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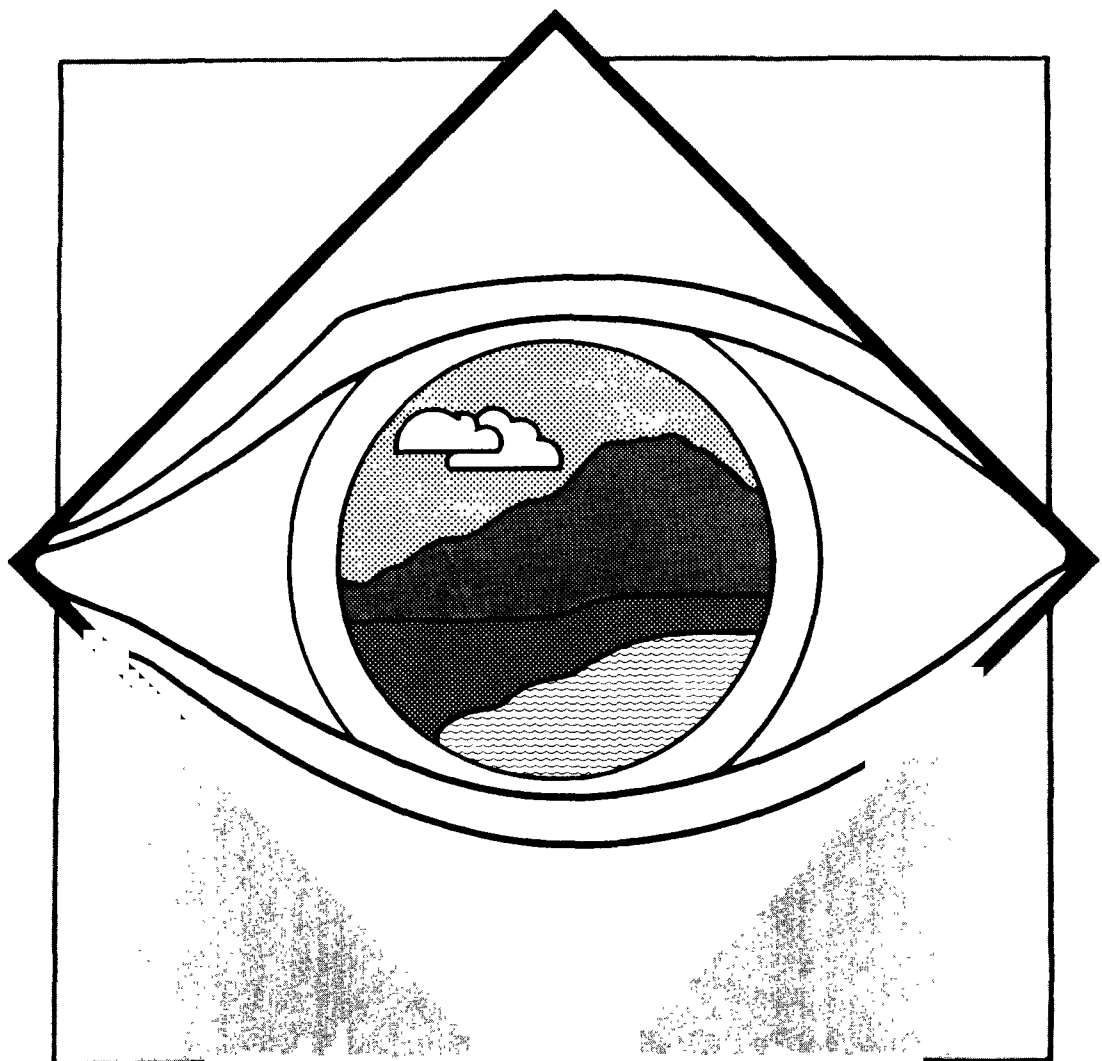
Office of the  
Inspector General (A109)  
Washington DC 20460

November 1990

# Office of the Inspector General Semiannual Report to the Congress

350R90001

April 1, 1990 Through  
September 30, 1990



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**T**he Environmental Protection Agency is increasingly being looked to for international leadership in environmental protection and pollution prevention. With Earth Day 1990 now a part of history, the slogan "make every day Earth Day" needs to become a reality, not only in the United States but throughout the world. The hazards of environmental pollution know no political or geographic boundaries.

The Office of Inspector General is playing a significant role in helping the Agency achieve the credibility and capacity for international leadership by working to reduce the Agency's vulnerability to loss of its scarce resources. Our audits, investigations, and special reviews this six month period identified several areas where, while progress has been made, management attention is still needed. We found continuing problems with the Chesapeake Bay cleanup and with audit followup; enforcement in preventing oil spills; keeping lead out of drinking water, especially in schools; safeguarding our waters from harmful discharges; and controlling pesticides. A special review found that Louisiana's highly productive coastal wetlands are being lost due to inadequate regulation of oil and gas activities. Also, we assisted in suspending or debarring more dishonest or non-responsive persons or firms than in any previous period.

Beginning in fiscal 1991 we will provide more comprehensive coverage of particular programs, functions and activities to enhance the Agency's effectiveness. Our initial focus will be on financial management and contract management. Future work will focus on pesticides, estuaries and the Superfund. As part of this new approach, we will be placing additional resources into audits of Agency contracts. We are also increasing the number of engineers, scientists, and computer specialists on our staff to improve our ability to serve the Agency in areas requiring special technical competency. Our investigative program will emphasize the contract laboratory program and work in areas with known vulnerability. For the first time we will review the operations of the Leaking Underground Storage Tanks Trust Fund.

My staff and I are looking forward to helping Agency management past its first 20 year milestone and into the future of international achievement.

A handwritten signature in cursive script that reads "John C. Martin". The signature is written in dark ink on a white background.

John C. Martin  
Inspector General



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*Ospreys nesting on Chesapeake Bay. A followup audit of the Bay cleanup program found continuing deficiencies (page 24) (photo by Steve Delaney).*



*A tranquil scene at the Kenilworth  
Aquatic Gardens, Washington,  
DC (photo by Steve Delaney).*

# Executive Summary

## Section 1— Significant Problems, Abuses, and Recommendations

### 1. Audit Spurs Rapid Action to Tighten Controls Over Banned Pesticides.

EPA still had not ensured that emergency suspended and cancelled (banned) pesticide holders safely controlled their stocks and complied with disposal rules (page 9).

### 2. Increased Efforts Needed to Protect The Public Against Lead in Drinking Water.

EPA and the states in Region 3 were not ensuring that school children and the public were adequately protected against excessive levels of lead in drinking water (page 9).

### 3. Stronger Enforcement Needed to Prevent Damage from Oil Spills.

Over two years after the oil spills at the Ashland Oil facility in Pennsylvania and the Shell Oil facility in California, aggressive enforcement actions were not always taken when violations of EPA's Oil Pollution Prevention regulations were disclosed (page 10).

### 4. Better Oversight and Enforcement Needed in Region 6 Pesticide Control Program.

Region 6 oversight of state pesticide programs did not ensure that delegated states took appropriate enforcement actions against violators of pesticide laws. Problems identified by EPA in oversight reviews of state pesticide programs were not corrected timely. Also, Region 6 was not taking timely enforcement actions, nor properly tracking cases referred to states (page 10).

### 5. Marine Discharge Waiver Program in Region 2 Needs Improvement.

Region 2 was not aggressively administering the Clean Water Act Section 301(h) marine discharge waiver program to protect the marine environment from the harmful effects of sewage treatment discharges in Puerto Rico and the Virgin Islands (page 11).

### 6. EPA Headquarters Frequently Misused Overtime.

Controls over authorizing, recording and paying overtime were weak in six EPA Headquarters offices, raising serious questions about the condition of the entire timekeeping system. Also, offices violated EPA policy by repeatedly using overtime, sometimes clearly for non-essential reasons. As a result, unnecessary overtime payments may have been made to employees (page 11).

### 7. Construction Grant Obligations Overstated by \$55 Million.

EPA's Regional Offices did not take timely action to deobligate over \$55 million of unneeded construction grant funds (page 12).

### 8. EPA Did Not Test Internal Controls.

Managers were not adequately testing or documenting Agency internal controls as part of reviews to identify and correct weaknesses in their major activities as required by the Federal Managers' Financial Integrity Act (FMFIA) (page 12).

### 9. Over \$29 Million of Questioned Costs Claimed by Honolulu, Hawaii.

The City and County of Honolulu, Hawaii, claimed \$17,655,814 of ineligible construction, engineering, and labor costs. An additional \$9,085,152 of unreasonable and \$2,493,500 of unnecessary costs were also questioned (page 14).

### 10. Nearly \$11 Million of Bartlesville, Oklahoma, Project Claim Are Ineligible or Unsupported.

The City of Bartlesville, Oklahoma, claimed \$10,933,043 of ineligible construction, engineering, and arbitration costs (page 14).

### 11. San Francisco Claims Over \$3 Million of Costs Unrelated to EPA Grant.

The City and County of San Francisco, California, claimed \$3,381,272 of costs for improvements to the Great Highway and surrounding area that were not a part of the EPA grant. An additional \$497,876 of ineligible construction costs were questioned (page 14).

### 12. Procurement and Accounting Weaknesses Result In \$16 Million Questioned Costs.

All costs totaling \$16,139,045 claimed by the Three Lakes Water and Sanitation District, Colorado, were questioned because of procurement problems and accounting system deficiencies. Problems relating to the project which were identified in 1982 by an EPA task force prior to the project's completion were not addressed by the grantee or Region 8 (page 15).

### 13. Grantee Attempts to Limit Its Liability at EPA's Expense.

After reaching a settlement agreement with a contractor, the City of Slidell, Louisiana, claimed \$672,578 of construction costs even though it incurred only \$20,000. An additional \$375,117 of legal, construction, engineering and administrative costs were questioned (page 15).

### 14. Region 4 Inadequately Managed "Removal" Cleanups.

Region 4's inadequate implementation and ineffective management of "removal" cleanup actions (1) did not meet "removal" goals to expedite remedial cleanup and to delete sites from EPA's National Priorities List (NPL) (delisting), and (2) resulted in over \$3.8 million in potentially excessive costs and obligations (page 17).

### 15. California Multi-Site Agreement Lacks Effective Controls.

The California State Water Resources Control Board had not established effective management and financial controls to protect the public

health and accurately account for the \$2.9 million of costs under the South Bay, California, Multi-Site Cooperative Agreement (page 17).

#### **16. Guidance Needed for Disposing of Wastes Generated From Pre-Remedial Site Inspections.**

Contractors used poor judgement and made mistakes in disposing of wastes generated from pre-remedial site investigations conducted for EPA (page 18).

#### **17. Region 6 Action Needed to Stop the Loss of Louisiana Coastal Wetlands.**

EPA Region 6 was not controlling the negative impacts of oil and gas activities on Louisiana's coastal wetlands (page 18).

#### **18. Management Decisions In Region 10 Were Questionable.**

Region 10 management decisions on environmental issues were not consistent with staff recommendations nor supported by documentation in the files (page 19).

#### **19. \$9 Million Grant Awarded for an Oversized and Unaffordable Wastewater Treatment Facility.**

Region 9 prematurely awarded a \$9 million grant for the first phase of the Hilo, Hawaii, wastewater treatment facility project (page 20).

#### **20. \$2.4 Million in Grants to California County Should be Annulled.**

The Mariposa County Water Agency, California, proposed constructing wastewater treatment facilities even though the projects were not justified, public support for the projects was obtained using questionable techniques, and the projects were neither cost effective nor affordable (page 20).

#### **21. EPA Improperly Awards Two Grants for \$10.7 Million.**

EPA improperly awarded grants to Sellersburg and West Terre Haute, Indiana, because each project's estimated costs exceeded the maximum amount allowed (page 21).

### **Section 2— Audit Resolution**

At the beginning of the semiannual period, there were 336 audit reports for which no management decision had been made. During the second half of fiscal 1990, the Office of Inspector General issued 891 new audit reports and closed 331. At the end of the reporting period, 300 audit reports remained in the Agency followup system for which no management decision had been made. Of the 300 audit reports, 64 reports remained in the Agency followup system for which no management decision was made within six months of issuance (page 22).

In four followup audits conducted this reporting period, the Office of Inspector General found that problems identified in previous audits continued to exist (page 23). Also, as required by the 1988 Inspector General Act amendments, we are reporting for the first time a significant management decision with which we disagree (page 24).

Of the 331 audits closed, \$32.6 million of questioned costs were disallowed for recovery, and \$7.6 million which recommended that funds be put to better use were agreed to by EPA management. In addition, cost recoveries in current and prior periods included \$3.95 million in cash collections, and at least \$ 31.2 million in offsets against billings (page 22).

### **Section 3— Prosecutive Actions**

During this semiannual reporting period, our investigative efforts resulted in 9 convictions and 14 indictments. Also, this semiannual period our investigative work resulted in \$2,829,501 in fines and recoveries (page 28).

Another contractor was convicted of bribing an EPA asbestos inspector in New York City; criminal complaints were filed against a New Jersey computer hacker for a failed attempt to access EPA main computers; two electrical contractors pled guilty to racketeering charges, including submitting fraudulent invoices on EPA-funded projects; two Pennsylvania firms and their officers were charged with violations of the Resource Conservation and Recovery Act and the Clean Water Act after a criminal investigation by the EPA OIG of another allegation involving the Superfund program found evidence of serious environmental violations; two North Carolina men were indicted for allegedly filing false claims for services never provided under an EPA Emergency Response Cleanup Service contract; a laboratory official was charged with providing bogus analyses to EPA; and an EPA employee was caught falsifying travel claims (page 29).

### **Section 4— Fraud Prevention and Resource Management**

#### **Review of Proposed Legislation and Regulations**

During this semiannual period we reviewed 99 legislative and regulatory items. The most significant were an EPA directive on receivables and billings; the Federal Civil Penalties Inflation Adjustment Act of 1989; the H Performance Computing Act of 1990; and an amendment to the Ethics Reform Act (page 32).

#### **Suspension and Debarment Activities**

We completed 110 cases during this reporting period, resulting in 39 debarments, 4 settlement agreements, 67 suspensions, 141 cases closed after investigation. Totals for fiscal 1990 were almost double that the previous year. There were 235 active cases at the close of this reporting period (page 34).

#### **Professional and Organizational Development**

Members of the Office of Investigation received training in Total Quality Management, including an overview of the scientific method of problem solving known as PDCA (plan, do, check and act). The training was part of 453 approved enrollments, a total of 1,284 days of training and participation in professional development seminars and conferences. The OIG FY 1991 course catalog, providing training paths for each job classification and grade, has been published (page 38).

this section highlights some of EPA's most significant challenges in restoring and protecting the quality of the air we breathe, the land where we live, and the water we depend on.

