritten signature in black ink, appearing to read "Mark A. Cooper".

Mark A. Cooper

MAC:msr:krs

Types of Costs Eligible
for Other Needs Assistance
for Hurricanes Gustav and Ike

FEMA OTHER NEEDS ASSISTANCE _____

The types of costs that were eligible for ONA for hurricanes Gustav and Ike included the following:

- **Personal property** expenses and serious needs for repair or replacement of personal property are generally limited to the following:
 - Clothing
 - Household items, furnishings, or appliances
 - Tools, specialized or protective clothing, and equipment required by an employer as a condition of employment
 - Computers, uniforms, schoolbooks, and supplies required for educational purposes
 - Cleaning or sanitizing any eligible personal property item
- **Transportation** expenses and serious needs for transportation are generally limited to the following:
 - Repairing or replacing vehicles
 - Financial assistance for public transportation and any other transportation related costs or services
- **Medical** expenses are generally limited to the following:
 - Medical costs
 - Dental costs
 - Repair or replacement of medical equipment
- **Funeral** expenses are generally limited to the following:
 - Funeral services
 - Burial or cremation
 - Other related funeral expenses
- **Moving and storage** expenses and serious needs related to moving and storing personal property to avoid additional disaster damage generally include storage of personal property while disaster-related repairs are being made to the primary residence and return of the personal property to the individual or household's primary residence
- **Other** disaster-related expenses including:
 - Purchase of a Group Flood Insurance Policy
 - Post-storm purchases of generators, chainsaws, humidifiers, and dehumidifiers
 - Critical Needs Assistance for eligible registrants who have sustained damage to their homes making them temporarily uninhabitable

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**Summary of FEMA Invoices
(as of March 2010)**

FEMA OTHER NEEDS ASSISTANCE _____

Invoice	Hurricane Gustav		Hurricane Ike	
	Total Amount	State's 25% Share	Total Amount	State's 25% Share
September 2008				
ONA Payments	\$20,332,165.09	\$5,083,041.27	\$1,029,563.30	\$257,390.83
Refunds	(154,983.75)	(38,745.94)	--	--
Net Balance Due	\$20,177,181.34	\$5,044,295.34	\$1,029,563.30	\$257,390.83
October 2008				
ONA Payments	\$16,694,354.81	\$4,173,588.70	\$4,066,512.88	\$1,016,628.22
Refunds	(382,722.95)	(95,680.74)	(57,651.30)	(14,415.82)
Net Balance Due	\$16,311,631.86	\$4,077,907.97	\$4,008,861.58	\$1,002,212.40
November 2008				
ONA Payments	\$6,304,351.24	\$1,576,087.81	\$1,583,466.85	\$395,866.71
Refunds	(178,078.47)	(44,519.62)	(36,099.37)	(9,024.84)
Net Balance Due	\$6,126,272.77	\$1,531,568.19	\$1,547,367.48	\$386,841.87
December 2008				
ONA Payments	\$3,114,560.57	\$778,640.14	\$1,465,797.84	\$366,449.46
Refunds	(93,792.70) ⁴	(23,448.18)	(31,055.95)	(7,763.99)
Net Balance Due	\$3,020,767.87	\$755,191.97	\$1,434,741.89	\$358,685.47
January 2009				
ONA Payments	\$2,920,012.28	\$730,003.07	\$1,164,353.45	\$291,088.36
Refunds	(58,105.55)	(14,526.39)	(17,928.45)	(4,482.11)
Net Balance Due	\$2,861,906.73	\$715,476.68	\$1,146,425.00	\$286,606.25
February 2009				
ONA Payments	\$1,291,637.35	\$322,909.34	\$271,448.64	\$67,862.16
Refunds	(37,829.02)	(9,457.26)	(21,887.94)	(5,471.99)
Net Balance Due	\$1,253,808.33	\$313,452.08	\$249,560.70	\$62,390.17
March 2009				
ONA Payments	\$630,090.62	\$157,522.66	\$150,495.06	\$37,623.77
Refunds	(14,878.81) ⁵	(3,719.70)	(1,164.37)	(291.09)
GFIP Payments	98,400.00	24,600.00	148,200.00	37,050.00
Net Balance Due	\$713,611.81	\$178,402.96	\$297,530.69	\$74,382.68

⁴ This amount includes payments of \$1,000.00 and credits of (\$94,792.70). FEMA did not provide the registrant IDs or the documentation for the payments; therefore, we could not verify the eligibility or payment amount. Also, it is unclear why FEMA included payments in the refunds. We did not include these payments in our analysis.

