

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**COLUMBIA UNIVERSITY  
CLAIMED ALLOWABLE HURRICANE  
SANDY DISASTER RELIEF ACT FUNDS**

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# *Office of Inspector General*

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The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

## *Office of Audit Services*

The Office of Audit Services (OAS) provides auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

## *Office of Evaluation and Inspections*

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## *Office of Investigations*

The Office of Investigations (OI) conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. With investigators working in all 50 States and the District of Columbia, OI utilizes its resources by actively coordinating with the Department of Justice and other Federal, State, and local law enforcement authorities. The investigative efforts of OI often lead to criminal convictions, administrative sanctions, and/or civil monetary penalties.

## *Office of Counsel to the Inspector General*

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.

# *Notices*

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Section 8M of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site.

## **OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

***Columbia University, a National Institutes of Health grantee, claimed allowable Hurricane Sandy Disaster Relief Act funds over a 2-year period.***

## **INTRODUCTION**

### **WHY WE DID THIS REVIEW**

Hurricane Sandy made landfall on October 29, 2012, devastating portions of the mid-Atlantic and northeastern United States and leaving victims of the storm and their communities in need of disaster relief aid. On January 29, 2013, the President signed into law the Disaster Relief Appropriations Act of 2013, P.L. No. 113-2 (Disaster Relief Act), which, in part, provided the Department of Health and Human Services (the Department) approximately \$800 million in funding for disaster response and recovery and other expenses directly related to Hurricane Sandy.<sup>1</sup> This funding was available until September 30, 2015. After sequestration, the Department received \$759.5 million in Disaster Relief Act funding, \$148.8 million of which was allocated to the National Institutes of Health (NIH). Of this amount, NIH awarded \$299,076 to Columbia University (Columbia) to replace research resources lost or damaged by Hurricane Sandy.<sup>2</sup>

The Disaster Relief Act mandated the Department's Office of Inspector General (OIG) to perform oversight, accountability, and evaluation of programs, projects, or activities supported with Disaster Relief Act funds. This review is part of OIG's Disaster Relief Act oversight activities. Appendix A contains a list of OIG reports related to the Disaster Relief Act.

### **OBJECTIVE**

Our objective was to determine whether Columbia claimed Disaster Relief Act costs were allowable in accordance with Federal requirements.

### **BACKGROUND**

#### **National Institutes of Health**

Within the Department, NIH is the agency that is responsible for the Nation's medical scientific research. NIH supports many training programs and funding mechanisms that foster scientific creativity and exploration. NIH's mission is to seek fundamental knowledge about the nature and behavior of living systems and to apply that knowledge to enhance health, lengthen life, and reduce illness and disability. NIH received \$148.8 million in Disaster Relief Act funding and

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<sup>1</sup> The Budget Control Act of 2011 (P.L. No. 112-25) reduced the Hurricane Sandy disaster relief funds the Department received from approximately \$800 million to \$759.5 million. The law imposed automatic spending cuts, known as "sequestration," designed to reduce the Federal deficit. The Office of Management and Budget determined that disaster relief funds were subject to sequestration, and as a result, the funds were reduced by approximately \$40.5 million.

<sup>2</sup> Specifically, the funds were awarded under grant number 3U54AI057158-10S1.

allocated the funds to the following programs: grantee research programs (\$147 million) and environmental health sciences (\$1.8 million).

## **Columbia University**

Located in New York, New York, Columbia is an educational institution and a member of the Northeast Biodefense Center (NBC), a consortium of academic research institutions, government agencies, and international organizations established to focus research and training efforts in the areas of biodefense, emerging infectious diseases, and emergency preparedness.

For the period January 31, 2014, through February 28, 2015, NIH awarded \$299,076 in Disaster Relief Act funding to Columbia to replace NBC research resources lost or damaged by Hurricane Sandy. Columbia subawarded these funds to New York University (NYU), a NBC partner.<sup>3</sup>

## **Federal Requirements**

By accepting the Disaster Relief Act grant funds, Columbia agreed to comply with regulations governing Federal grants. Title 45, part 74, of the Code of Federal Regulations establishes uniform administrative requirements governing Department grants and agreements awarded to educational entities. As an educational entity in receipt of Federal funds, Columbia must comply with Federal cost principles in 2 CFR part 220, *Cost Principles for Educational Institutions*.<sup>4</sup> Columbia is required to ensure that subrecipients comply with applicable Federal requirements and that grant expenditures submitted for Federal reimbursement be reasonable, allocable, and otherwise allowable.

