



**Lake Charles**  
*Louisiana*

# **CITY OF LAKE CHARLES**

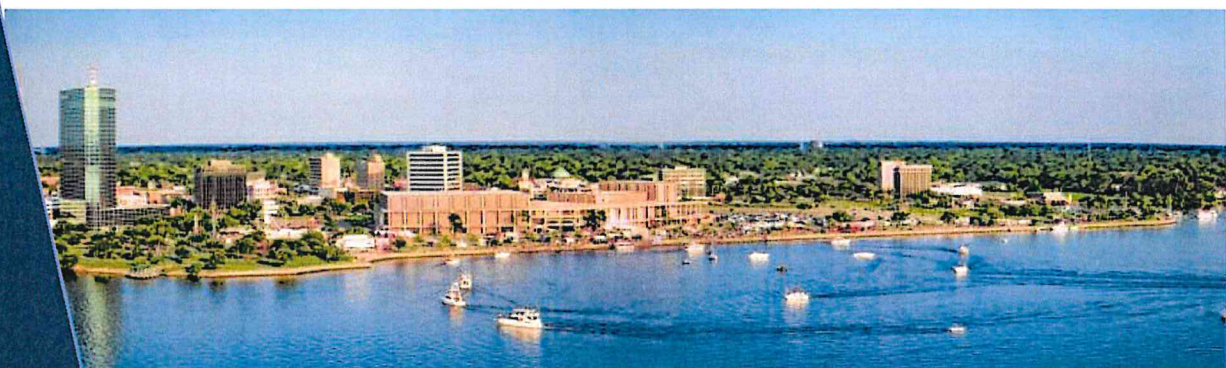
## **COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY**

### **POLICY AND PROCEDURES MANUAL (PRIOR TO ACTION PLAN APPROVAL)**

**VERSION 1**

**APRIL 11, 2023**

The purpose of this document is to outline policies and procedures for implementing the CDBG-DR activities in accordance with applicable regulatory requirements outlined in Federal Register volume 87, No. 100 – published on Tuesday, May 24, 2022



## **I. Introduction/Background**

In May, 2022, Congress passed the Supplemental Appropriations Act (Public Law 117-43), to provide Community Development Block Grant Disaster Recovery (CDBG-DR) funding for flooding that occurred on May 17, 2021 in the city limits of Lake Charles, Louisiana, which was declared a most impacted and distressed area (MID) by the Federal Emergency Management Agency (FEMA). The City of Lake Charles (COLC) received notice that we are receiving an allocation of \$10,776,000 (\$9,370,000 for unmet needs and \$1,406,000 mitigation set-aside) in Community Development Block Grant Disaster Recovery (CDBG-DR) funding. An additional \$7,042,000 (\$5,985,000 for unmet needs and \$1,056,300 mitigation set aside) was allocated to the City by HUD bringing the total funding to \$17,818,000 (\$15,145,300 for unmet needs and \$2,672,700 mitigation set aside).

The Community Development Department as the lead agency responsible for the development and administration of the COLC's Consolidated Plan will serve as the lead agency with respect to the CDBG-DR funds. The Community Development Department (CD) is responsible for carrying out the financial and programmatic responsibilities of the CDBG-DR program.

To access these funds, CD is required to prepare an Action Plan to submit to The Department of Housing and Urban Development (HUD) that meets the requirements outlined in Section II. A. and all areas pertinent to local government outlined in the Appropriations Act (Public Law 117-43) published in Federal Register volume 87, No. 100 on Tuesday, May 24, 2022 (the Notice). Once this Action Plan is prepared, the specific disaster related activities to be addressed with these funds will be outlined in this policy and policy document.