AND

the principal sources of land waste are:

**Underground Storage Tanks.** An estimated five to six million underground storage tanks in use in the United States contain petroleum products or hazardous chemicals. Approximately two million of these tanks may be leaking and are a source of land and groundwater contamination.

**Industrial Hazardous Wastes.** The chemical, petroleum, metals, and transportation industries are major producers of hazardous industrial waste, such as dioxin and benzene which are known carcinogens.

**Municipal Wastes.** Municipal wastes include household and commercial wastes, demolition materials, and sewage sludge. Solvents and other harmful household and commercial wastes are generally so intermingled with other materials that specific control of each is usually impossible.

**Mining Wastes.** A large volume of all waste generated in the United States is from mining coal, phosphates, copper, iron, uranium, and other minerals and from ore processing and milling. Runoff from these wastes increases the acidity of streams and pollutes them with toxic materials.

IR

The Clean Air Act of 1970 requires EPA to set National Ambient Air Quality Standards for those pollutants, termed "criteria pollutants," which pose the greatest overall threat to air quality: ozone, carbon monoxide, airborne particulates, sulfur dioxide, lead, and nitrogen oxides.

## Major Laws Administered by EPA

Statute	Provisions
Toxic Substances Control Act	Requires that EPA be notified of any new chemical prior to its manufacture and authorizes EPA to regulate production, use, or disposal of a chemical.
Federal Insecticide, Fungicide, and Rodenticide Act	Authorizes EPA to register all pesticides and specify the terms and conditions of their use, and remove unreasonably hazardous pesticides from the marketplace.
Federal Food, Drug and Cosmetic Act	Authorizes EPA in cooperation with FDA to establish tolerance levels for pesticide residues on food and food products.
Resource Conservation and Recovery Act	Authorizes EPA to identify hazardous wastes and regulate their generation, transportation, treatment, storage, and disposal.
Comprehensive Environmental Response, Compensation, and Liability Act	Requires EPA to designate hazardous substances that can present substantial danger and authorizes the cleanup of sites contaminated with such substances.
Clean Air Act	Authorizes EPA to set emission standards to limit the release of hazardous air pollutants.
Clean Water Act	Requires EPA to establish a list of toxic water pollutants and set standards.
Safe Drinking Water Act	Requires EPA to set drinking water standards to protect public health from hazardous substances.
Marine Protection, Research and Sanctuaries Act	Regulates ocean dumping of toxic contaminants.
Asbestos School Hazard Abatement Act	Authorizes EPA to provide loans and grants to schools with financial need for abatement of severe asbestos hazards.
Asbestos Hazard Emergency Response Act	Requires EPA to establish a comprehensive regulatory framework for controlling asbestos hazards in schools.
Emergency Planning and Community Right-to-Know Act	Requires States to develop programs for responding to hazardous chemical releases and requires industries to report on the presence and release of certain hazardous substances.

The act also requires EPA to set National Emission Standards for Hazardous Air Pollutants. Hazardous air pollutants are those that can contribute to an increase in mortality or serious illness.

A major thrust of the next decade will be to address growing national and international problems from acid deposition and global warming.

•**Acid deposition** is now recognized as a serious long-term air pollution problem for

many industrial nations. The process of acid deposition begins with emissions of sulfur dioxide (primarily from coal-burning power plants) and nitrogen oxides (primarily from motor vehicles and coal-burning power plants). These pollutants interact with sunlight and water vapor in the upper atmosphere to form acidic compounds.

•**Global Warming.** Certain types of air pollutants are producing long-term and perhaps

irreversible changes to the global atmosphere. In the troposphere (the lower 10 miles of atmosphere), high levels of carbon dioxide are producing an overall warming of the global temperatures. This "greenhouse effect" may cause irreversible changes to the climate and the atmosphere's protection against harmful ultraviolet radiation.

## WATER

The job of cleaning and protecting the nation's drinking water, coastal zone waters, and surface waters is made complex by the variety of sources of pollution that affect them.

•**Municipal Sources.** Municipal wastewater (primarily from toilets, sinks, showers, and other uses) which runs through city sewers may be contaminated by organic materials, nutrients, sediment, bacteria, and viruses. Toxic substances used in the home also make their way into sewers.

•**Industrial Sources.** The use of water in industrial processes, such as the manufacturing of steel or chemicals, produces billions of gallons of wastewater daily.

•**Nonpoint Sources.** Nonpoint sources of water pollution are multiple, diffuse sources of pollution as opposed to a single "point" source, such as a discharge pipe from a factory. For example, rainwater washing over farmlands and carrying top soil and chemical residues into nearby streams is a major nonpoint source of water pollution.

•**Ocean Dumping.** Dredged material, sewage sludge, and industrial wastes are a major source of ocean pollution. Sediments dredged from industrialized urban harbors are often highly contaminated with heavy metals and toxic synthetic organic chemicals, such as PCBs and petroleum hydrocarbons.



# Overview of Significant Trends In EPA of Concern to the OIG

This section of our report presents the Office of Inspector General's perspective on significant vulnerabilities facing EPA. These items serve to highlight the crosscutting problems the OIG believes must be addressed for the Agency to conduct its programs and operations in a more effective, efficient, and economical manner. These trends were derived from an overview of the common or recurring conditions identified by OIG audits, investigations, and evaluations over time.

## ENFORCEMENT

In the last year Agency management has worked diligently to improve EPA's enforcement program and make it work. Effective enforcement of environmental laws is the foundation of the Agency's ability to achieve compliance with its mission. Overall, policy has been strengthened and increased emphasis has been placed on maintaining appropriate documentation to support Agency actions. While each of these actions has served to strengthen the overall situation, continued efforts and attention are needed to maximize the effectiveness of EPA's enforcement program.

During fiscal 1990, OIG audits of EPA's water, pesticides, and Superfund programs disclosed continuing instances of ineffective enforcement. OIG reports repeatedly have shown weak and untimely Federal and State enforcement. Cases were found where EPA and the States did not take appropriate action against unpermitted discharges. In other cases, EPA and the States did not enforce consent agreements to track enforcement cases to ensure the adequacy of corrective actions taken.

In each of these instances EPA management has committed to initiating appropriate corrective action. Top level Agency management continues to focus attention on this vital program.

## SUPERFUND

Significant actions are needed to improve the cleanup of Superfund sites. During fiscal 1990, EPA has focused its attention on implementing the numerous recommendations resulting from the Administrator's comprehensive review of the Superfund program. While considerable progress has been made, OIG audits and

investigations continue to show that significant improvements are still needed.

OIG audits continue to show a pattern of repetitious studies of the same problems, partial remedies, and inadequate involvement by community representatives, responsible parties and State officials. Additionally, some contractors have been placed in positions where they, rather than EPA, have made decisions regarding the extent of cleanup actions to be taken.

EPA efforts to evaluate innovative technology have been seriously hindered by problems locating sites and issuing reports on completed projects. High demonstration costs and lack of Federal funding assistance discouraged technology developers from participating in EPA's program.

## INTERNAL CONTROLS AND FINANCIAL MANAGEMENT

Overall, EPA continues to struggle with basic internal controls and inaccuracies in its financial management system. While there has been considerable activity devoted to improving the Agency's overall performance in these areas, EPA's results have been less than anticipated.

A recent OIG review of the Agency's FMFIA process showed that only a few of the internal control reviews reported by the Agency actually included any tests of actual transactions. Additionally, many EPA offices had not performed any review of such Agency administrative systems as time and attendance, overtime, etc.

In the financial management area, OIG audits continued to point out significant inaccuracies in the Agency's systems. For example many accounts receivable were still not being recorded on EPA's financial records. Invalid unliquidated obligations were not being identified and deobligated. Controls over overtime were weak or nonexistent.

Although the Agency responded positively to each of our reports, and has undertaken positive steps to correct the identified problem the OIG intends to continue performing frequent audits in these areas to determine what further steps are needed to correct internal control and financial management problems.

## AUDIT FOLLOWUP

Continued efforts are needed to improve and ensure the accuracy of the Agency's audit followup tracking system. A year ago, we reported that EPA management stopped tracking the corrective action taken on GAO and OIG findings while deciding what improvements were needed for their audit followup system. As a result EPA reported its audit followup system as a major weakness in its FMFIA report to the President.

In the intervening year, EPA has acted to get its followup system revised and in place to track corrective action. In working with the Agency to ensure that the new system is reliable, we found that initial to the new system contained significant inaccuracies. Specifically we noted that corrective actions had not been initiated on some performance audits which had been closed out of the Agency's tracking system. We recommended that EPA implement a quality assurance system to ensure that the data reported is accurate. At present we are working with the Agency to make sure necessary improvements are made to the system. In the coming year we will perform additional review of various aspects of the system.

# Profile Of Activities And Results

## Environmental Protection Agency Office of Inspector General

April 1, 1990 to  
September 30, 1990 Fiscal 1990

April 1, 1990 to  
September 30, 1990 Fiscal 1990

### Audit Operations

#### OIG MANAGED AUDITS:

##### Audits Performed by EPA, IPA and State

##### Questioned Costs

• Total Ineligible	\$61.2 Million	\$127.9 Million
• Federal Share Ineligible*	\$45.6 Million	\$92.9 Million
• Total Unsupported*	\$45.2 Million	\$84.0 Million
• Federal Share Unsupported*	\$32.0 Million	\$60.4 Million
• Total Unnecessary/Unreasonable*	\$29.3 Million	\$41.6 Million
• Federal Share Unnecessary/Unreasonable*	\$22.2 Million	\$31.9 Million

##### Recommended Efficiencies (Funds be Put to Better Use)

• Total Efficiencies*	\$53.7 Million	\$71.8 Million
• Federal Share Efficiencies*	\$34.6 Million	\$49.1 Million

##### Costs Disallowed to be Recovered

• Federal Share Ineligible	\$26.0 Million	\$56.4 Million
• Federal Share Unsupported	\$ 3.3 Million	\$11.2 Million
• Federal Share Unnecessary/Unreasonable (costs which EPA management agrees are unallowable and is committed to recover or offset against future payments)	\$ .7 Million	\$ 1.5 Million

##### Costs Disallowed as Cost Efficiency

• Federal Share Recommended Efficiencies (funds made available by EPA management's commitment to implement recommendations in OIG performance or preaward audits)	\$ 3.6 Million	\$19.7 Million
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#### OTHER AUDITS:

##### Audits Performed by Another Federal Agency or Single Audit Act audits

##### Questioned Costs

• Total Ineligible	\$ 4.0 Million	\$ 7.5 Million
• Federal Share Ineligible*	\$ 3.8 Million	\$ 7.3 Million
• Total Unsupported*	\$ 1.1 Million	\$ 6.7 Million
• Federal Share Unsupported*	\$ 1.1 Million	\$ 6.7 Million
• Total Unnecessary/Unreasonable*	\$ 0.0 Million	\$ 0.0 Million
• Federal Share Unnecessary/Unreasonable*	\$ 0.0 Million	\$ 0.0 Million

##### Recommended Efficiencies (Funds be Put to Better Use)

• Total Efficiencies*	\$87.8 Million	\$112.9 Million
• Federal Share Efficiencies*	\$87.8 Million	\$112.9 Million

##### Costs Disallowed to be Recovered

• Federal Share Ineligible	\$ 1.8 Million	\$ 3.9 Million
• Federal Share Unsupported	\$ .7 Million	\$ 0.9 Million
• Federal Share Unnecessary/Unreasonable (costs which EPA management agrees are unallowable and is committed to recover or offset against future payments)	\$ 0.0 Million	\$ 0.0 Million

\*Questioned Costs: Ineligible, Unsupported and Unnecessary/Unreasonable; and Recommended Efficiencies (Funds be Put to Better Use) are subject to change pending further review in the audit resolution process.

\*\*Information on recoveries from audit resolution is provided by the EPA Financial Management Division and is unaudited.

#### Costs Disallowed as Cost Efficiency

• Federal Share Recommended Efficiencies (funds made available by EPA management's commitment to implement recommendations in OIG performance or preaward audits)	\$ 4.1 Million	\$99.6 Million
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#### AGENCY RECOVERIES:

Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments)**	\$35.1 Million	\$56.8 Million
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#### REPORTS ISSUED:

##### OIG MANAGED AUDITS:

• EPA Audits Performed by the OIG	58	101
• EPA Audits Performed by Independent Public Accountants	45	132
• EPA Audits Performed by State Auditors	20	35

##### OTHER AUDITS:

• EPA Audits Performed by Another Federal Agency	255	413
• Single Audit Act Audits	513	1247

#### TOTAL REPORTS ISSUED

891	1928
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Audit Reports Resolved (agreement by Agency officials to take satisfactory corrective action)

331	671
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#### Investigative Operations

• Fines and Recoveries (including civil)	\$2,829,501	\$3,805,579
• Investigations Opened	144	242
• Investigations Closed	148	251
• Indictments of Persons or Firms	14	17
• Convictions of Persons or Firms	9	13
• Administrative Actions Taken Against EPA Employees	6	23

#### Fraud Detection and Prevention Operations

• Debarments, Suspensions, Voluntary Exclusions, and Settlement Agreements (actions to deny persons or firms from participating in EPA programs or operations because of misconduct or poor performance)	110	140
• Hotline Complaints Received	20	47
• Hotline Complaints Processed and Closed	27	48
• Proposed Legislative and Regulatory Items Reviewed		
• Personnel Security Investigations Adjudicated	317	725

# Establishment Of The OIG In EPA—Its Role And Authority

The Inspector General Act of 1978 (Public Law 95-452), as amended, created Offices of Inspector General to consolidate existing investigative and audit resources in independent organizations headed by Inspectors General.

EPA established its Office of Inspector General (OIG) in January 1980. As an agency with a massive public works budget, EPA is vulnerable to various kinds of financial abuses. The OIG's role is to review EPA's financial transactions, program operations, and administrative activities; investigate allegations or evidence of possible criminal and civil violations; and promote economic, efficient, and effective Agency operations. The OIG is also responsible for reviewing EPA regulations and legislation.

The EPA Inspector General reports directly to the Administrator and the Congress and has the authority to:

- Initiate and carry out independent and objective audits and investigations,
- Issue subpoenas for evidence and information,
- Obtain access to any materials in the Agency,
- Report serious or flagrant problems to Congress,
- Select and appoint OIG employees,
- Fill Senior Executive Service positions,
- Administer oaths, and
- Enter into contracts.

The Inspector General is appointed by, and can be removed only by, the President. This independence protects the OIG from interference by Agency management and allows it to function as the Agency's fiscal and operational watchdog.

## Organization and Staffing

The Office of Inspector General functions through three major offices, each headed by an Assistant Inspector General: Office of Audit, Office of Investigations, and Office of Management.

Nationally, there are seven Divisional Inspectors General for Audit and five Divisional Inspectors General for Investigations who direct staffs of auditors and investigators and who report to the appropriate Assistant Inspector General in Headquarters.