## **HOW WE CONDUCTED THIS REVIEW**

We reviewed \$299,074 in Disaster Relief Act funding that Columbia claimed for the period January 31, 2014, through February 28, 2015, and the internal controls Columbia implemented to manage Disaster Relief Act funds.<sup>5</sup>

We conducted this performance audit in accordance with 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B contains the details of our audit scope and methodology.

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<sup>3</sup> Under a subrecipient grant from Columbia to NYU, the funds were to be used to recover time lost due to Hurricane Sandy on research to identify potential vaccines to combat a virus spread by infected mosquitoes.

<sup>4</sup> The Office of Management and Budget Circular No. A-21, *Cost Principles for Educational Institutions*, was relocated to 2 CFR part 220 and made applicable by 45 CFR § 74.27(a). Although not applicable to this audit, HHS promulgated new grant regulations at 45 CFR part 75. The new regulation applies only to awards made on or after December 26, 2014.

<sup>5</sup> Columbia claimed only \$299,074 of its \$299,076 grant. The remaining \$2 was not used.

## **RESULTS OF REVIEW**

Columbia claimed allowable Hurricane Sandy Disaster Relief Act costs. Accordingly, this report does not contain recommendations.

**APPENDIX A: RELATED OFFICE OF INSPECTOR GENERAL REPORTS**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>
<i>Bayview Nursing and Rehabilitation Center Claimed Allowable Hurricane Sandy Disaster Relief Act Funds</i>	<a href="#"><u>A-02-15-02010</u></a>	4/4/2016
<i>Link2Health Solutions, Inc., Budgeted Costs That Were Not Appropriate and Claimed Some Unallowable Hurricane Sandy Disaster Relief Act Funds</i>	<a href="#"><u>A-02-14-02013</u></a>	3/23/2016
<i>Health Research, Inc., Budgeted Costs That Were Appropriate and Claimed Allowable Hurricane Sandy Disaster Relief Act Funds Under Grant Number 1U01TP000567</i>	<a href="#"><u>A-02-15-02006</u></a>	2/2/2016
<i>New York University School of Medicine Budgeted Costs That Were Appropriate and Claimed Allowable Hurricane Sandy Disaster Relief Act Funds</i>	<a href="#"><u>A-02-14-02011</u></a>	12/7/2015
<i>The Department of Health and Human Services Designed Its Internal Controls Over Hurricane Sandy Disaster Relief Funds To Include Elements Specified by the Office of Management and Budget</i>	<a href="#"><u>A-02-13-02010</u></a>	7/24/2014

## **APPENDIX B: AUDIT SCOPE AND METHODOLOGY**

### **SCOPE**

We reviewed \$299,074 in Disaster Relief Act funding that Columbia claimed for the period January 31, 2014, through February 28, 2015, and the internal controls Columbia implemented to manage Disaster Relief Act funds.

We performed our fieldwork at Columbia in New York, New York, from July through October 2015.

### **METHODOLOGY**

To accomplish our objective, we:

- reviewed applicable Federal laws, regulations, and guidance;
- met with Columbia and NYU officials to discuss procedures for allocating, accounting for, reporting on, and monitoring the use of Hurricane Sandy funds;
- reviewed Columbia's grant application related to the research grant and NIH's notices of award to gain an understanding of the project, its objectives, and the terms and conditions of the awards;
- reviewed Columbia's financial, budgeting, and procurement policies;
- interviewed Columbia officials and reviewed Columbia's internal controls and procedures for managing and claiming Disaster Relief Act funds;
- reviewed documents related to Columbia's subaward with NYU;
- reviewed quarterly progress reports and financial updates prepared by NYU;
- reconciled Columbia's reported Disaster Relief Act expenditures to its accounting records;
- reviewed Columbia's claimed Disaster Relief Act costs to determine allowability in accordance with Federal requirements; and
- discussed the results of our review with Columbia officials.

We conducted this performance audit in accordance with 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.