



**One Hundred Eleventh Congress
U.S. House of Representatives
Committee on Homeland Security
Washington, DC 20515**

December 3, 2010

The Honorable W. Craig Fugate
Administrator
Federal Emergency Management Agency
Department of Homeland Security
Washington, D.C. 20472

Dear Administrator Fugate:

We write to express our concern with the findings of the Department of Homeland Security's Office of Inspector General (OIG) report, *DHS Financial Assistance to the Association of Community Organizations for Reform Now (ACORN) and Its Affiliates* (OIG-11-10). This report found that the Federal Emergency Management Agency (FEMA) should not have awarded Fire Prevention and Safety grants to ACORN and raises serious questions about FEMA's grant award and monitoring processes.

You may recall that we wrote to you last fall expressing our opposition to FEMA's decision to award a Fiscal Year (FY) 2008 Fire Prevention and Safety grant to ACORN because we believed that ACORN lacked the required experience and expertise in fire prevention and safety programs that is required of grant recipients. Fortunately, FEMA rescinded the FY 2008 grant after direction from Congress. However, the \$450,484 award made by FEMA to ACORN with FY 2007 funds was not rescinded and the Inspector General concurred with our belief of ACORN's ineligibility for the grant. The report found that "...given the lack of experience ACORN Institute demonstrated in fire prevention and safety and its unconfirmed collaboration with experts in this area, FEMA should not have awarded these grants to ACORN Institute."¹ Perhaps most troubling is FEMA's reliance on ACORN's unverified claims that it had the requisite experience and expertise to receive a grant and the fact that for both the FY 2007 and FY 2008 grants FEMA ignored the recommendations of the Technical Evaluation Panel.

The report also found that FEMA did not perform sufficient oversight of ACORN once the FY 2007 grant was awarded, generally providing oversight over larger grants rather than those grants that might be the most in need of oversight based on a risk analysis. As a result of this lack of oversight, FEMA was unaware that ACORN did not complete some of the activities for which it was responsible under its application. In addition, ACORN was unable to support more than \$160,000 of its expenditures under the grant.

¹ Dept. of Homeland Security Inspector General, *DHS Financial Assistance to the Association of Community Organizations for Reform Now (ACORN) and Its Affiliates*, OIG-11-10, November 2010, at 3.

The shortcomings identified in the OIG report raise serious questions about FEMA's grant award and monitoring processes. While we appreciate FEMA's concurrence with the Inspector General's recommendations, FEMA's responses in the report provide little detail on how these recommendations will be implemented. As a result, we would appreciate a response to the following questions by Friday, December 31, 2010.

1. What mechanisms do you plan to put in place to ensure that the contents of a grantee's application are accurate?
2. What is the penalty for providing inaccurate or misleading information in a grant application?
3. Why did FEMA award Fire Prevention and Safety Grants to ACORN despite the recommendations by the Technical Evaluation Panel that its applications not be funded?
4. Why did FEMA award these grants to ACORN when other grantees that received higher scores from the Technical Evaluation Panel did not receive funding?
5. What guidance is provided to FEMA staff when reviewing grant applications and the recommendations of the Technical Evaluation Panel to determine whether to fund an application, especially when a determination to override the Technical Evaluation Panel is made?
6. What is the current status of FEMA's review of the FY 2007 grant provided to ACORN?
7. Will FEMA seek to recoup funding under the FY 2007 grant for which ACORN cannot account?
8. How will FEMA's new risk-based approach to grants monitoring be implemented and how would this system have prevented the wrongdoing in the case of the ACORN grant, such as not implementing the program as described in its application and inability to provide documentation for more than \$160,000?
9. How, if at all, do FEMA's monitoring processes for Fire Prevention and Safety Grants differ from those for grants under the Homeland Security Grant Program and Infrastructure Protection Program?
10. What are the criteria under which a grant applicant would be suspended or debarred from receiving FEMA grants?
11. What progress has FEMA made in implementing each of the recommendations in the OIG report and when do you anticipate implementation will be complete?
12. What other changes, if any, do you intend to make in future grant guidance and monitoring to ensure that grants are awarded to worthy recipients and are spent in accordance with the requirements of the grant?

We must ensure that our vital homeland security resources are spent in the most efficient and effective manner possible. Should you or your staff have any questions about this request, please do not hesitate to contact Ms. Kerry Kinirons or Ms. Amanda Halpern of the Republican staff of the Committee on Homeland Security at (202) 226-8417.

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We look forward to working with you to ensure the integrity of FEMA's grant award and monitoring processes.

Sincerely,



GUS M. BILIRAKIS
Ranking Member
Subcommittee on Management,
Investigations, and Oversight



MIKE ROGERS
Ranking Member
Subcommittee on Emergency
Communications, Preparedness, and
Response