## Purpose And Requirements Of The Office Of Inspector General Semiannual Report

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires the Inspector General to keep the Administrator and Congress fully and currently informed of problems and deficiencies in the Agency's operations and to recommend corrective action. The IG Act further specifies that semiannual reports will be provided to the Administrator by each April 30 and October 31, and to Congress 30 days later. The Administrator may transmit comments to Congress along with the report, but may not change any part of the report.

The specific reporting requirements prescribed in the Inspector General Act of 1978, as amended, are listed below. The Inspector General Act Amendments of 1988 require more detailed statistics on the status of audit reports, their

recommendations and monetary results. Also included are additional requirements resulting from Senate Report 96-829 on

the Supplemental Appropriation and Rescission Act of 1980 (Public Law 96-304).

Source		Section and P
<b>Inspector General Act, as amended</b>		
Section 4(a)(2),	Review of Legislation and Regulations	4
Section 5(a)(1),	Significant Problems, Abuses, and Deficiencies	1
Section 5(a)(2),	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	1
Section 5(a)(3),	Prior Significant Recommendations on Which Corrective Action Has Not Been Completed	Appendix 2
Section 5(a)(4),	Matters Referred to Prosecutive Authorities	3
Section 5(a)(5),	Summary of Instances Where Information Was Refused	*
Section 5(a)(6),	List of Audit Reports	Appendix 1
Section 5(a)(7),	Summary of Significant Reports	1
Section 5(a)(8),	Statistical Table - Questioned Costs	2
Section 5(a)(9),	Statistical Table - Recommendations That Funds Be Put To Better Use	2
Section 5(a)(10),	Summary of Previous Reports, No Management Decisions, an Explanation of the Reasons Such Management Decision Has Not Been Made, and a Statement Concerning the Desired Timetable for Achieving a Management Decision on Each Such Report	Appendix 2
Section 5(a)(11),	Description And Explanation of Revised Management Decisions	Appendix 2
Section 5(a)(12),	Management Decisions With Which The Inspector General Is In Disagreement	2
<b>Senate Report 96-829</b>		
Senate Report, Page 11,	Resolution of Audits	2
Senate Report, Page 12,	Delinquent Debts	5

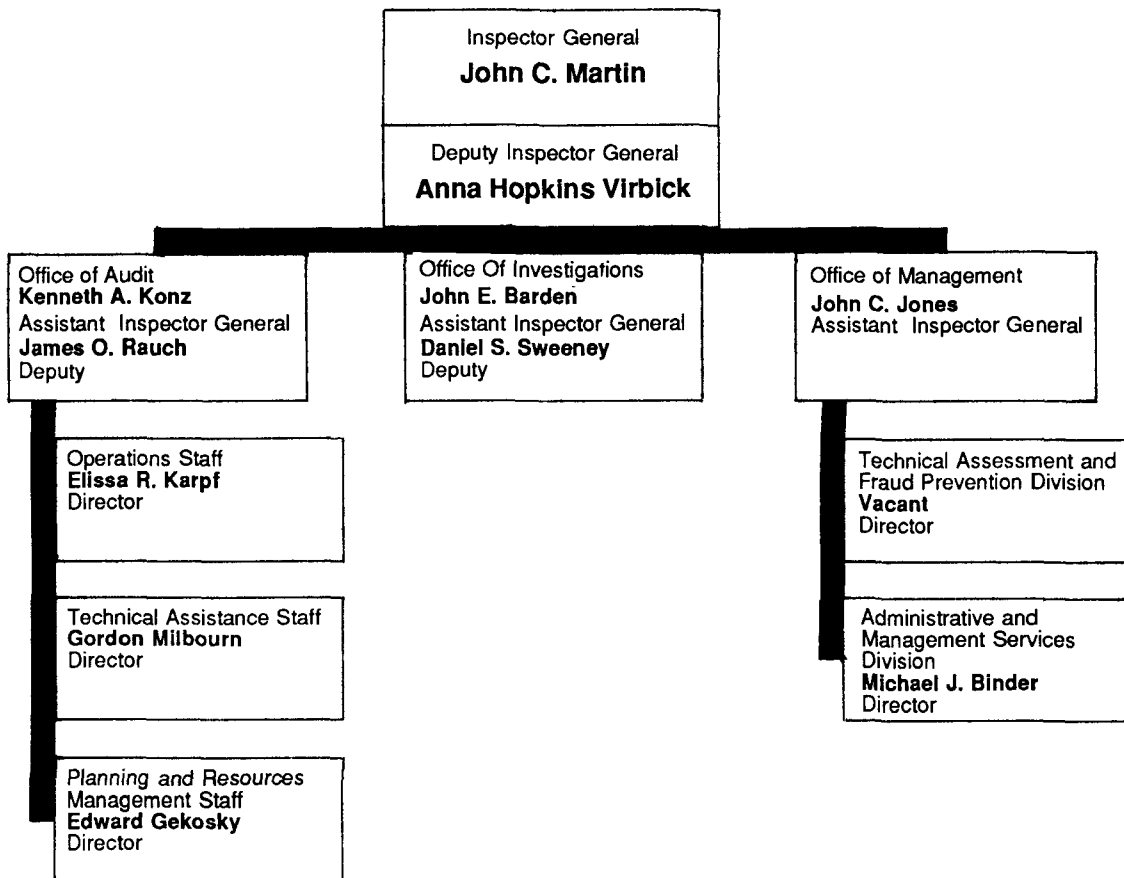
\*There were no instances where information or assistance requested by the Inspector General was refused during this reporting period. Accordingly, we have nothing to report under section 5(a)(5) of the Inspector General Act of 1978, as amended.

## Staffing Distribution—Fiscal 1990 Ceiling

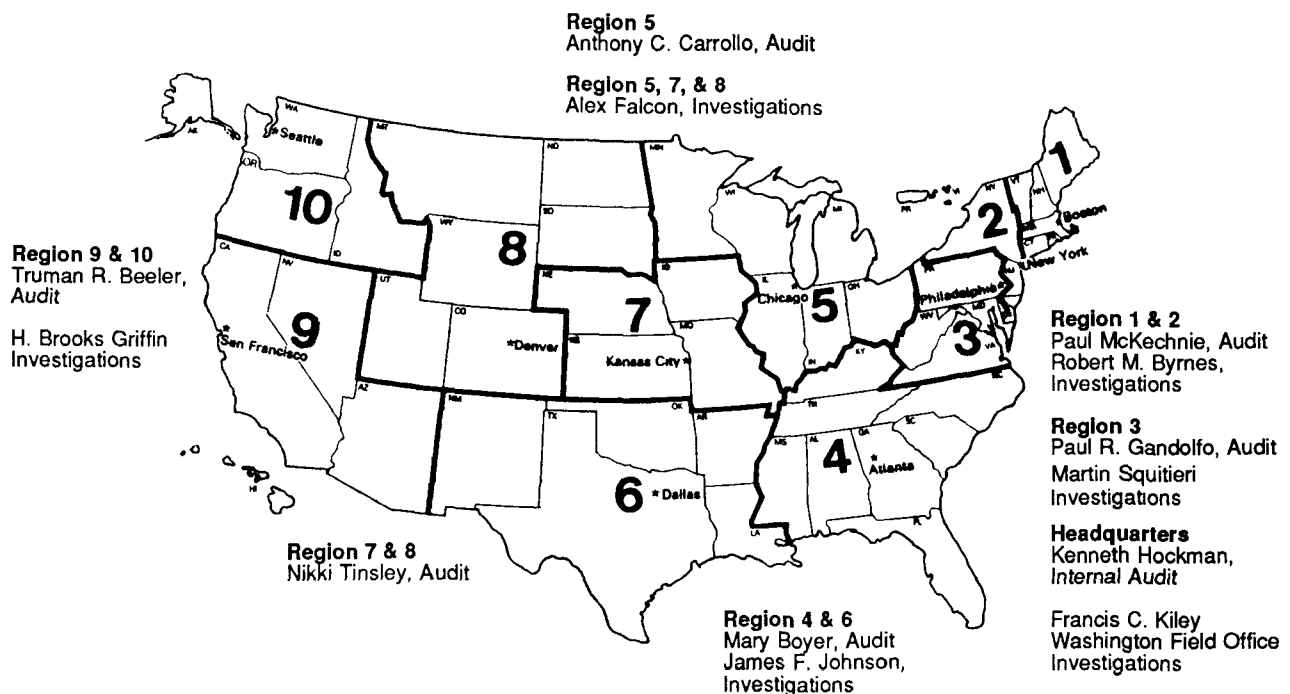
Office	Staff & Support	Operations & Field	Total
Inspector General	5	-	5
Audit	29	183	212
Investigations	6	60	66
Management	28	-	28
Total	68	243	311

# Office of Inspector General – Who's Who

## Headquarters



## Divisional Inspectors General



# Section 1—Significant Problems, Abuses, And Recommendations

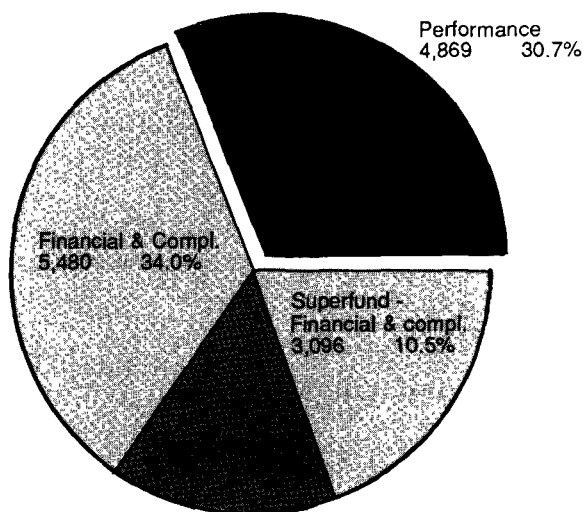
As required by sections 5(a)(1) and (2) of the Inspector General Act of 1978, as amended, this section identifies significant problems, abuses, and deficiencies relating to the Agency's programs and operations along with recommendations for the current period. The findings described in this section resulted from audits and reviews performed by or for the Office of Audit and reviews conducted by the Office of Investigations. Because these represent some of our most significant findings, they should not be considered representative of the overall adequacy of EPA management. Audit findings are open to further review but are the final position of the Office of Inspector General. This section is divided into five areas: Summary of Audit Activities and Results, Agency Management, Construction Grants, Superfund, and Special and Prospective Reviews.

## Summary of Audit Activities and Results

Questioned Cost and Recommended Efficiencies by Type of Report

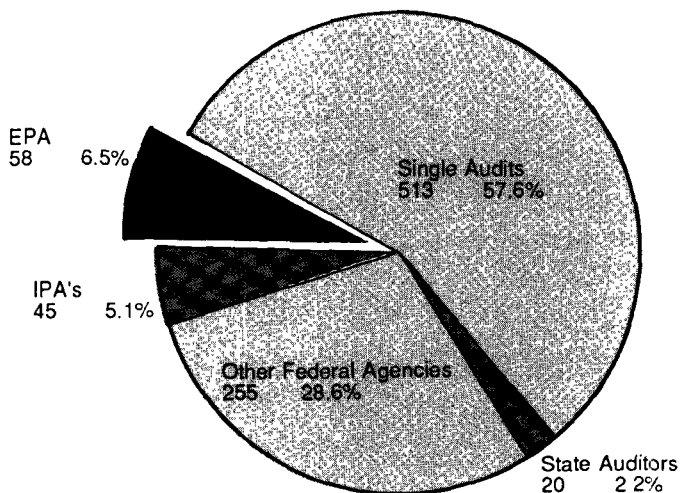


Areas of Effort by Staff Days



Total - 15,581

Source of Reports



Total Reports - 891

## Agency Management

*The Inspector General Act requires the OIG to initiate reviews and other activities to promote economy and efficiency and to detect and prevent fraud, waste, and mismanagement in EPA programs and operations. Internal and management audits and reviews are conducted to accomplish these objectives largely by evaluating the economy, efficiency, and effectiveness of operations.*

*The following are the most significant internal and management audit and review findings and recommendations:*

## Audit Spurs Rapid Action To Tighten Controls Over Banned Pesticides

### Problem

EPA still had not ensured that emergency suspended and cancelled (banned) pesticide holders safely controlled their stocks and complied with disposal rules.

### Background

After hearings in 1986 and 1987, the House Government Operations Committee recommended that EPA develop a policy for holders to properly store and report banned pesticides. The Committee found that thousands of gallons of a pesticide had leaked into the environment; neither EPA nor companies storing the banned pesticide had acted to prevent this leakage; and emergency planners and fire officials were unaware of banned pesticides in their communities.

### We Found That

- EPA still had not monitored and periodically inspected most banned pesticide storage locations to determine whether the pesticide was safely stored nor always required holders to overpack corroding or leaking containers to prevent spills. For example, neither EPA nor State pesticide officials inspected a Goldsboro, North Carolina, warehouse where 31,875 gallons of a banned pesticide, Dinoseb, corroded its containers and leaked. A similar example was also found in Bakersfield, California. North Carolina officials were unaware that the pesticide was in the state because EPA had not provided them a current Dinoseb holders list.

- EPA had not established a procedure to inform emergency planners and fire officials regarding banned pesticide storage locations and pesticide handling in an emergency. Consequently, emergency

planners and fire officials would not be ready to deal with potential emergencies involving banned pesticides.

- Regions and States could not fully identify and inspect all known banned pesticide storage locations because EPA had not fully developed procedures to match Headquarters, regional, and state records.

- EPA had not investigated cases where EPA pesticide contractor records suggested questionable holder disposal actions.

### We Recommended That

The Assistant Administrator for Pesticides and Toxic Substances:

- Implement a plan to monitor and periodically inspect banned pesticide storage locations until holders properly dispose of their stocks;

- Alert emergency planners and fire officials of banned pesticide storage locations and handling procedures;

- Reconcile EPA and State records to ensure that EPA has a current listing of all known banned pesticide locations and quantities;

- Establish procedures to have EPA pesticide contractor information referred to enforcement officials.

### What Action Was Taken

*EPA acted promptly on all the issues we raised during the audit. During our review, EPA issued a banned pesticide strategy to its regions and the States requiring them to monitor and inspect storage locations. EPA also implemented a plan to have emergency planners and fire officials receive its banned pesticide storage location list. In addition, EPA took initiatives to better account for the banned pesticide quantities and storage locations.*

*The audit report (0100486) was issued to the Assistant Administrator for Pesticides and Toxic Substances on September 28, 1990. A response to the audit report is due December 27, 1990.*

## Increased Efforts Needed To Protect The Public Against Lead In Drinking Water

### Problem

EPA and the states in Region 3 were not ensuring that school children and the public were adequately protected against excessive levels of lead in drinking water.