## **II. The Effect of The Disaster Recovery and Mitigation Needs**

Reserved – To Be Determined (TBD)

## **III. Strategies & Practices**

Reserved – To Be Determined (TBD)

## **IV. CDBG-DR Eligibility Determination Process**

Once data is received and reviewed from FEMA on unmet needs, CD staff along with a properly procured consultant, being familiar with the CDBG regulatory requirements, eligible activities, and the need for all funded activities to meet a National Objective; will work closely with the COLC's administration through the Citizen's Participation process to determine which needs could be eligible for funding with the forthcoming CDBG-DR monies that weren't addressed with other sources.

## **V. Waivers**

The U.S. Department of Housing and Urban Development (HUD) published waivers, and alternative requirements for use of the CDBG-DR funds in the Federal Register, Volume 87, Number 100, May 24, 2022. The COLC will use the following waivers to facilitate administering CDBG-DR funded activities:

Reserved – To Be Determined (TBD)

## **VI. Plan for Disaster Recovery – Use of Funds**

Reserved – To Be Determined (TBD)

<b>Activities</b>
<b>Housing</b>
<b>Infrastructure</b>
<b>Mitigation</b>
<b>Planning</b>
<b>Administration</b>

## **VII. Grant Management**

### **A. General**

The City of Lake Charles operates primarily on a reimbursement basis. Expenses are posted and paid prior to any submission of reimbursement request. No contract and/or sub-award shall be issued to parties that are suspended, debarred, or otherwise excluded from or ineligible for participation in federal programs or activities. [SAM.gov](http://SAM.gov) is utilized to verify a vendor is not on the excluded parties list.

Grant budgets are tracked by specific account codes in our computerized accounting system. Detailed budget reports are reviewed monthly to compare actual expenses and current encumbrances against budgets.

Community Development staff has the skills, knowledge and experience to effectively oversee grant awards. Grant expenses are reviewed and approved by appropriate program and finance staff to ensure that only eligible allowable costs in accordance with 2 CFR Part 200 Subpart E – Cost Principles are charged to federal awards. This process is applied to all other State and local grant awards.

Pay requests are prepared by Community Development staff and reimbursement requests are prepared by Finance prior to submission.

All required financial reports are prepared by accounting personnel and approved by Finance prior to timely submission. Most grant funds are received on reimbursement basis. Should grant revenue be received prior to disbursement of funds, that amount would be placed in the City's Operating account at our fiscal agent bank.

The receipt of those funds would be recorded in the appropriate non-interest bearing special revenue fund in the City's accounting system and disbursed within the timeframe allowed by the grant. Any advance receipts from US Treasury will be disbursed in accordance with 2 CFR 200.305 Payment regulation.

Disbursements will be made in accordance with the terms and conditions of the Federal award to minimize the time elapsing between receipt and disbursement of funds. Accounting/Finance management reviews any findings or recommendations provided by independent and federal auditors. Policies and procedures are reviewed to determine the source of the finding or recommendation. Corrective action will be taken to prevent future occurrences.

#### B. Disaster Recovery Grant Reporting System (DRGR)

DRGR will allow the COLC to submit financial and performance data to HUD regarding activities funded under CDBG-DR grants. DRGR will provide the means for updating and reconciling grant award amounts, drawdown information, and current balances from the Line of Credit Control System (LOCCS) via the DRGR system.

DRGR will provide users with the ability to create vouchers which are then reconciled with the drawn amounts with LOCCS to ensure accuracy of financial balances. After the vouchers are processed via LOCCS, DRGR will update the status of the vouchers, enabling users to track the status of their drawdowns.

The following are the basic components of DRGR utilized by the COLC:

- Grants, Sub-funds, and sub-grants
- Consolidated Plan/Action Plan
- Projects
- Activity Setup
- Activity Funding
- Drawdowns
- Accomplishment Reporting
- Reports
- Security and Data Access

### C. Program Income

Program Income are earnings realized from CDGB-DR supported activities and may include such items as loan repayments, rent received, proceeds from sale of property, and lien repayments. The COLC will comply with HUD requirements found in 24 CFR 570.489. Program income that is generated from any CDBG-DR activity may be used for additional disaster-related activities until grant-closeout. At grant close-out, any program income on hand or received subsequently will become program income to the annual CDBG program.