⁵ This amount includes payments of \$1,099.97 and credits of (\$15,978.78). FEMA did not provide the registrant IDs or the documentation for the payments; therefore, we could not verify the eligibility or payment amount. Also, it is unclear why FEMA included payments in the refunds. We did not include these payments in our analysis.

FEMA OTHER NEEDS ASSISTANCE

Invoice	Hurricane Gustav		Hurricane Ike	
	Total Amount	State's 25% Share	Total Amount	State's 25% Share
April 2009				
ONA Payments	\$376,457.66	\$94,114.41	\$68,163.91	\$17,040.98
Refunds	(20,762.00) ⁶	(5,190.50)	(3,351.23)	(837.81)
Net Balance Due	\$355,695.66	\$88,923.91	\$64,812.68	\$16,203.17
May 2009				
ONA Payments	\$113,144.25	\$28,286.06	\$43,275.42	\$10,818.85
Refunds	(6,427.77)	(1,606.94)	(2,197.17)	(549.29)
Net Balance Due	\$106,716.48	\$26,679.12	\$41,078.25	\$10,269.56
June 2009				
ONA Payments	\$103,092.43	\$25,773.11	\$5,474.71	\$1,368.68
Refunds	(4,393.76)	(1,098.44)	--	--
GFIP Payments	69,000.00 ⁷	17,250.00	100,200.00	25,050.00
Net Balance Due	\$167,698.67	\$41,924.67	\$105,674.71	\$26,418.68
July 2009				
ONA Payments	\$36,225.83	\$9,056.46	\$1,116.43	\$279.11
Refunds	(9,864.28)	(2,466.07)	--	--
Net Balance Due	\$26,361.45	\$6,590.39	\$1,116.43	\$279.11
August 2009				
ONA Payments	\$19,508.55	\$4,877.14	\$6,548.15	\$1,637.04
Refunds	(2,609.87)	(652.47)	--	--
Net Balance Due	\$16,898.68	\$4,224.67	\$6,548.15	\$1,637.04
September 2009				
ONA Payments	\$27,174.28	\$6,793.57	\$554.56	\$138.64
Refunds	(4,617.44)	(1,154.36)	1,877.75 ⁸	469.44
Net Balance Due	\$22,556.84	\$5,639.21	\$2,432.31	\$608.08
October 2009				
ONA Payments	\$4,054.95	\$1,013.74	\$30,385.76	\$7,596.44
Refunds	4,209.82 ⁹	1,052.46	(5,382.27)	(1,345.57)
Net Balance Due	\$8,264.77	\$2,066.20	\$25,003.49	\$6,250.87

⁶ This amount includes a payment of \$227.31 and credits of (\$20,989.31). FEMA did not provide the registrant IDs or the documentation for the payment; therefore, we could not verify the eligibility or payment amount. Also, it is unclear why FEMA included a payment in the refunds. We did not include this payment in our analysis.

⁷ FEMA did not provide the registrant IDs or the documentation for payments of \$1,200.00; therefore, we could not verify the eligibility and payment amount. We did not include these payments in our analysis.

⁸ FEMA did not provide the registrant IDs or the documentation for this payment of \$1,877.75; therefore, we could not verify the eligibility and payment amount. Also, it is unclear why FEMA included a payment in the refunds. We did not include this payment in our analysis.

⁹ This amount includes payments of \$6,806.59 and credits of (\$2,596.77). FEMA did not provide the registrant IDs or the documentation for a payment of \$2,189.15; therefore, we could not verify the eligibility and payment amount. Also, it is unclear why FEMA included payments in the refunds. We did not include this payment in our analysis.