### Background

Medical research has shown that lead can be harmful to human health even at low exposure levels, potentially resulting in serious damage to the brain, kidneys, nervous system, and red blood cells. EPA estimates that every year over 250,000 children are exposed to lead in drinking water at a level high enough to impair their intellectual and physical development. The 1986 amendments to the Safe Drinking Water Act (SDWA) banned the use of lead materials in new plumbing and in plumbing repairs and required water suppliers to notify the public about lead in their drinking water. In 1988, the Lead Contamination Control Act (LCCA), required EPA, states, the Consumer Product Safety Commission (CPSC), and schools and day care centers to safeguard children from the hazards of lead in drinking water.

*Improperly stored pesticides (photo by OIG staff).*



*Lead in drinking water can be particularly harmful to children (photo by Steve Delaney).*



## We Found That

- States in Region 3 had not developed adequate programs to assist schools and day care centers deal with lead contamination in their drinking water. While some of the schools did limited, improper, or no testing, many schools testing found that their water contained unacceptable levels of lead.

- EPA was a year late in publishing the required initial list of imminently hazardous water coolers with lead-lined tanks or lead parts.

- EPA did not pursue the States' lack of enforcement concerning the public notification and lead ban requirements of the SDWA. States did not ensure that all public water systems notified their customers of the dangers of lead in their drinking water, and did not adequately enforce the prohibition on the use of lead pipes, solder, and flux in plumbing providing water for human consumption.

- Laboratories were inappropriately advising schools that the drinking water was safe when, in fact, it was not because laboratories did not always receive or comply with new EPA criteria on acceptable levels of lead in schools' drinking water.

## We Recommended That

The Assistant Administrator for Water:

- Prepare model plans and perform additional outreach to assist states with their lead in drinking water programs.

- Establish procedures for issuing timely revisions to the EPA list of Drinking Water Coolers That Are Not Lead Free.

- Execute an Interagency Agreement with the CPSC defining each agency's responsibilities under the LCCA.

- Develop an enforcement strategy for States to effectively implement the lead ban. Also, the Agency should provide guidance to the Regions requesting States to report lead ban enforcement actions to Regional offices.

- Request states to inform their certified laboratories of EPA's recommended action for samples exceeding 20 parts per billion of lead in drinking water.

## What Action Was Taken

*Prior to the issuance of our draft report, EPA promptly took corrective action on our finding concerning confusion over acceptable limits of lead in drinking water from school fountains. The Office of Drinking Water developed an Alert for Laboratory Directors requesting their assistance in notifying school administrators that EPA recommends they take remedial action whenever leads levels exceed 20 ppb at one of their drinking water outlets. The audit report (0100508) was issued to the Assistant Administrator for Water on September 28, 1990. A response is due December 27, 1990.*

## Stronger Enforcement Needed To Prevent Damage From Oil Spills

### Problem

Over two years after the oil spills at the Ashland Oil facility in Pennsylvania and the Shell Oil facility in California, aggressive enforcement actions were not always taken when violations of EPA's Oil Pollution Prevention regulations were disclosed.

### Background

EPA's Oil Pollution Prevention regulations implement the oil spill prevention and removal provisions of the Clean Water Act. These regulations require the owners and operators of certain oil storage facilities to prepare Spill Prevention Control and Countermeasure (SPCC) plans outlining measures to prevent spills and contain those that do occur before they reach navigable waters. EPA's regional offices administer an inspection program to ensure that facilities comply with the regulations.

In January 1988, about 1 million gallons of diesel fuel and

gasoline spilled into the Monongahela River when an aboveground storage tank collapsed at the Ashland Oil facility near Pittsburgh. During April 1988, 400,000 gallons of crude oil drained into a marsh near San Francisco Bay from an aboveground tank at a Shell Oil Company facility. These and other spills had adverse impacts on the environment and were costly to clean up.

## We Found That

Although the Agency has initiated some corrective measures as a result of past reviews, more action is clearly needed. While Regions 5 and 6 had effective SPCC enforcement programs, we found that effective enforcement action was not always taken by Regions 3 and 4 against facilities that violated EPA's Oil Pollution Prevention regulations. The enforcement actions taken by Regions 3 and 4 did not ensure that violating facilities eventually achieved compliance with the Agency's regulations.

For example, an inspection performed at a Pennsylvania facility by Region 3 in 1986 disclosed that this facility did not have an SPCC plan. In September 1986, a Notice of Violation was issued and a \$3,000 penalty assessed. However, there was no evidence that the facility responded to the Notice of Violation or paid the penalty. On March 7, 1989, more than 10,000 gallons of diesel fuel spilled from an aboveground tank at this same facility, which still did not have a spill prevention plan.

## We Recommended That

The Assistant Administrator for Solid Waste and Emergency Response provide oversight to ensure each region performs adequate enforcement when inspections disclose violations and appropriate action is taken to correct deficiencies.

## What Action Was Taken

*The audit report (0100491) was issued to the Assistant Administrator for Solid Waste and Emergency Response on September 24, 1990. A response to the audit report is due December 23, 1990.*

## Better Oversight And Enforcement Needed In Region Pesticide Control Program

### Problem

EPA Region 6 oversight of state pesticide programs did not ensure that delegated states took appropriate enforcement actions against violators of pesticide laws. Problems identified by EPA in oversight reviews of state pesticide programs were not corrected timely. Also, Region 6 was not taking timely enforcement actions, nor properly tracking cases referred to states.

### Background

Under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the states have prime pesticide enforcement responsibility and EPA has responsibility for oversight of the states' enforcement programs. EPA ensures that state programs are effective in meeting the requirements of FIFRA by performing mid-year and year-end program evaluations. A state has 90 days to correct any deficiencies, or EPA may rescind all or part of the program delegated to the state. If state do not initiate timely enforcement actions, then EPA may do so.

## We Found That

Region 6 was not consistently and accurately reporting oversight results, nor was the Region requiring timely state actions to correct problems identified. Also, Region 6 did not properly track significant cases referred to states for enforcement, nor did make sure states took appropriate or timely action. In two of the three states reviewed enforcement actions against FIFRA violators were either too weak or too late. One state had not established administrative penalty authority under its state laws, which hindered

enforcement actions. The other state was not timely because it considered all inspections as cases even though no enforcement action was needed. Without effective oversight, violators are more likely to repeat offenses, further exposing the public and the environment to the effects of harmful pesticides.

#### **What We Recommended That**

The Regional Administrator, Region 6:

- Work actively with the states which do not have administrative penalty authority so that they may obtain it;
- Establish a time standard for processing FIFRA cases referred from states and procedures to insure that these standards are met;
- Conduct comprehensive mid-year and year-end evaluations of state FIFRA programs;
- Negotiate corrective action plans with states for any deficiencies identified during evaluations; and,
- Track and monitor significant FIFRA referrals to states, and where necessary, take over enforcement of cases when the states do not take timely action.

#### **What Action Was Taken**

The audit report (0100470) was issued to the Regional Administrator, Region 6, on September 5, 1990. A response to the audit report is due December 4, 1990.

## **Marine Discharge Waiver Program In Region 2 Needs Improvement**

#### **Problem**

Region 2 was not aggressively administering the Clean Water Act Section 301(h) marine discharge waiver program to protect the marine environment from the harmful effects of sewage treatment discharges in Puerto Rico and the Virgin Islands.

#### **Background**

The Federal Water Pollution Control Act Amendments of 1972 required that all publicly-owned treatment works (POTWs) achieve minimum effluent limits of secondary wastewater treatment by July 1, 1977. However in 1977, Congress added Section 301(h) to the Clean Water Act to provide case-by-case modifications (waivers) of secondary treatment requirements for POTWs discharging into marine environments if there would be no decrease in ambient water quality or adverse impact on marine biota.

#### **We Found That**

Region 2 generally resolved New York and New Jersey waiver applications, but did not act timely on those submitted by Puerto Rico and the Virgin Islands. The Region made only one final determination on 14 Puerto Rico and Virgin Islands applications originally submitted in 1979 (four were subsequently withdrawn).

Although aware of most Puerto Rico and Virgin Islands POTW performance shortcomings, the Region had not denied applications despite making numerous threats to do so. Facilities have continued to discharge less than secondary-treated wastewater into the ocean for over 10 years, potentially affecting the marine environment and human health. The Region may have been reluctant to issue final denials in view of the precarious financial condition of some Puerto Rico and Virgin Islands POTWs.

#### **We Recommended That**

The Regional Administrator, Region 2, develop and implement:

- Guidelines with specific timeframes for review and determinations of pending applications and data submissions;
- Procedures to effectively monitor applicants' compliance with interim effluent limits; and

- Procedures to ensure timely conversions of tentative approvals to final approvals.

#### **What Action Was Taken**

The audit report (0100482) was issued to the Regional Administrator, Region 2, on September 18, 1990. A response to the audit report is due December 17, 1990.

## **EPA Headquarters Frequently Misused Overtime**

#### **Problem**

Controls over authorizing, recording and paying overtime were weak in six EPA Headquarters offices, raising serious questions about the condition of the entire timekeeping system. Also, offices violated EPA policy by repeatedly using overtime, sometimes clearly for non-essential work. As a result, unnecessary overtime payments may have been made to employees.

#### **Background**

Under EPA's policy, occasional or irregular overtime can be used to avoid a serious backlog of work, during a special workload peak or emergency, or to meet a special project deadline.

#### **We Found That**

Most of the offices reviewed had violated EPA policy by using overtime continually during fiscal years 1988 and 1989. Frequently, it was the same employees working overtime, sometimes in substantial amounts, week after week. Also, some offices used overtime to perform normal workday tasks, such as answering telephones and receiving training. Many employees both worked overtime and took paid annual leave in the same pay period; sometimes this occurred for months at a time.

Fifty-three percent of non-emergency justifications we

reviewed were approved after the overtime was worked. Thirty-eight percent of the reviewed overtime justifications had critical information changed, such as increasing the number of authorized hours or the dates or persons, apparently after the hours were worked. For timecards that showed overtime hours, 14 percent were not accurate, 20 percent had been altered or changed improperly; and 7 percent had not been properly approved. Generally, finance personnel did not identify these problem timecards and have them corrected. In addition, none of the supervisors were post-verifying overtime claims in the manner required, and none of the offices had an adequate separation of timekeeping duties.

While the existence and degree of seriousness of each of these individual conditions varied from office to office, their totality created an overall weakness in controls. As a result, employees may have been paid incorrectly or inappropriately, and the potential for abuses and waste was increased.

#### **We Recommended That**

The Assistant Administrator for Administration and Resources Management:

- Require senior managers to reevaluate their timekeeping internal controls and immediately correct weaknesses;
- Make presentations to Headquarters supervisors and managers regarding their responsibilities in, and the internal controls over, the timekeeping process;
- Develop a pay administration presentation to be included in the Agency training courses given to all supervisors; and
- Revise the pay administration guidelines to ensure that information presented is accurate, useful, and current.

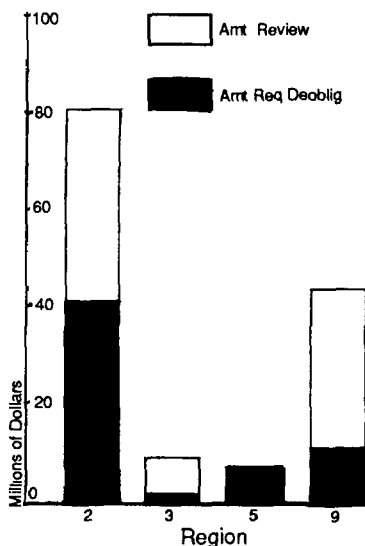
#### **What Action Was Taken**

The final report (0100419) was issued to the Assistant Administrator for Administration and Resources Management on August 1, 1990. On August 29,



1990, the Assistant Administrator advised Agency top managers of the problems disclosed by our report and provided us a plan that identifies actions already taken or planned in response to our findings and recommendations. A response to the report is due October 30, 1990.

## Construction Grant Obligations Overstated By \$55 Million



### Problem

**EPA's Regional offices did not take timely action to deobligate over \$55 million of unneeded construction grant funds.**

### Background

Title II of the Federal Water Pollution Control Act (the Clean Water Act), as amended, authorizes EPA to award construction grants for wastewater treatment projects. Since 1972, the Agency has awarded over \$45 billion for this purpose.

### We Found That

Over \$55 million of the \$143 million of unliquidated construction grant obligations we reviewed in Regions 2, 3, 5 and 9 were invalid and should have been deobligated. Most of these obligations were invalid because the work had been completed

and the grantee had submitted a final claim which was less than the grant amount. The excess funding remained idle an average of 34 months. Over 70 percent of the funds needing to be deobligated were in Region 2. That Region waited until final project closeout, before deobligating unneeded funds instead of when projects were complete and the final claims were submitted. This practice was not consistent with Agency guidance. In 1982, EPA's Administrator urged the Regions to deobligate funds for projects when the final claim was less than the grant amount. When Regions do not deobligate unneeded construction grant funds they are depriving other projects of badly needed funds and the public of improved water quality that these projects would bring.

### We Recommended That

The Assistant Administrator for Administration and Resources Management and the Assistant Administrator for Water request that all Regional Administrators direct their staffs to review administratively completed grants in their regions and deobligate unneeded funds, and notify the Assistant Administrators of actions taken. We also recommended the Regional Administrators be requested to perform an internal control review or an alternative internal control review in accordance with the Federal Managers' Financial Integrity Act during fiscal 1991 to confirm whether funds are being deobligated in accordance with Agency policy.

### What Action Was Taken

*The audit report (0100523) was issued to the Assistant Administrators for Water and Administration and Resources Management on September 27, 1990. A response to the audit report is due December 26, 1990. Before the issuance of the final report, Region 2 initiated corrective actions and deobligated \$10.5 million of unneeded construction grant funds.*

## EPA Did Not Test Internal Controls

September 25, 1990, that actions were being taken to address each of the recommendations:

### Problem

**Managers were not adequately testing or documenting Agency internal controls as part of reviews to identify and correct weaknesses in their major activities as required by the Federal Managers' Financial Integrity Act (FMFIA).**

### We Found That

Of the 36 FMFIA control reviews reported by Agency managers in the four offices we reviewed, 29 had not tested controls. These reviews were not effective in identifying and correcting internal control weaknesses and provided Agency managers with limited information to judge the effectiveness of controls in (1) detecting potential fraud, abuse, waste, and mismanagement and (2) increasing the efficiency and effectiveness of Agency operations and programs. Further, the Agency had overstated the thoroughness of the internal control review process in its fiscal 1989 FMFIA assurance letter to the President of the United States.

In addition, Agency managers had not documented all major activities and organizational controls, limiting the usefulness of documentation in identifying areas where additional controls were needed.

### We Recommended That

The Assistant Administrator for Administration and Resources Management:

- provide additional guidance on control reviews and internal control documentation; and
- evaluate control reviews and internal control documentation prepared by managers to ensure they meet FMFIA objectives.