### D. Salaries and Wages

The COLC uses Kronos for employees track time. Only two CD employees' have their work hours charged to grant programs. The hours worked by these two employees are charged bi-weekly. Kronos requires staff to log hours and time off and certify bi-weekly.

The following procedures are used for processing timesheets/payroll:

- All employees are responsible for logging in and out via Kronos on a daily basis.
- Leave is recorded in the City's payroll system based on approved leave.
- The CD Department Director approves all timesheets.

### **VIII. Internal Controls**

Internal controls are detailed policies, procedures, practices that personnel perform to provide for adequate safeguarding of assets and accurate financial reporting. The concepts, elements, and objectives of internal controls include the following:

- Management is responsible for the establishment, maintenance and continuous monitoring of an internal control system.
- Accounting control provides reasonable, but not absolute, assurance that the objectives of the system will be met.
- Underlying effective internal control are the competence and integrity of personnel.
- Personnel with clear lines of authority and responsibility and their understanding of defined procedures.
- Adequate segregation of duties
- Adequate controls over cash receipts and cash disbursements, purchases, payroll, account reconciliation, and record keeping
- Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

## **IX. Duplication of Benefits**

Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5155), as amended, prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster as to which that person has received financial assistance under any other program or from insurance or from any other source. CDBG-DR funds will not be used for activities for which funds have been received (or will be received) from FEMA; the SBA; NFIP, other local, state, or federal programs; insurance; or recovery support from private charity organizations. However, CDBG funds may be used to provide assistance to the extent that a disaster recovery need has not been met by other sources.

Applicants for assistance will be required to disclose all sources of assistance received or to be received as part of the eligibility screening process. Applicants will be required to provide an Authorization to Release Information for verifying other resources. The amount of CDBG-DR assistance received will be the amount that is necessary and reasonable to assist the applicant in achieving recovery.

When duplicative resources are identified, the DOB calculation should include the following (at a minimum):

Cost to Repair minus:

- Homeowner and/or Flood Insurance
- Assistance from SBA relevant to Construction/Fixtures
- Other Federal, State other Governmental or nonprofit Recovery Benefits for this purpose

Equals Gap or need for Renovation/NC assistance or Initial Grant Award minus:

- Additional fund from third party sources NOT originally calculated above prior to determination of award

Equals Revised Grant Award.

Once the needs gap is determined, the administering agency shall complete the analysis of this funding request or application by reviewing the following requirements:

- That all proposed cost are reasonable, using the methodology prescribed in the program's policies and procedures.
- That the project is financially feasible and utilizing CDBG-DR resources will result in a project that meets a national objective.
- That all available funding received for the same purpose are appropriately used and/or included in the duplication of benefits calculation prior to the disbursement of any CDBG-DR funds.

The COLC will use the best, most recent available data from FEMA, the Small Business Administration (SBA), insurers, and any other sources of local, state, and Federal sources of funding to prevent the duplication of benefits.

All assisted households will be required to sign a restrictive covenant requiring them to repay any assistance later received for the same purpose as the CDBG-DR funds. The restrictive covenant

will include the following language: “Warning: Any person who knowingly makes false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2,287, 1001 and 31 U.S.C. 3720.”

CD staff/compliance monitor will contact beneficiaries via mail or email annually for three (3) years after CDBG-DR assistance is provided and require them to affirm that they have not received any additional assistance or disclose any additional assistance they have received for the same purpose as the CDBG-DR funds. This allocation of CDBG-DR funds is targeted to assist unmet needs from flooding that occurred May 17, 2021. The CDBG-DR funds to provide assistance are not anticipated to be available until early 2023, approximately 21 months after the event. Thus, any proceeds from insurance, FEMA, SBA, etc., would have already been received prior to assistance for unmet needs from CDBG-DR funds, therefore, monitoring for duplication of benefit for three (3) years after the CDBG-DR assistance was provided is determined to be a reasonable time period.

