

DUPLICATION OF BENEFITS POLICY

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) requires that recipients of federal disaster recovery funding make certain that no, “person, business concern or other entity” will receive duplicative assistance.

A Duplication of Benefits (DOB) occurs when:

- A beneficiary receives assistance, and
- The assistance is from multiple sources (ie. private insurance, FEMA, NFIP, non-profits, City, State, etc.), and
- The assistance amount exceeds the need for a particular recovery purpose.

In order to identify and assure that Disaster CDBG assistance does not duplicate other funds received for the same activity (i.e. does not replace other funds received), the City Lake Charles will use the following process/steps to prevent a DOB from occurring:

1. Identify the total need for assistance prior to any assistance being provided.
2. Identify all potentially duplicative assistance received or to be received.
3. Deduct assistance determined to be duplicative.
4. Determine maximum award.
5. Determine program cap (if applicable).
6. Determine final award.

The following is an example of the use of the six step process:

1. Applicant’s total need prior to any assistance.....	\$100,000
2. All potentially available duplicative assistance.....	\$35,000
3. Assistance determined to be duplicative.....	\$30,000
4. Maximum eligible award (item 1 less item 3).....	\$70,000
5. Program cap (if applicable).....	\$50,000
6. Final award (lesser of items 4 and 5).....	\$50,000

1 Stafford Act, Title III, Sec. 312, (a)

Since disaster recovery needs are calculated at one point in time, subsequent circumstances may occur that affect need. If, after the assistance has been calculated and/or a CDBG award has been made, an applicant can demonstrate a change in circumstances, the award calculation may be subsequently reevaluated to take the increased need into consideration. Such changes in circumstances may include: vandalism, contractor fraud, an increase in the cost of materials and labor, a change in local zoning law and building codes, or subsequent damage to a home or business that was partially repaired. However, the reevaluation must be done before the initial need for which assistance was granted has been fully met (e.g. before a damaged house is fully repaired).

A restrictive covenant will include the following language: “ **Warning: Any person who knowingly makes false claims or statement to HUD or cause 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. 3729.**” The restrictive covenant will last for the duration of a five year period.

Once funds are awarded, minus any determined DOB, the applicant is required to notify the City of Lake Charles of the receipt of any additional funds received for the same activity. In the event that additional funds are determined to be a DOB, funds will be withheld from future pay requests. In the event that all funds have been expended and a DOB is identified, the applicant will be required to repay the funds for return to the U.S. Treasury, through the Office of Community Development / Disaster Recovery Unit.