Invoice	Hurricane Gustav		Hurricane Ike	
	Total Amount	State's 25% Share	Total Amount	State's 25% Share
November 2009				
ONA Payments	\$12,716.38	\$3,179.09	\$3,571.00	\$892.75
Refunds	--	--	--	--
Net Balance Due	\$12,716.38	\$3,179.09	\$3,571.00	\$892.75
December 2009				
ONA Payments	\$1,229.99	\$307.50	\$2,379.04	\$594.76
Refunds	(14,960.92)	(3,740.23)	--	--
Net Balance Due	(\$13,730.93)	(\$3,432.73)	\$2,379.04	\$594.76
January 2010				
ONA Payments	\$2,817.97	\$704.49	\$916.07	\$229.02
Refunds	(12,934.57)	(3,233.64)	(4,660.61)	(1,165.15)
Net Balance Due	(\$10,116.60)	(\$2,529.15)	(\$3,744.54)	(\$936.13)
February 2010				
ONA Payments	\$7,955.63	\$1,988.91	\$4,358.53	\$1,089.63
Refunds	(12,725.95) ¹⁰	(3,181.49)	(550.00) ¹¹	(137.50)
Net Balance Due	(\$4,770.32)	(\$1,192.58)	\$3,808.53	\$952.13
March 2010				
ONA Payments	\$3,600.00	\$900.00	\$2,400.00	\$600.00
Refunds	(1,875.00) ¹²	(468.75)	--	--
Net Balance Due	\$1,725.00	\$431.25	\$2,400.00	\$600.00
Total				
ONA Payments	\$51,995,149.88 ¹³	\$12,998,787.47	\$9,900,781.60	\$2,475,195.41
Refunds	(\$1,007,352.99)	(\$251,838.24)	(\$180,050.91)	(\$45,015.72)
GFIP Payments	\$167,400.00	\$41,850.00	\$248,400.00	\$62,100.00
Grant Total	\$51,155,196.89	\$12,788,799.22	\$9,969,130.69	\$2,492,279.69

¹⁰ FEMA did not provide the registrant IDs or the documentation for refunds of (\$7,564.29); therefore, we could not determine which payment to apply the refunds to. We did not include these refunds in our analysis.

¹¹ FEMA did not provide the registrant IDs or the documentation for this refund of (\$550.00); therefore, we could not determine which payment to apply the refund to. We did not include these refunds in our analysis.

¹² FEMA did not provide the registrant IDs or the documentation for this refund of (\$1,875.00); therefore, we could not determine which payment to apply the refund to. We did not include these refunds in our analysis.

¹³ This amount includes a \$500.00 payment that FEMA identified as "cancelled." As of February 4, 2010, FEMA had not provided a refund for this payment. We did not include this payment in our analysis.

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Methodology

FEMA OTHER NEEDS ASSISTANCE _____

Louisiana Revised Statute 39:100.26 created the FEMA Reimbursement Fund to provide funds to pay the State's portion of any amount due under the Stafford Act. Before disbursements from the fund can be made, the legislative auditor must audit the source documentation presented by FEMA to determine whether the documentation supports the amount required to be paid. Alternatively, a court of competent jurisdiction may render a final non-appealable judgment or order that disbursements be made.

Pursuant to this statute, we analyzed the supporting documentation provided by FEMA for compliance with FEMA's policies for the ONA program. We also obtained additional information from the following data sources:

- Public records search
- Driver's license records obtained from the Louisiana Department of Motor Vehicles
- Labor and unemployment insurance records obtained from the Louisiana Department of Labor
- State tax return records obtained from the Louisiana Department of Revenue
- Voter registration records obtained from the Louisiana Secretary of State
- Prison records obtained from the Louisiana Department of Corrections
- Utility records obtained from utility companies

Specifically, we attempted to verify the attributes listed below in two phases based on the timing of the documentation provided by FEMA:

- The registrant's identity is valid.
- The registrant's damaged address is valid.
- The registrant occupied the damaged address at the time of the applicable disaster.
- For each registrant, the total amount paid for housing and ONA did not exceed \$28,800.
- For each type of cost eligible for ONA,¹⁴ the amount paid complied with FEMA standard rates and policy.
- The registrant was eligible for each type of cost paid under the ONA program.
- The registrant did not receive duplicate benefits under the ONA program.

¹⁴ See Appendix A for the types of costs eligible for ONA for hurricanes Gustav and Ike.

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