#### **X. Procedures to Determine Timely Expenditures**

Community Development staff and a properly procured consulting, having experience with multiple types of CDBG and CDBG-DR activities are familiar with the difficulties and pace different types of projects move and will use this expertise to select recovery projects that can move quickly.

Staff will track expenditures (both actual and projected reported in the performance report) for all CDBG-DR projects (those managed by CD staff and sub-recipients, as applicable, on a monthly and quarterly basis). All invoices for expenditures will be accompanied by supporting documentation. Program Income will be receipted and reported monthly and will be used for eligible activities before any CDBG-DR funds are drawn.

All activity expenditures will be reviewed against those expenditures and outcomes included in the action plan and for those not moving on target or those that appear to be stalled, staff will take immediate steps to reprogram funds to activities that can move in a timely manner.

COLC will use its regular monitoring and reporting processes to ensure that timeliness standards are met. This involves regular reconciliations of budgets and expenditures between OCD and the Finance Department. In addition, finance and COLC staff correspond daily, and no funds are allocated, spent, or drawn down without both parties signing off on the appropriateness and allocability of the costs. All staff use HTE hosted by Central Square to track budgets and expenditures, procurements, contracts and accompanying processes. DRGR will be used in conjunction with HTE hosted by Central Square for management of these CDBG-DR funds.

#### **Reporting**

The CDBG-DR Action Plan in DRGR will provide quarterly spending estimates and completion targets for each project. Projection of expenditures will be made based on 1) historical knowledge of similar projects, 2) timelines proposed by engineers (when applicable), and 3) expenditure goals and benchmarks set by CDBG-DR program managers and the COLC Community Development Director.

The COLC and Accounting Division staff will track expenditure and activity statuses monthly. OCD staff will identify any discrepancies and report the findings to the COLC CD Director. Where there are discrepancies, the COLC will work with sub-recipients to create a plan to return to the anticipated schedule or revise the schedule as necessary. Adjustments and revisions will be submitted to the COLC CD Director for pre-approval before moving forward to the City Council for final approval.

#### Reprogramming of Funds

Once approved, the adjustments and revisions will be entered into DRGR. Where projects become stalled and will be unable to be completed in a timely manner, the COLC CD and Accounting Division staff will reprogram funds to a different activity within the current Action Plan. The decisions regarding reprogramming of funds will be made at the discretion of the COLC CD Director and the administration based on performance, need, and an effort to remain timely. All revisions will be entered into DRGR by the COLC CD staff in the next quarter after the project/activity has been cancelled and funds have been identified inclusive of the submission of the Quarterly Performance Report the QPR Review Guide <https://www.hudexchange.info/resource/3688/cdbg-disaster-recovery-drgr-qpr-review-guide/>.

#### Program Income

In some circumstances, CDBG-DR funded activities may generate program income. The CDBG regulatory definition of Program Income under 24 CFR 570.500(a) states: "Program Income is the gross income received by the grantee and its subrecipients directly generated from the use of CDBG funds. When Program Income is generated by an activity that is only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used."

If program income is generated, COLC will input the amount of program income into DRGR on a quarterly basis. With the input of program income, the Project Budgets and Activity Budgets will also be updated. After the adjustments in DRGR have been made to account for program income, COLC will update and resubmit the DRGR Action Plan for HUD approval.

Reconciliation of the DRGR reports will identify any discrepancies and will be reviewed with the appropriate Program COLC staff and Manager. The financial analysis will include a reconciliation of the DRGR report with the City financial records.

### **XI. Record Retention**

CD will abide by the following requirements and retain records for a period of 4 years from the date of execution of the closeout agreement for the CDBG-DR grant.