### What Action Was Taken

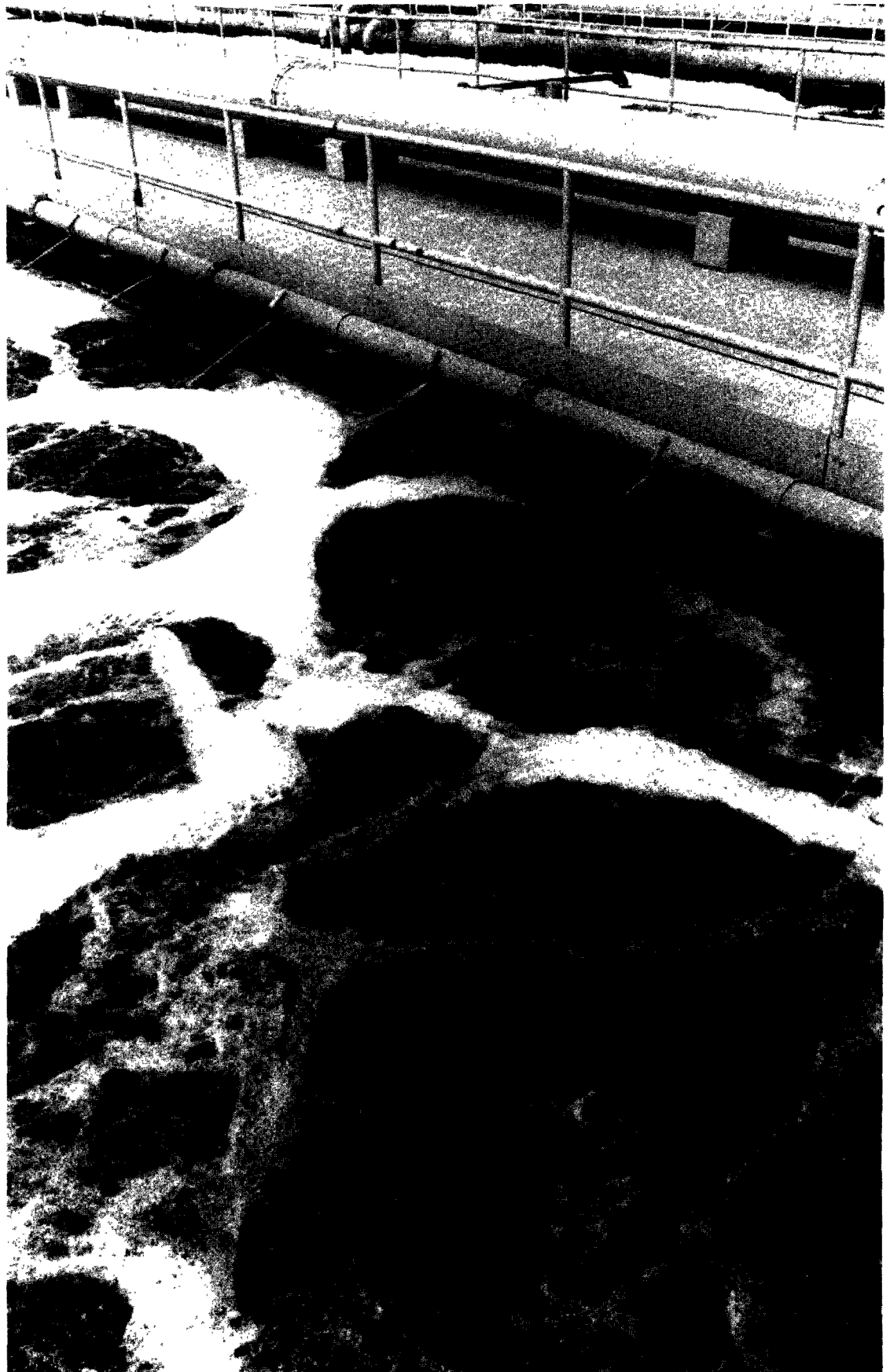
*The audit report (0100357) was issued to the Assistant Administrator for Administration and Resources Management on June 22, 1990. The Assistant Administrator responded on*

## Construction Grants

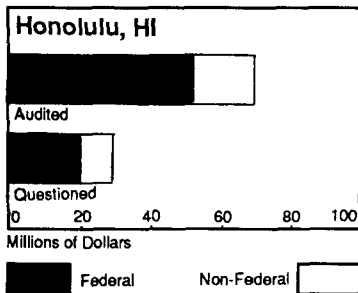
EPA's wastewater treatment works construction grants program is the largest single program the Agency administers. Under the provisions of Public Law 92-500, as amended, the Agency is authorized to make grants covering 55 percent and, in some instances, up to 85 percent of the eligible costs of constructing wastewater treatment facilities. During fiscal year 1990, \$1 billion was obligated on 228 new awards and 1,141 increases to existing grants. As of September 30, 1990, there were a total of 1,408 active construction grants, representing \$7.7 billion in Federal obligations.

Amendments to the construction grants program are covered in Title II of the Water Quality Act of 1987. Section 212 creates a new Title VI in the Clean Water Act, which addresses the process of phasing out the construction grants program by providing incentives for development of alternative funding mechanisms by the States. The new Title VI charges EPA with developing and implementing a program to provide grants to capitalize State revolving funds for financing wastewater projects.

During this semiannual period, \$1.4 billion was awarded on 8 new capitalization grants and 41 existing grants. As of September 30, 1990, EPA had obligated \$2.8 billion to 50 States and Puerto Rico under the State Revolving Fund program.



## Over \$29 Million Of Questioned Costs Claimed By Honolulu, Hawaii



### Problem

The City and County of Honolulu, Hawaii, claimed \$17,655,814 of ineligible construction, engineering, and labor costs. An additional \$9,085,152 of unreasonable and \$2,493,500 of unnecessary costs were also questioned.

### We Found That

EPA awarded thirteen grants totaling \$54,208,201 to the City and County of Honolulu, Hawaii, to fulfill multiple objectives, including the construction of wastewater treatment facilities and collector systems. We questioned \$17,655,814 of the grantee's final claim as ineligible, including:

- \$8,861,055 of construction costs for equipment items that were not used or had been abandoned by the grantee;
- \$4,626,365 of change orders for equipment modification work necessitated by the grantee's operation and maintenance problems after construction;
- \$1,121,528 of design and installation costs associated with emergency power generators determined to be unnecessary and outside the scope of the approved project; and
- \$932,730 of administrative and force account labor costs, because the grantee's labor charging procedures did not adequately identify whether employees worked on eligible or ineligible tasks.

We also questioned, as unreasonable, \$8,533,513 for underutilized facilities that were operating at less than 75 percent of their design capacity and \$551,639 for a planning grant which was never completed and for which design and construction grants had never been awarded. The grantee also claimed \$2,493,500 of unnecessary costs incurred for equipment items that were not in service.

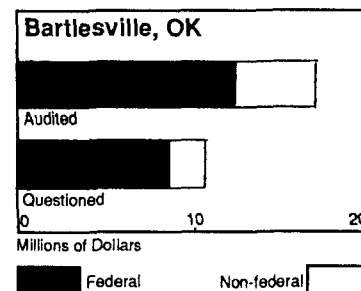
### We Recommended That

The Regional Administrator, Region 9, not participate in the Federal share of the ineligible costs (\$13,241,859), determine the eligibility of the Federal share of unreasonable costs (\$6,813,865) and unnecessary costs (\$1,870,125), and recover the applicable amount from the grantee.

### What Action Was Taken

Three audit reports (0300090, 0300091, and 0300092) were issued to the Regional Administrator, Region 9 on September 19, 1990. A final response is due December 18, 1990.

## Nearly \$11 Million Of Bartlesville, Oklahoma, Project Claims Are Ineligible Or Unsupported



### Problem

The City of Bartlesville, Oklahoma, claimed \$10,933,043 of ineligible construction, engineering, and arbitration costs.

### We Found That

EPA awarded six grants totalling \$13,044,311 to the City of Bartlesville, Oklahoma, to assist in planning, designing and constructing a wastewater treatment plant, collection and interceptor lines, lift stations, force mains and relief sewers. We questioned \$10,933,043 of the grantee's final claim as ineligible, including:

- \$10,157,450 of construction and engineering costs related to the construction of larger facilities and replacement of major system components. The 1976 facilities plan provided for a smaller facility and rehabilitation of system components. As a result, project costs increased from \$3.2 million to \$9.7 million. The grantee did not revise the original facilities plan or demonstrate that the new plant was cost-effective;
- \$591,573 of architectural engineering fees incurred prior to facilities plan approval;
- \$101,320 of engineering costs incurred because the grantee failed to use the engineer involved with the construction phase as the engineer for startup operations; and
- \$82,700 of construction costs not paid to the contractor, and arbitration expenses incurred before grant approval.

We also questioned \$41,742 of inadequately supported force account engineering costs.

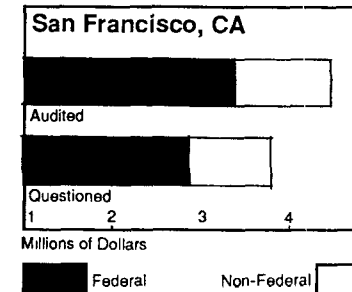
### We Recommended That

The Regional Administrator, Region 6, not participate in the Federal share of ineligible costs (\$8,199,782); determine the eligibility of the Federal share of unsupported costs (\$31,307); and recover the applicable amount from the grantee.

### What Action Was Taken

The audit report (0300055) was issued to the Regional Administrator, Region 6, on May 11, 1990. A response to the audit report due on August 9, 1990, had not been received as of October 26, 1990.

## San Francisco Claims Over \$3 Million Of Costs Unrelated To EPA Grant



### Problem

The City and County of San Francisco (CCSF), California, claimed \$3,381,272 of costs for improvements to the Great Highway and surrounding area that were not a part of the EPA grant. An additional \$497,877 of ineligible construction costs were questioned.

### We Found That

EPA awarded a grant and amendments to CCSF for the construction of the Westside Storage and Treatment Facilities including the repair and replacement of the northbound lanes of the Great Highway which were destroyed during construction of the underground consolidation sewer. Of the \$4,587,536 claimed for the Highway Project, we questioned



Extensive land-scaping improvements were improperly claimed as part of an EPA grant (photo OIG staff).

3,381,272 for replacement of the southbound lanes which were not damaged by construction, plus the following improvements to satisfy the goals of the California Coastal Commission and National Park Service:

- Rehabilitating three public restrooms;
- Constructing paved pedestrian walks and access points to the beach;
- Planting and establishing extensive landscaping; and
- Constructing a twelve foot wide planted median strip, street lights, curbs and a drainage system.

We also questioned \$497,876 of ineligible construction costs that were in excess of approved amounts, outside the project's scope, ordinary operating expenses of a local government, or applicable to another Federal facility.

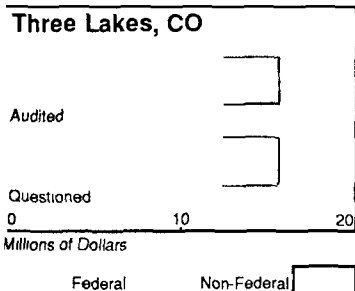
#### We Recommended That

The Regional Administrator, Region 9, determine the eligibility of the Federal share of unreasonable costs (\$2,535,954); not participate in the Federal share of ineligible costs (\$373,407); and recover the applicable amount from the grantee.

#### What Action Was Taken

The audit report (0300097) was issued to the Regional Administrator, Region 9, on September 28, 1990. A response is due December 27, 1990.

## Procurement And Accounting Weaknesses Result In \$16 Million Questioned Costs



#### Problem

All costs (\$16,139,045) claimed by the Three Lakes Water and Sanitation District (District), Colorado, were questioned because of procurement problems and accounting system deficiencies. Problems relating to the project, which were identified in 1982 by an EPA task force prior to the project's completion, were not addressed by the grantee or Region 8.

#### We Found That

EPA awarded grants to the District to plan, design, and construct a wastewater treatment facility. The District did not follow EPA procurement regulations by allowing all bidders to participate equally in a competitive award process. Deficiencies in the District's procurement process consisted of:

- not selecting the low, responsive, responsible bid as offered;
- conducting, prior to contract award, sole source negotiations with the selected contractor which changed the terms of the procurement; and
- not obtaining cost and profit information from the selected contractor to assure reasonableness of price.

The resulting terms and conditions were highly favorable to the selected contractor. For example, the contract unit price for rock excavation was \$45 and \$50 per cubic yard, a significant increase from the contractor's bid of \$25 per cubic yard. In addition, the actual quantity of rock excavated was 23 times the contract award estimate. As a result of the deficiencies in the District's procurement, we questioned the \$13.9 million claimed for construction.

All other claimed costs, totaling \$2.2 million, were questioned for various reasons, including work beyond the grant's scope, work not approved by EPA, and because the costs were not considered reasonable under EPA guidance.

Claimed costs were also questioned because they could not be traced to the District's

records. The District's requests for payment were either not prepared based on its accounting records or were adjusted by either state or EPA officials without explanation.

Had Region 8 and the District effectively responded to the findings of a 1982 Task Force, certain deficiencies would have been corrected and some costs would not have been questioned. The Task Force, consisting of Office of Inspector General, Office of Water, and Office of Legal and Enforcement Counsel officials issued a report citing several serious concerns about the project. We found no evidence that the Region and the District had addressed these concerns.

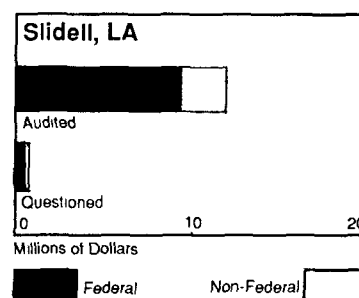
#### We Recommended That

The Regional Administrator, Region 8, recover the Federal share of questioned costs (\$12,385,057).

#### What Action Was Taken

The audit report (0100418) was issued to the Regional Administrator, Region 8 on July 31, 1990. A response is due by October 29, 1990.

## Grantee Attempts To Limit Its Liability At EPA's Expense



#### Problem

After reaching a settlement agreement with a contractor, the City of Slidell, Louisiana, claimed \$672,578 of construction costs even though it incurred only \$20,000. An additional \$375,117 of legal, construction, engineering and administrative costs were questioned.

#### We Found That

EPA awarded a grant and amendments totaling \$9,455,673 to the City of Slidell for construction of a wastewater treatment plant and collection system. The grantee's final claim included \$672,578 of construction costs and \$150,746 of legal fees that we questioned because by attempting to pass these costs on to EPA the city failed to act as a responsible grantee.

In the dispute, a construction contractor alleged that it incurred additional costs because the grantee's consulting engineers provided inaccurate information on soil conditions. The parties eventually agreed that the grantee and its engineers would be liable for a maximum payment of \$105,000 (\$20,000 for the grantee and \$85,000 for the engineers) to the construction contractor. Also, the agreement obligated the grantee to pursue EPA funding for a \$674,624 change order and pay the contractor the EPA share (75 percent) of any amount approved by EPA. The construction contractor further agreed to indemnify the grantee from any refund request resulting from an audit of the change order, but expected the grantee to cooperate in an effort to frustrate any attempt by EPA to recover funds.

