



Report Highlights

Executive Department

DARYL G. PURPERA,
CPA, CFE

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Why We Conducted This Audit

We performed certain procedures at the Executive Department as part of the state of Louisiana's Comprehensive Annual Financial Report and the Single Audit of the State of Louisiana, and to evaluate the department's accountability over public funds for the fiscal year ended June 30, 2014.

What We Found

The Community Development Block Grant (CDBG) Homeowner Assistance Program (HAP) is the largest single housing recovery program in U.S. history, with approximately \$8.6 billion in disbursements since fiscal year 2007. This program assists families affected by hurricanes Katrina and Rita to get back into their homes.

- The Division of Administration, Office of Community Development (OCD) identified \$939 million in noncompliant awards for 15,095 homeowners participating in the HAP.
- In addition, our review of 45 homeowners not identified as noncompliant by OCD disclosed that 10 (22%) of these homeowners, with awards totaling \$944,817, had not provided adequate evidence of compliance with one or more award covenants.
- Failure to recover benefits from noncompliant homeowners could result in disallowed costs that the state could be liable to repay to the federal government.

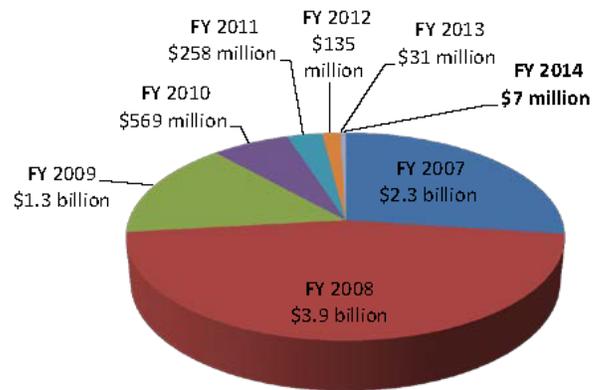
The CDBG Small Rental Property Program (SRPP) provides funding to property owners to repair their storm-damaged, small-scale rental properties and make their units available to low- and moderate-income tenants at affordable rates.

- OCD identified SRPP loans totaling \$60 million for 747 property owners who failed to comply with one or more of their loan agreement requirements and were assigned to loan recovery status. The state could be liable for these amounts if disallowed by the federal grantor.

The Hazard Mitigation Grant Program (HMGP) helps homeowners in coastal Louisiana protect their homes from damage in future natural disasters by elevating their homes, reconstructing safer structures, or installing individual mitigation measures.

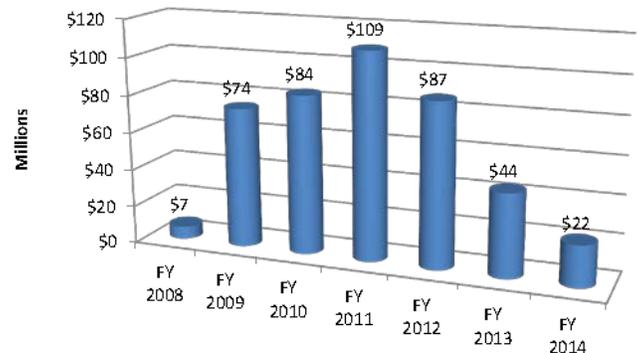
- OCD identified 268 noncompliant awards in the HMGP, totaling \$6.3 million. In addition, OCD identified 282 awards affected by contractor abandonment, incomplete work, or potential fraud and has demanded \$10.4 million from contractors for work not performed. The state could be liable for these amounts if disallowed by the federal grantor.

HAP Awards to Homeowners, by Fiscal Year (FY) (\$8.6 billion total)



Source: Integrated Statewide Information System (ISIS) data at June 30, 2014

SRPP Loans to Property Owners, by Fiscal Year (FY) (\$427 million total)



Source: ISIS data at June 30, 2014