- Records for individual activities subject to the reversion of assets provisions at §570.503(b)(7) or the change of use provisions at §570.505 must be maintained for 3 years after those provisions no longer apply to the activity;
- Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained for 3 years after the receivables or liabilities have been satisfied.

For sub-recipients:

- The retention period for individual CDBG activities shall be the longer of 3 years after the expiration or termination of the sub-recipient agreement under §570.503, or 3 years after the submission of the annual performance and evaluation report, as prescribed in §91.520 of this title, in which the specific activity is reported on for the final time;
- Records for individual activities subject to the reversion of assets provisions at §570.503(b)(7) or change of use provisions at §570.505 must be maintained for as long as those provisions continue to apply to the activity; and
- Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied.

## **XII. Procedures to Maintain a Comprehensive Website**

The COLC will have a separate area dedicated (under the CD section of the City's website) to its disaster recovery activities assisted with CDBG-DR funds for the 2021 storms. The COLC's Public Information Officer, Katie Harrington, will maintain this section of the website. The following required items will be posted on the website as they become available:

- The Action Plan will be posted as a single document;
- Each Quarterly Performance Report;
- Citizen participation plan and requirements;
- Information about all programs and activities undertaken with CDBG-DR funds;
- Policies for all programs and activities implemented by the COLC with CDBG-DR funds;
- Procurement policies and procedures;
- All executed contracts/sub-recipient agreements that will be paid with CDBG-DR 2021 funds as defined in 2 CFR 200.22;
- A summary including the description and status of services or goods currently being procured by the COLC and/or sub-recipient with CDBG-DRGR 2021 funds (e.g. phase of the procurement, requirements for proposals, etc.)
- AFFH and EO items and agency representative contact information;
- If awarding funds competitively: Eligibility information, selection criteria, and timeframe for accepting and awarding funds.
- If grantee is directly implementing activities, include information for citizens about how to apply and how to check the status of their application.
- Information about public hearings and citizens advisory committee meetings.

Upon request, the COLC will make these documents available to persons with disabilities and those with limited English proficiency (LEP) in accordance with the requirements of Section III. D.1.d. of the Consolidated Notice.

Additionally, the COLC will take reasonable steps to ensure meaningful access to CDBG-DR activities and programs by LEP persons, including members of protected classes, vulnerable populations, and individuals from underserved communities as described in Section III. D. 1.d. of the Consolidated Notice.

The COLC will update its CDBG-DR webpage at least quarterly or more frequently as new information becomes available that needs to be posted.

### **XIII. Procedures to Detect Fraud, Waste and Abuse of Funds**

#### **Definitions and Examples**

**Fraud** is the intentional (willful or purposeful) deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him/herself or some other person. There are many forms of fraud. Examples of fraud include, but are not limited to, misrepresentation of:

- Income (Unreported or under-reported)
- Household composition
- Financial resources (transferred or hidden resources)
- Residency
- Citizenship status

Other types of fraud include but are not limited to:

- Using another person's identification
- Forging signatures or documents
- Concealing access to duplicate funding
- Misrepresenting a medical condition to obtain additional benefit
- Misusing funds (diverting them for an unintended use)

**Waste** includes over-utilizing COLC's services, supplies or equipment, or causing unnecessary costs through carelessness or inefficiency.

**Abuse** includes activities that result in unnecessary costs to the COLC. Note that this is financial abuse, not physical or emotional abuse of a person. Physical and emotional abuse of a person should be reported to the police.

Other actions constituting fraud, waste and abuse include, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, supplies or assets
- Impropriety in handling or reporting money or financial transactions
- Profiting as a result of insider knowledge
- Unauthorized disclosure of confidential or private information
- Accepting or seeking anything of material value from contractors, vendors or any person that seeks a beneficial decision, contract, or action for CDBG-DR and CDBG-MIT activities
- Unnecessary cost or expenditures

- Diversion of program resources

### Responsibilities

All COLC employees, subrecipients and contractors are responsible for the detection and prevention of fraud, waste, abuse, misappropriations, and other irregularities. Supervisors shall work with employees to ensure familiarity with the types of improprieties that might occur within their area of responsibility, and all employees will be alert for any indication of irregularity. All subrecipients receiving CDBG-DR funds for the first time shall attend and require subrecipients to attend fraud-related training provided by HUD OIG, when offered, to assist in the proper management of CDBG-DR funds.