We also questioned \$224,371 of bid bond forfeitures which were retained as local income and not credited to the grant; engineering fees relating to ineligible construction; claimed costs not paid a contractor and unsupported administrative costs.

#### We Recommended That

The Regional Administrator, Region 6, not participate in the Federal share of the ineligible costs (\$744,312) and determine whether EPA should participate in the Federal share of unsupported costs (\$41,459).

#### What Action Was Taken

The audit report (0300043) was issued to the Assistant Regional Administrator for Management, Region 6 on April 12, 1990. In his July 17, 1990, response, the Assistant Regional Administrator agreed to recover \$672,712.

## Superfund Program

The Superfund program was created by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). The act provided a \$1.6 billion trust fund for removal and remedial actions, liability, compensation, cleanup, and emergency response for hazardous substances released into the environment and uncontrolled and abandoned waste sites. Taxing authority for the trust fund expired on September 30, 1985. For more than a year, the Superfund program operated at a reduced level from carryover funds and temporary funds provided by Congress.

On October 17, 1986, the Superfund Amendments and Reauthorization Act of 1986 (SARA) was enacted. It provides \$8.5 billion to continue the program for 5 more years and makes many programmatic changes.

The parties responsible for the hazardous substances are liable for cleaning up the site themselves or reimbursing the Government for doing so. States in which there is a release of hazardous materials are required to pay 10 percent of the costs of Fund-financed remedial actions, or 50 percent if the source of the hazard was operated by the State or local government.

The enactment of SARA increased the audit requirements for the Inspector General. In addition to providing a much larger and more complex program for which the OIG needs to provide audit coverage, SARA gave the Inspector General a number of specific responsibilities. Mandatory annual audit areas include:

- Audit of all payments, obligations, reimbursements, or other uses of the Fund;
- Audit of Superfund claims;

- Examination of a sample of agreements with States carrying out response actions; and

- Examination of remedial investigations and feasibility studies prepared for remedial actions.

The Inspector General is required

to submit an annual report to the Congress regarding the required Superfund audit work, containing such recommendations as the Inspector General deems appropriate. The third annual report, covering fiscal 1989, was issued on September 28, 1990.

In addition, the EPA Administrator is required to submit a detailed annual report to

the Congress on January 1 each year on the progress achieved in implementing CERCLA during the preceding fiscal year. The OIG is required to review this report for reasonableness and accuracy and the Agency is required to attach the result of the OIG review to the Agency's annual report.



## Region 4 Inadequately Managed "Removal" Cleanups

### Problem

Region 4's inadequate implementation and ineffective management of "removal" cleanup actions (1) did not meet "removal" goals to expedite remedial cleanup and to delete sites from EPA's National Priorities List (NPL) delisting, and (2) resulted in over \$3.8 million in potentially excessive costs and obligations.

### Background

The Superfund program includes two broad categories of response to the release, or threat of release, of hazardous substances from abandoned hazardous waste sites. Short-term *removal* actions address the release or threat of releases requiring an expedited response. Longer-term, more permanent *remedial* actions are taken to stop or substantially reduce the release or threat of release of hazardous substances that are not immediately life threatening.

Region 4 ambitiously initiated a pilot "removal" cleanup approach which used removal authorities to expedite remedial actions and NPL site delisting at less cost than projected for remedial cleanups. Eight NPL sites scheduled for remedial actions in fiscal 1988 were selected for "removal" cleanup.

### We Found That

After two years and \$15 million in obligations, of which \$8.7 million had been expended, only 3 of the 8 sites had been partially cleaned and none had been delisted. Region 4's inadequate implementation and management of the "removal" cleanups prolonged cleanup actions; permitted deficient site characterizations; allowed

unsupported changes to cleanup levels and remedies; and resulted in potentially unnecessary, inappropriate, or excessive cleanup actions involving over \$3.8 million in Superfund costs and unpaid obligations.

Inadequate delineation of "removal" authorities and responsibilities between removal and remedial staffs, insufficient oversight of "removal" cleanup actions, and omission or inadequate completion of key remedial requirements, including State Superfund Contracts, contributed to program deficiencies. In addition, the Region created potential conflicts of interest by having the same contractors (1) characterize contamination and clean up the sites, and (2) design and construct treatment systems.

Many of the sites Region 4 selected for "removal" cleanup did not comply with EPA guidance for selection of "removal" sites. Selections were based more on quick accomplishment of Regional goals than on public and environmental threats.

### We Recommended That

The Regional Administrator, Region 4:

- Promulgate formal procedures for "removal" approach to facilitate coordination between removal and remedial staffs and establish better controls over "removal" cleanup actions.
- Hold Superfund program managers strictly accountable for compliance with established procedures and controls to ensure program integrity and maintenance of the public trust.
- Adequately determine the type and extent of contamination before selecting future NPL sites for "removal" cleanups.
- Establish controls to ensure that all key removal and remedial requirements are properly completed and that selected remedies and cleanup levels are changed only when thoroughly justified.
- Establish controls to preclude assignment of tasks to

contractors that create potential or apparent conflict of interest situations and conflict with Agency directives.

### What Action Was Taken

*The audit report (0100519) was issued to the Regional Administrator, Region 4, on September 27, 1990. A response to the audit report is due December 26, 1990.*

## California Multi-site Agreement Lacks Effective Controls

### Problem

The California State Water Resources Control Board (SWRCB) had not established effective management and financial controls to protect the public health and accurately account for the \$2.9 million of costs under the South Bay, California, Multi-Site Cooperative Agreement.

### Background

Since 1981, 91 of 100 contamination problems identified in the San Francisco area were located in South Bay. SWRCB was responsible for overall management of an agreement with EPA to address ground water contamination in the South Bay.

### We Found That

SWRCB had not provided the guidance, staffing or training necessary to perform effective site inspections and take aggressive enforcement actions to comply with Federal regulations and the agreement. For example, SWRCB site inspectors performed limited on-site inspections, relying on reports submitted by potentially responsible parties, and did not conduct on-site follow-up inspections to ensure previously reported deficiencies were corrected. The resulting potentially health-threatening conditions were observed at three South Bay sites:

- potentially toxic soil was placed in open containers across the street from a residential neighborhood.

- toxic water flowed into a canal in a residential district exceeding maximum contamination levels for public safety.

- contaminated water leaked from a tower onto the ground, threatening the release of airborne pollutants and return of the water to the groundwater tables where it was first extracted.

SWRCB's financial system did not provide for accurate, current, and detailed accounting of costs nor documentation supporting the allocation of funds. We questioned all \$2,903,899 of costs claimed at the time of audit.

### We Recommended That

The Regional Administrator, Region 9, require the SWRCB to develop an effective hazardous waste site inspection program for the South Bay Multi-Site Cooperative Agreement which includes the development of inspection guidelines, devotion of sufficient staff, and a mandatory training program; disallow the \$2,903,899 of ineligible costs questioned and recover the amounts previously paid to the SWRCB; and suspend all payments under the cooperative agreement until the SWRCB has corrected its financial management deficiencies.

### What Action Was Taken

*The audit report (0300098) was issued to the Regional Administrator, Region 9, on September 28, 1990. A response is due December 27, 1990.*

## Guidance Needed For Disposing Of Wastes Generated From Pre-Remedial SITE Inspections

### Problem

**Contractors used poor judgment and made mistakes in disposing of wastes generated from pre-remedial site investigations conducted for EPA.**

### Background

Under the Agency's Superfund Pre-Remedial Program EPA contractors evaluate suspected uncontrolled hazardous substance release sites. The contractors' staff often visit sites and take samples which are sent to laboratories that are responsible for their proper disposal after analysis. In the process of taking samples, equipment and clothing can be contaminated and existing waste disturbed.

### We Found That

EPA had no specific formal guidance for disposing of wastes stemming from pre-remedial site investigations. In one instance, in July 1989, three employees of a Region 5 contractor discarded their disposable protective gear (Tyvek suits, boots, and gloves) and testing materials in a garbage container in a public park. Two teenage park employees found bags containing the waste. Concerned that toxics could be present, the park district notified the fire and police department. The Champaign-Urbana Hazardous Materials Team was called to the scene and treated the incident as a hazardous waste release. The contractor employees were charged with, but not convicted of, violating an Illinois garbage disposal statute. Later testing determined that the material was not hazardous, and the contractor disposed of it.

In January 1990, in Region 9, an EPA contractor in another instance arranged for a waste disposal subcontractor to pick up two drums of waste labelled "hazardous." The subcontractor unloaded the drums on the roadside after being locked outside the facility when the facility representative refused to sign the manifest as the waste generator. About two hours later, at the contractor's direction, the subcontractor moved the drums inside the gate by lifting them over the fence. The contractor arranged for the drums to be picked up the next day. No public incident was created, but for an estimated hour or two, two drums marked "hazardous" were left on a roadside.

### What Action Was Taken

*The special report (0400044) was issued to the Assistant Administrator for Solid Waste and Emergency Response on September 28, 1990. Before the issuance of the final report, EPA initiated corrective actions. The Agency drafted guidance on investigative-derived waste, and distributed it on July 11, 1990, for comment. Final guidance is scheduled to be issued by the end of October 1990 as a part of an Agency directive.*

## Special And Prospective Reviews

*This section in our semiannual report describes significant and potential findings, deficiencies, and recommendations which have been identified through evaluations, analyses, projects, and audits. These projects are intended to help Agency managers correct problems and recognize the potential for savings before resources are fully committed.*

### Special Reviews

*Special reviews are narrowly focused studies of programs or activities providing management a timely, informative, independent picture of operations. Special reviews are not statistical research studies or detailed audits. Rather, they are information gathering studies that identify issue areas for management attention.*

## Region 6 Action Needed To Stop The Loss Of Louisiana Coastal Wetlands

### Problem

**EPA Region 6 was not controlling the negative impacts of oil and gas activities on Louisiana's coastal wetlands.**

### We Found That

Region 6 failed to issue any National Pollutant Discharge Elimination System (NPDES) general permits for oil and gas discharges into coastal Louisiana wetlands, even though the Federal Water Pollution Control Act (Clean Water Act) require the Agency to issue these permits more than 15 years ago. According to Region 6's permitting schedule, another 4 years will pass before all oil and gas general permits are issued. Further, the Region had not initiated wetlands enforcement actions for unpermitted dredge and fill activities.

Region 6 did not visit proposed oil and gas dredge and fill site coastal Louisiana wetlands as part of its review process, nor does it regularly attend scheduled permit review meetings. Further,



the Region has neither denied nor elevated to a higher authority any proposed oil and gas dredge and fill permits in coastal Louisiana.

#### **We Recommended That**

- Region 6 develop responsible timetables and dedicate adequate resources so that it can issue general permits for all oil and gas discharges into wetlands.
- Region 6 make regular site visits and regularly attend Geologic Review and other meetings relating to possible oil and gas dredge and fill activities to carry out its permit review responsibilities.
- Region 6 take stronger and more responsible actions, to include elevating or denying oil and gas coastal Louisiana permits when necessary and establishing an enforcement presence in coastal Louisiana.

#### **What Action Was Taken**

*The Special Review Report (0400018) was issued to the Assistant Administrator for Water and the Regional Administrator, Region 6, on June 14, 1990. A response due on September 14, 1990, had not been received as of October 29, 1990.*

## **Management Decisions In Region 10 Were Questionable**

#### **Problem**

**Region 10 management decisions on environmental issues were not consistent with staff recommendations nor supported by documentation in the files.**

#### **Background**

This special review was the result of allegations that questionable decisions were being made by Region 10 on various environmental issues.

#### **We Found That**

Region 10 management decisions were questionable in all but one of the 11 allegation issue areas. Adequate records were not maintained to document the basis of regional decisions related to such key areas as permitting, environmental assessments or impact statements, and enforcement actions. Additionally, a climate of distrust and divisiveness had developed between Regional staff and their management.

#### **We Recommended That**

The Deputy Administrator require the Acting Regional Administrator to:

- Review and reconsider as appropriate the 10 environmental decisions that were found to be questionable.
- Assure that the basis for all major environmental decisions and enforcement actions are appropriately documented and that staff comments are retained.
- Take immediate steps to foster open communications and teamwork within the Region.

#### **What Action Was Taken**

*The special review report (0400015) was issued to the Deputy Administrator on May 3, 1990. He directed the Acting Regional Administrator (ARA) to address the issues raised by the report. The ARA's response of June 13, 1990, satisfactorily responded to all of our recommendations.*



## Construction Grant Early Warning System

*This program is designed to identify potential problem construction projects early in their life cycle so that EPA management can take appropriate corrective action.*

*The long-range goal of the construction grants program is to reduce the discharge of municipal wastewater pollutants to improve water quality and protect public health. EPA provides grants to municipal agencies to assist in financing the construction of wastewater treatment works, a process which takes 2 to 10 years to complete.*

*Because audits are generally performed after the project is complete, problems which affect the efficient design, construction, management, or operation of a treatment plant are not disclosed until thousands or millions of dollars have been spent. The OIG early warning system reviews projects before construction begins to identify problems and preclude the ineffective expenditure of funds. Our reviews focus on certain indicators and attributes that can suggest the likelihood of a potential problem.*

## \$9 Million Grant Awarded For An Oversized And Unaffordable Wastewater Treatment Facility

### Problem

**Region 9 prematurely awarded a \$9 million grant for the first phase of the Hilo, Hawaii, wastewater treatment facility project.**

### Background

Region 9 awarded the County of Hawaii a \$9 million grant to construct a pump station, secondary treatment facilities, and access road and utilities. This construction is the first phase of a multi-phased project to construct a new wastewater treatment facility and remove the old one. Because the County failed to construct interceptor and collection systems, the old plant never operated at more than 56 percent of its design capacity. Region 9 agreed to comply with the recommendations of a prior audit to correct an under utilization problem by including special conditions in the Hilo grant agreement.

### We Found That

Region 9 prematurely awarded the grant because:

- grant conditions were not adequate to ensure that collection systems would be constructed;
- a draft financial plan indicated that the County may not be able to afford the project;
- the proposed facility will exceed the needs of the sewer area by 34 percent;
- facility utilization will be adversely affected by the continued use of cesspools in 95 percent of the County; and
- the County's sewer ordinance did not include enforcement mechanisms to require assessable residences to connect to the system.

### We Recommended That

The Regional Administrator, Region 9:

- Reexamine the County's financial capability, and require the County to adequately develop and annually review its user charge system.
- Reevaluate the County's need for a wastewater treatment system of the planned size; and require the County to revise its priorities for construction of its collection system to provide for transporting the largest volumes first.
- Instruct the Hawaii Department of Health and the County to adopt a sewer use ordinance which is enforceable without exceptions, and eliminate the use of cesspools.