The Community Development Director and his/her designees have primary responsibility for investigation of all suspected fraudulent acts as defined in this policy. If the investigation substantiates those fraudulent activities occurred, the COLC Legal Department will be engaged. When applicable, reports will be issued to appropriately designated personnel and, if appropriate, Federal, or state agencies.

The Community Development Director or his/her designee, in conjunction with the COLC Legal Department, is responsible for the administration, revision, interpretation and application of this policy.

### Applicability

This policy applies to any actual or suspected irregularity involving employees, subrecipients, consultants, vendors, contractors, or outside agencies doing business with these entities, and/or other parties having a business relationship with the COLC and any of the programs under its direction. This policy also applies to direct beneficiaries of COLC's CDBG-DR programs and activities such as business owners or homeowners.

### Whistle-Blower Protection for Public Employees

Louisiana law (R.S. 42:1169) protects public employees who report information which they reasonably believe is a violation of any provision of law, or any other acts of impropriety related to the scope or duties of public employment, to their agency heads, the Louisiana Board of Ethics, or any person or entity of competent authority or jurisdiction. Any public employee who reports a potential violation shall be free from discipline or reprisal from his/her employer. This law is enforced by the Louisiana Board of Ethics. A public employee who is wrongfully suspended, demoted, or dismissed due to the reporting of any act of wrongdoing shall be entitled to reinstatement of his/her employment, as well as the receipt of any lost income or benefits. A person who is a public employee because of a contractual arrangement with a governmental entity or agency, whose contract is wrongfully suspended, reduced, or terminated as an act of reprisal for reporting an alleged act of impropriety, shall be entitled to reinstatement of his/her contract and receipt of any lost compensation under the terms of the contract.

### Complaints

A COLC employee who discovers or suspects fraud, waste or abuse shall report any concerns to the Community Development Director or the COLC Legal Department. All complaints of fraud, waste and abuse shall be taken seriously and investigated. If warranted, a report will be made to the Louisiana Legislative Auditor (LLA) “Report Fraud” website. To avoid conflicts of interest in the investigation of fraud, waste and abuse complaints, allegations of fraud, waste or abuse committed by COLC management, legal representatives or elected officials may be directly reported to the LLA. Options listed on the LLA page include a report fraud form, a hotline number, a fax number, and mailing address. Fraud may be reported to the Legislative Auditor via <https://www.lla.la.gov/report-fraud/> or via telephone at 1-888-503-7283.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov)) and COLC’s HUD Community Planning and Development (CPD) Representative.

### Confidentiality

The COLC shall treat all information received confidentially. All employees or other complainants shall also treat all obtained information confidentially. Due diligence and review results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. Confidentiality is important to avoid damaging the reputations of persons/entities suspected but subsequently found innocent of wrongful conduct.

### Penalties

Any person or organization that is found to have submitted purposely misleading or fraudulent information to the COLC and/or any of its programs or subrecipients will be automatically denied funding or assistance. Penalties may range from losing funding or assistance to prosecution and imprisonment.

### Code of Conduct

All COLC employees shall receive and must sign to acknowledge receipt of the COLC Code of Conduct that establishes standards of conduct for employees engaged in the award or administration of contracts. The Code of Conduct shall be reviewed annually.

### Conflicts of Interest

The COLC has enacted a Conflict-of-Interest Policy in conformity with 24 CFR §570.611 and 2 CFR §200.112 and §200.318 (c)(1).