### What Action Was Taken

*The report (0400043) was issued to the Regional Administrator, Region 9, on September 27, 1990. A response to the review is due December 1, 1990.*

## \$2.4 Million In Grants To California County Should Be Annulled

### Problem

**The Mariposa County Water Agency, California, proposed constructing wastewater treatment facilities even though the projects were not justified, public support for the projects was obtained using questionable techniques, and the projects were neither cost-effective nor affordable.**

### We Found That

Region 9 awarded the Mariposa County Water Agency (County) three grants totaling \$2,368,221 for the construction of wastewater treatment facilities in the communities of Hornitos, Bear Valley, and Mt. Bullion. Total estimated project costs have escalated to \$6,548,600, a 52 percent increase since the grants were awarded.

The projects were not adequately justified. A 1987 engineering study concluded that sufficient data did not exist to link well water contamination to septic failures in Hornitos and Bear Valley and that contamination problems in Mt. Bullion were caused by improper construction and inadequate maintenance of water wells and septic systems. After we communicated our findings, the State Water Resources Control Board (SWRCB) initiated an in-depth study of the three grants. Draft results on SWRCB's follow-up well sampling study, dated July 1990, concluded that a community-wide problem attributable to septic tanks did not exist. It further concluded that the water wells with contamination problems could be traced to improper well construction, and seals. The SWRCB draft study results confirmed our conclusion that there was no justification for the grants to the communities of Hornitos, Bear Valley, and Mt. Bullion was misrepresented.

In addition, public support for the projects was obtained by using questionable techniques which may have intimidated many of the community's residents to support the project. For example, some Hornitos residents perceived that they were threatened with the destruction of their homes if they did not support the project.

Further, we noted that the projects are not cost-effective. The estimated projects' costs exceed the SWRCB guidelines for a high cost project by 700 percent. The cost of the project also exceeded the total assessed valuation of the communities by



*The OIG questioned whether residents could afford the cost of the project (photo by OIG staff).*

as much as 123 percent. This condition also raises a question whether the community residents will be able to afford the project.

#### **We Recommended That**

The Regional Administrator, Region 9, annul the three grants awarded to the county.

#### **What Action Was Taken**

*The report (0400025) was issued to the Regional Administrator, Region 9, on July 31, 1990. On October 10, 1990, Region 9 notified the grantee that the grants would be terminated.*

## **EPA Improperly Awards Two Grants For \$10.7 Million**

#### **Problem**

**EPA improperly awarded grants to Sellersburg and West Terre Haute, Indiana, because each grantee's estimated costs exceeded the maximum amount allowed.**

#### **We Found That**

On September 29, 1989, Region 5 awarded both Sellersburg and West Terre Haute Step 2(design)+3(construction) grants to design and construct a wastewater treatment facility and sewer collection system. According to the Clean Water Act, a Step 2+3 grant may only be awarded if the total estimated cost of the treatment works is less than \$8 million. EPA's implementing regulation states that these grants may only be awarded if the total Step 3 building costs are less than \$8 million.

Region 5 interpreted "total Step 3 building cost" to mean only the allowable portion of actual construction (i.e., the sum of the allowable portions of prime contracts and subcontracts). This figure was less than \$8 million for each facility. However, neither the Clean Water Act nor the regulations limit the cost consideration for eligibility to only "allowable" costs. Both refer to "total" costs. Further, the Clean Water Act refers to the total estimated cost of the treatment works, not only the actual building costs.

Therefore, under EPA regulations, grant eligibility must be based on all costs directly associated with Step 3 which consists of building and related services. These costs include legal and administrative costs, project inspection and other construction-related engineering fees, as well as construction contracts and subcontracts. For the Sellersburg project, the total costs directly associated with Step 3 were \$11.1 million. The total costs directly associated with Step 3 of the West Terre Haute project were \$11.3 million.

#### **We Recommended That**

The Regional Administrator, Region 5, annul the grant award (\$5,463,260 Federal share) to Sellersburg and the grant award (\$5,275,325 Federal share) to West Terre Haute.

#### **What Action Was Taken**

*The report on Sellersburg (0400020) was issued to the Regional Administrator on June 14, 1990. The report on West Terre Haute (0400045) was issued to the Regional Administrator on September 28, 1990. In his responses, the Regional Administrator disagreed with the reports' conclusions and stated that the grants had been awarded in accordance with EPA policy. Resolution of the reports is under review by EPA Headquarters offices.*

# Section 2—Audit Resolution

As required by the Inspector General Act, as amended, this section describes significant problems identified in previous semiannual reports which remain unresolved. Also, as required by the Supplemental Appropriations and Rescission Acts of 1980 and 1981, this section includes a summary of unresolved audit reports and a list of officials responsible for resolving audit findings over 6 months old.

EPA Office Of Inspector General Status Report On Perpetual Inventory Of Audits In Resolution Process For The Semiannual Period Ending September 30, 1990

	Number	Dollar Values (in thousands)			
		Report Issuance		Audit Resolution Costs Sustained	
		Questioned Costs	Recommended Efficiencies	To Be Recovered	As Efficiency
A. For which no management decision has been made by the commencement of the reporting period*	336	175,910	29,850	—	—
B. Which were issued during the reporting period	891	104,794	122,395	—	—
C. Which were issued during the reporting period that required no resolution	596	618	1,310	—	—
Subtotals (A + B - C)	631	280,086	150,935	—	—
D. For which a management decision was made during the reporting period	331	58,475	31,642	32,566	7,66
E. For which no management decision has been made by the end of the reporting period	300	221,610	119,294	—	—
Reports for which no management decision was made within six months of issuance	64	118,086	8,486	—	—

\*Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system

## Audit Followup

The Inspector General Act Amendments of 1988 have focused increased attention on Agency responses to the findings of the Inspectors General. Agency management is now required to report semiannually, in a separate report to Congress, the corrective actions taken in response to the IG's audits. The Office of Inspector General will also review the Agency's followup actions. Below are summaries of several of these reviews.

## EPA's Audit Followup Program for Performance Audits Still Needs Improvement

In response to a recommendation in our September 1989 special review on audit followup, the Agency reported the lack of audit followup as a material weakness in its 1989 Federal Managers' Financial Integrity Act (FMFIA) report to Congress and the President. It also developed and implemented a new Management Audit Tracking System (MATS).

In our followup review of this new system, we found misinformation provided by Audit Followup Coordinators and entered into MATS has resulted in errors and omissions in the new system's data base and in the first EPA Management's Semiannual Report to Congress on Audits. Corrective action plans for performance audit recommendations have not been consistently tracked by the Agency. As a result, audits have been closed out in MATS without assurance that corrective action has, in fact, been taken. Failure to report these still open actions in the MATS data base has resulted in the Agency having under-reported incomplete corrective actions over one year old in its first EPA Management's Semiannual Report to the Congress on Audits.

The deficiencies pointed out in our followup report (0400029) were not detected by Audit Followup coordinators in the field or by the Agency Audit Followup Coordinator. EPA has not developed a quality assurance program for audit followup to ensure that data supporting the new automated system is complete, correct, and current. The Agency has taken some positive steps to resolve these problems since our followup report was issued.

## Improvements Still Needed in Office of Mobile Sources Enforcement Program

EPA's Office of Mobile Sources (OMS) is responsible for enforcing the provisions of the Clean Air Act that are designed to reduce air pollution from motor vehicles. The four main types of violations that OMS pursues are (1) emissions equipment tampering, (2) fuel switching, (3) lead phasedown and (4) volatility of gasoline and alcohol blends. A September 1986 audit showed that OMS needed to improve its procedures for establishing, mitigating, and controlling cash penalties and other settlement conditions used to enforce the Clean Air Act.

Our followup report (0400034) found that EPA has taken steps to implement some of our recommendations. For example, OMS has improved case file documentation and controls over penalty collections. Despite this progress, some problems previously identified still exist. We found that OMS settled cases during fiscal years 1986 through 1989 with proposed penalties totaling \$74.3 million for only \$12.8 million. In most of these cases, OMS also accepted public education projects as part of the settlement, but it had not developed criteria for the amount of credit and the types of projects to accept. Additionally, OMS did not always settle cases timely. In 19 percent of the cases that had not been settled as of March 14, 1990, over 1 year had passed since the Notice of Violation was issued.

Although management agreed with our findings and some of our recommendations were implemented, OMS still does not have assurance that:

- Its penalty policies are in accordance with overall EPA policy, and that cases are settled in accordance with EPA guidelines;

- Cases are settled timely, and cases that cannot be settled are referred to the Department of Justice; and

- Appropriate types of public education projects are accepted and appropriate amounts of credit are given.

OMS generally concurred with the recommendations and has either completed or agreed to complete the actions recommended.

## More Needs To Be Done To Recover Superfund Cleanup Costs

Our consolidated September 1986 audit showed that EPA was not always aggressively pursuing the recovery of Superfund cleanup costs from potentially responsible parties (PRP). Specifically, the report found that EPA was not: (1) pursuing all cost recovery actions under \$200,000; (2) identifying and filing against all bankrupt PRP's; (3) completing all negotiations within the required timeframes; (4) filing all cost recovery action before expiration of the statute of limitations; and (5) using a comprehensive management information system to support and consolidate cost recovery actions.

Our followup report (0400036) found that while EPA has initiated some positive actions, our findings and recommendations still have not been adequately addressed 4 years after issuance of our original report. A consistent approach for pursuing cost recovery actions under \$200,000 is still needed, including more use of alternative dispute resolution techniques and establishment of a cost recovery unit in each region. EPA should also track information on sites with bankrupt PRPs and require that the regions identify EPA as an "official creditor" in all demand letters sent to PRPs. In addition, EPA should require that regions monitor and complete

negotiations within timeframes established by Agency guidance. Headquarters should follow up with the regions to ensure that they were addressing sites where the statute of limitations is about to expire. Lastly, EPA should include all bankruptcy and all other cost recovery actions in the Superfund's management reporting system (CERCLIS), so that management can use this enforcement information to actively monitor regional program actions and results.

## Chesapeake Bay Deficiencies Not Corrected

Almost four years after the first of two audit reports on the Chesapeake Bay Program was issued, EPA Region 3 had not resolved many of the deficiencies disclosed in those reports. The first audit report, issued in September 1986, focused on the grants and contracts awarded during the research and planning phase of the Chesapeake Bay Program. The second audit report, issued in July 1988, concentrated on the grants awarded during the

implementation phase of the program. The reports evaluated procedures for administering grants and contracts valued at about \$50 million. During February 1990, we completed a followup review of the corrective actions taken by Region 3 as a result of these audits.

Our follow-up report (0400028), issued to the Regional Administrator, Region 3, found that the corrective actions taken were neither effective nor completed timely. The action plan submitted in response to the first audit required Region 3 to determine the status of 29 grants and contracts and to close out those that were not ongoing. We found that 6 projects were ongoing and Region 3 had properly completed or closed only one of the remaining 23 grants and contracts. Region 3 could not locate the official files for 14 of these 23 projects. Additionally, the corrective actions proposed as a result of the second Chesapeake Bay audit were also not completed. Our review showed that:

- Region 3 has not reduced the fund under Pennsylvania's Letter of Credit to the minimum amount needed. The state has received \$970,000 in excess Federal funds.

- As of June 30, 1989, Pennsylvania had a combined shortage of \$1.4 million in state matching funds. The state expended \$4.2 million of Federal funds, while providing only \$2.8 million in matching funds.

- Maryland has not instituted standardized contracts for the procurement of best management practices (i.e., specific methods that prevent or reduce water pollution) by farmers.

- At the time of our original review, 87 work products required by the grants and contracts were not completed. We found that 56 percent of these work products were still missing or not complete.

After we issued our followup report, Region 3 took action to correct the deficiencies and reduced the excessive Federal funds retained by Pennsylvania. The shortage of State matching funds was resolved and significant progress was made in obtaining overdue work products.

## Significant Management Decisions On Audit Reports With Which IG Disagrees

The Inspector General Act Amendments of 1988 require that the IG's semiannual reports include information on any significant management decisions with which the IG is in disagreement. Summarized below is the first such decision reported as required by the amendments.



Wetlands along the shore of Chesapeake Bay (photo by Steve Delaney).

## Region 9 Sides with Hawaii Grantee in Cost Dispute

Region 9, in its May 27, 1988, final determination letter, disallowed all costs claimed (\$3,286,908) by the County of Kauai, Hawaii, under an EPA wastewater treatment construction grant. The County had failed to achieve the primary objective of the grant, awarded in March 1976, to eliminate the risks to public health and welfare from malfunctioning cesspools in the Wailua Houselots and Homesteads area. The County appealed Region 9's decision. On August 6, 1990, over 14 years after the grant award, the Region, with the concurrence of the Regional Administrator, amended the grant, not requiring the County to provide wastewater treatment services to the Wailua Houselots and Homestead area. Further, the County does not have to refund any of the \$2,465,931 in Federal funds provided under the grant.

We disagree with the appeal settlement because the grant amendment was accomplished without first revising the project's facilities plan to determine whether the change was appropriate under provisions of the Clean Water Act and EPA regulations. Without a revised facilities plan, the Region has changed the primary objective of the grant without assuring that the amended project is necessary or eligible for Federal funding.

We are also concerned that the public health concerns justifying the 1976 grant have not been corrected. This concern is increased because the County has received three Federal grants since 1962 to construct and expand the Wailua wastewater treatment plant to address public health hazards concerns in the Wailua Houselots and Homestead area. Yet the area is not being served.

Prior to the grant amendment, we communicated the above concerns to the Regional Administrator and Region 9 officials. We also stated that the amendment would not be in the best interest of EPA because the County: (1) has a history of not accomplishing grant objectives, (2) has not properly operated and maintained the Wailua wastewater treatment plant, (3) would be granted additional time to implement an adequate user charge system which should have been in place in 1976. In addition, we concluded that the grant amendment contained unrealistic and vague financial sanctions for nonperformance.

Despite our concerns, Region 9 settled the County's appeal by amending the grant. This action failed to address the health hazards cited in grant award documents, did not ensure that the revised projects complied with applicable statutes and regulations, and did not demonstrate EPA's willingness to hold grantees accountable for accomplishing objectives.

## Status Of Management Decisions On IG Audit Reports

This section presents statistical information as required by the Inspector General Act Amendments of 1988 on the status of EPA management decisions on audit reports issued by the OIG involving monetary recommendations. In order to provide uniformity in reporting between the various agencies, the President's Council on Integrity and Efficiency issued guidance on reporting the costs under required statistical tables of sections 5(a)(8) and (9) of the Act, as amended.