The Conflict-of-Interest Policy outlines COLC’s responsibility, in its role as grantee, to identify, evaluate, disclose and manage apparent, potential or actual conflicts of interest related to CDBG-DR funded projects, activities and/or operations. The Policy is intended to serve as guidance for the identification of apparent, potential or actual conflicts of interest in all CDBG-DR assisted activities and/or operations.

As defined in the Conflict of Interest Policy, a conflict of interest is a situation in which any person who is a public servant, employee, agent, consultant, officer, or elected official or appointed official of the COLC, or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR Program may obtain a financial or personal interest or benefit that is or could be reasonably incompatible with the public interest, either for themselves, or with those whom they have business.

#### Verification of Applicant Information

Due diligence will be performed to verify all information reported on the application including but not limited to household size and income, ownership and primary residency. Self-certification or affidavits pertaining to applicant information such as income or property ownership may be accepted as a last resort after due diligence has been completed. Specific procedures and documentation will be outlined in the program policies and procedures and further communicated to program applicants upon implementation of the programs.

At the time of application, applicants for assistance will be required to disclose all sources of assistance applied for, received or to be received. The COLC will verify benefits using data from FEMA, SBA, NFIP, and other sources as appropriate, and a DOB calculator will be used to determine any unmet need. All applicants will sign an application containing the federal perjury clause at 18 USC 1001 and, if awarded funds, a contract verifying all sources and a subrogation agreement to pay back any or all of the CDBG-DR assistance if additional funding is made available to them during the term of the contract or after the contract expires.

QA/QC will be performed on all applicant files prior to execution of the contract.

#### Evaluating Subrecipient Capacity

The COLC will conduct a risk analysis on all subrecipients to identify those entities and programs that are most susceptible to fraud, abuse, or mismanagement. The risk analysis provides critical information to effectively target capacity-building resources toward entities and programs that pose the greatest risk to the integrity of COLC's grant funding, including identification of the subrecipients to be monitored on-site and remotely, the program areas to be covered, and the depth of the review. This assessment will allow the COLC to minimize potential risk as it administers its grant allocations.

The COLC will make necessary adjustments in preparing the monitoring strategies and revising them based on new information, such as declining or improvement in participant performance, budget constraints, reprogramming of resources or other unanticipated events.

CD will have in place a compliance monitor that will continuously monitor its CDBG-DR subrecipients and will determine the areas to be monitored, the number of monitoring visits, and their frequency. All entities administering CDBG-DR funding will be monitored not less than once during the contract period; either on-site or by desk reviews. The monitoring will address program compliance with contract provisions, including eligibility, related to the disaster, national objectives, records retention, financial management, expenditures, reporting and duplication of

benefits. HUD monitoring checklists for regular CDBG program activities will be used and adapted as needed to monitor CDBG-DR program activities.

### *Contractor Fraud*

For contracts procured directly by COLC, contractor capacity and risk will be evaluated through the competitive procurement process. Due diligence will be conducted prior to awarding contracts, including verifying contractor qualifications and licenses and completing federal and state debarment checks.

For direct beneficiary programs such as home repair, CD staff and subrecipients will advise CDBG-DR beneficiaries of the risks of contractor fraud and other potentially fraudulent activities during the application intake process and provide educational literature via social media and direct mailings. Applicants will also be provided contact information for enforcement resources such as the Calcasieu Parish Contractor Fraud Response Team, which can be reached at (337) 437-3405.

If a CDBG-DR beneficiary experiences contractor fraud, CD staff/sub-recipients will assist the beneficiary with reporting the suspected fraud to law enforcement authorities and providing information needed for them to investigate, charge, and prosecute as necessary. Beneficiaries that experience fraud will be considered for additional assistance, on a case-by-case basis, based on the remaining unmet need and availability of funds.

CITY OF LAKE CHARLES COMMUNITY DEVELOPMENT DEPARTMENT  
ORGANIZATIONAL CHART