As presented, information contained in Tables I and II cannot be used to assess results of audits performed or controlled by this office. Many of the reports counted were performed by other Federal auditors or independent public accountants under the Single Audit Act. EPA OIG staff does not manage or control such assignments. In addition, amounts shown as costs questioned or recommended to be put to better use contain amounts which were at the time of the audit unsupported by adequate documentation or records. Since auditees frequently provide additional documentation to support the allowability of such costs subsequent to the audit, we expect that a high proportion of unsupported costs will not be sustained.

EPA OIG controlled audits resolved during this period resulted in \$29.7 million being sustained out of \$36.2 million considered ineligible in reports under OIG control. This results in an 82 percent sustained rate.

Table I

**Inspector General Issued Reports With Questioned Costs**

	Number	Dollar Values (in thousands)	
		Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	178	177,939	78,718
B. New Reports issued during period	89	104,175	33,136
Subtotals (A + B)	267	282,115	11,854
C. For which a management decision was made during the reporting period	147	58,475	22,269
(i) Dollar value of disallowed costs	128	32,566	4,038
(ii) Dollar value of costs not disallowed	83*	25,908	18,231
D. For which no management decision has been made by the end of the reporting period	120	223,640	89,584
Reports for which no management decision was made within six months of issuance	47	120,116	56,494

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\* On 19 audits management did not sustain any of the \$4,206,000 questioned costs. Sixty-four audits included are also included in C(ii) because they were only partially sustained. Only the costs questioned that were not in C(i) sustained are included in this category.

Table II

**Inspector General Issued Reports With****Recommendations That Funds Be Put To Better Use**

	Number	Dollar Value (in thousands)
A. For which no management decision has been made by the commencement of the reporting period	39	29,162
B. Which were issued during the reporting period	72	121,086
Subtotals (A + B)	111	150,247
C. For which a management decision was made during the reporting period	45	30,953
(i) Dollar value of recommendations that were agreed to by management	10*	7,661
- based on proposed management action	n/a	n/a
- based on proposed legislative action	n/a	n/a
(ii) Dollar value of costs not disallowed	10*	7,145
(iii) Dollar value of non-awards or unsuccessful bidders	29	16,148**
D. For which no management decision has been made by the end of the reporting period	66	119,294
Reports for which no management decision was made within six months of issuance	5	8,486

SEMI-ANNUAL PERIOD ENDING: 9/30/90

\* Four of the ten audits were the same audits in items C(i) and C(ii). Only the related dollars disallowed were included in C(i), whereas the dollars which were not disallowed were included in C(ii).

\*\* This amount represents the dollar value of recommendations that funds be put to better use.

# Resolution of Significant Audits

Report Number/ Report Date	Grantee/ Contractor	Report Issuance		Report Resolution	
		FS Questioned/ Recommended Efficiency		Federal Share to be Recovered/ Sustained Efficiency	
E2EW*8-01-0370 9100510 REPORT DATE 9/29/89	DEP 205G MA	INEL 2,978,630 UNSP 9,785,330 UNUR 0 RCOM 0		INEL 2 669,831 UNSP 14,807 UNUR 0 SUST 0	
P2CW*6-02-0214 9100299 REPORT DATE 5/31/89	NASSAU COUNTY NY	INEL 2,965,324 UNSP 19,492 UNUR 0 RCOM 0		INEL 2,432,006 UNSP 0 UNUR 0 SUST 0	
P2CW*7-02-0031 0100110 REPORT DATE 1/12/90	EAST GREENBUSH NY	INEL 469,787 UNSP 10,115 UNUR 0 RCOM 0		INEL 469,787 UNSP 4,294 UNUR 0 SUST 0	
P2CW*7-02-0102 0100087 REPORT DATE 12/22/89	ROCKLAND CO SD #1 NY	INEL 998,109 UNSP 727,324 UNUR 0 RCOM 0		INEL 269,281 UNSP 274,579 UNUR 0 SUST 0	
P2CW*7-02-0167 9100260 REPORT DATE 5/ 2/89	NORTH TONAWANDA NY	INEL 499,797 UNSP 517,981 UNUR 0 RCOM 0		INEL 380,506 UNSP 22,870 UNUR 0 SUST 0	
P2CW*7-02-0288 0100106 REPORT DATE 1/ 9/90	TONAWANDA NY	INEL 692,789 UNSP 0 UNUR 0 RCOM 0		INEL 602,259 UNSP 0 UNUR 0 SUST 0	
P2CW*8-02-0086 0100123 REPORT DATE 1/25/90	OSWEGO NY	INEL 487,878 UNSP 130,093 UNUR 0 RCOM 0		INEL 482,567 UNSP 5,496 UNUR 0 SUST 0	
P2CW*8-02-0247 0100092 REPORT DATE 1/ 3/90	BUFFALO SA NY	INEL 195,927 UNSP 282,679 UNUR 0 RCOM 0		INEL 195,708 UNSP 282,679 UNUR 0 SUST 0	
DBAML0-03-0150 0100136 REPORT DATE 2/ 1/90	SYSTEMS INTEGRATION GROUP MD,	INEL 0 UNSP 0 UNUR 0 RCOM 5,211,489		INEL 0 UNSP 0 UNUR 0 SUST 3,027,587	
DBAML0-03-0402 0100437 REPORT DATE 8/14/90	RESOURCE APPLICATIONS INC VA	INEL 0 UNSP 0 UNUR 0 RCOM 645,755		INEL 0 UNSP 0 UNUR 0 SUST 452,436	
P2CWN0-03-0111 0300039 REPORT DATE 3/30/90	PHILADELPHIA CITY OF PA	INEL 3,287,192 UNSP 0 UNUR 0 RCOM 0		INEL 3,279,012 UNSP 0 UNUR 0 SUST 0	
C3HMK0-04-0131 0500585 REPORT DATE 2/14/90	NASHVILLE DAVIDSON COUNTY TN	INEL 0 UNSP 829,993 UNUR 0 RCOM 0		INEL 0 UNSP 702,073 UNUR 0 SUST 0	
E2CW*7-04-0241 7200018 REPORT DATE 6/6/87	SADIEVILLE KY	INEL 0 UNSP 1,383,394 UNUR 0 RCOM 0		INEL 0 UNSP 1,383,394 UNUR 0 SUST 0	
P2CWN9-04-0040 0300012 REPORT DATE 12/ 7/89	MIAMI DADE FL	INEL 3,943,720 UNSP 0 UNUR 0 RCOM 0		INEL 3,943,720 UNSP 0 UNUR 0 SUST 0	
P2CWN7-05-0479 9300094 REPORT DATE 9/13/89	MEDINA CO OH	INEL 786,983 UNSP 23,034 UNUR 16,223 RCOM 0		INEL 750,190 UNSP 8,705 UNUR 16,223 SUST 0	

# Resolution of Significant Audits

Report Number/ Report Date	Grantee/ Contractor	Report Issuance		Report Resolution	
		FS Questioned/ Recommended Efficiency		Federal Share to be Recovered/ Sustained Efficiency	
D9CHL0-09-0127 0100182 REPORT DATE 3/ 7/90	CHEM-TLE ENVIRONMENTAL SERV CA	INEL 622,577 UNSP 0 UNUR 0 RCOM 0		INEL 622,577 UNSP 0 UNUR 0 SUST 0	
E2AWP0-09-0072 0400025 REPORT DATE 7/30/90	MARIPOSA CO WATER AGENCY CA	INEL 0 UNSP 0 UNUR 0 RCOM 3,601,400		INEL 0 UNSP 0 UNUR 0 SUST 3,601,400	
E2CW*6-09-0080 8000659 REPORT DATE 2/23/88	CAL WATER RESOURCES CB CA	INEL 873,127 UNSP 0 UNUR 0 RCOM 0		INEL 873,127 UNSP 0 UNUR 0 SUST 0	
N3HMK0-09-0097 0500639 REPORT DATE 3/ 5/90	ST HELENA, CITY OF CA	INEL 462,092 UNSP 0 UNUR 0 RCOM 0		INEL 462,092 UNSP 0 UNUR 0 SUST 0	
N3HMK0-09-0111 0500581 REPORT DATE 2/14/90	TRUCKEE SANITARY DISTRICT CA	INEL 455,682 UNSP 0 UNUR 0 RCOM 0		INEL 455,682 UNSP 0 UNUR 0 SUST 0	
S2CW*7-09-0087 9300074 REPORT DATE 8/ 3/89	SANTA CRUZ SD CA	INEL 884,445 UNSP 0 UNUR 0 RCOM 0		INEL 884,445 UNSP 0 UNUR 0 SUST 0	
S2CW*7-09-0118 0300011 REPORT DATE 11/21/89	IONE, CITY OF CA	INEL 49,106 UNSP 0 UNUR 543,463 RCOM 0		INEL 7,276 UNSP 0 UNUR 543,463 SUST 0	
S2CW*8-09-0111 9300093 REPORT DATE 9/13/89	VACAVILLE, CITY OF CA	INEL 1,018,915 UNSP 0 UNUR 0 RCOM 0		INEL 911,000 UNSP 0 UNUR 0 SUST 0	
P9CFL9-11-0043 0100226 REPORT DATE 3/28/90	KAAREN JOHNSON ASSOCIATES MD	INEL 640,954 UNSP 111,134 UNUR 0 RCOM 0		INEL 640,954 UNSP 22,710 UNUR 0 SUST 0	
NOTE INEL = INELIGIBLE COST UNSP = UNSUPPORTED COST UNUR = UNNECESSARY/UNREASONABLE COST RCOM = RECOMMENDED EFFICIENCIES SUST = RECOMMENDED EFFICIENCIES SUSTAINED					



# Section 3—Prosecutive Actions

The following is a summary of investigative activities during this reporting period. These include investigations of alleged criminal violations which may result in prosecution and conviction, investigations of alleged violations of Agency regulations and policies, and OIG personnel security investigations. The Office of Investigations tracks investigations in the following categories: preliminary inquiries and investigations, joint investigations with other agencies, and OIG background investigations.

## Summary Of Investigative Activity

Pending Investigations as of April 1, 1990 225

New Investigations Opened This Period 144

Investigations Closed This Period 148

Pending Investigations as of September 30, 1990 221

## Prosecutive and Administrative Actions

In this period, investigative efforts resulted in 14 indictments and 9 convictions. Fines and recoveries, including those associated with civil actions, amounted to \$2,829,501. Seventeen administrative actions\* were taken as a result of investigations:

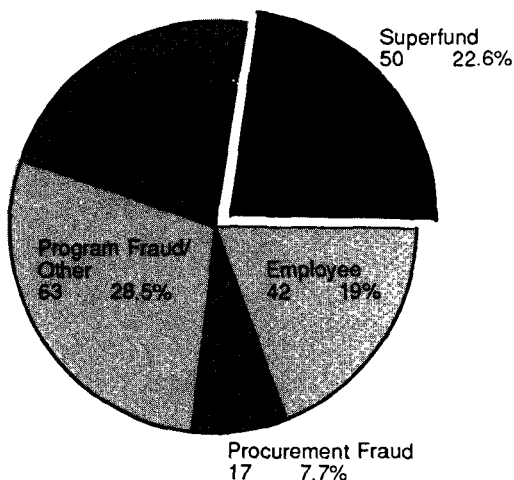
Suspensions 3

Reprimands 3

Other 11

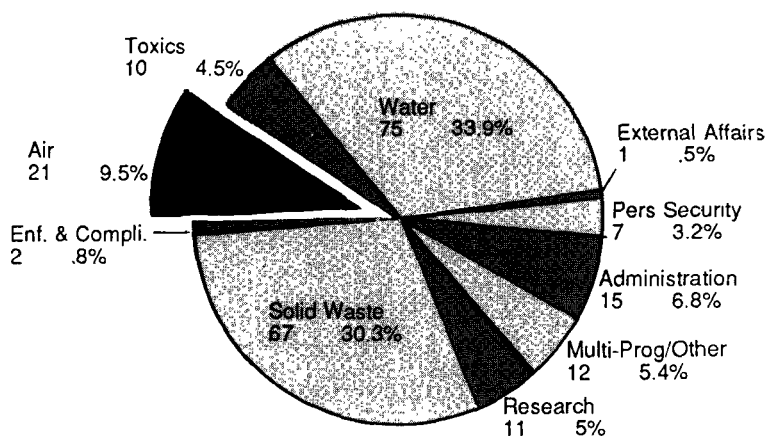
\* Does not include suspensions and debarments resulting from Office of Investigations activities or actions resulting from reviews of personnel security investigations.

Profiles of Pending Investigations by Type



TOTAL - 221

Profiles of Pending Investigations by EPA Program Area



TOTAL - 221

## **Description Of Selected Prosecutive Actions**

*Below is a brief description of some of the prosecutive actions which occurred during the reporting period. Some of these actions resulted from investigations initiated before April 1, 1990.*

### **Asbestos Contractor Convicted on Bribe Charge**

Robert Henkel, former president of HRF Surface Cleaning Inc., was convicted on June 7, 1990 on one count of bribing an EPA asbestos inspector, Howard Stecker. Henkel was sentenced to two years in prison, of which 18 months was suspended, and fined \$100,000. He was also placed on three years probation following his prison term. Henkel is the 24th asbestos removal contractor to have either pled guilty or been convicted of paying bribes to Stecker.

Stecker was bribed to overlook violations of EPA regulations regarding asbestos removal projects conducted by the contractors, and to avoid job sites at which asbestos removal projects were being carried out. EPA regulations require that specific practices be used during demolition and renovation of structures containing asbestos to minimize the potential exposure of workers and the general public.

Stecker was sentenced last year for conspiring to accept bribes of more than \$170,000 from asbestos removal contractors during the years 1983 through 1987. He was sentenced to 5 years incarceration, of which 4-1/2 years was suspended. He was also ordered to settle with the Internal Revenue Service on any amounts due as a result of the bribes he received.

A joint investigation of Stecker and asbestos removal contractors in the New York metropolitan area by the EPA Office of Inspector General and the Office of Labor Racketeering of the U.S. Department of Labor has resulted in the indictment of 24 contractors, representing 21 companies. To date, \$781,000 in fines has been assessed.

### **Computer Hacker Fails in Attempt to Enter EPA Computer**

John J. Sgro, 20, of Ewing Township, New Jersey, was indicted in a New Jersey state court on charges of theft of services and wrongful access to a computer after allegedly illegally accessing the State of New Jersey computer system. He subsequently tried and failed to access EPA's National Computer Center at Research Triangle Park, North Carolina. The Office of Inspector General was called into the case after EPA equipment detected the unsuccessful entry, and subsequently assisted New Jersey State Police in executing a search warrant at Sgro's residence on August 3, 1990. Computer equipment and literature were seized.

### **Electrical Contractors Plead Guilty to Racketeering**

Michael Gelb, president, and Thomas Gelb, vice president, Federal Chandros Inc., pled guilty on July 19, 1990 to charges that they were involved from 1980 to 1986 in a scheme to defraud the City of New York by submitting false or fraudulently altered payment claims for electrical work to various City agencies. One of the projects involved was the Owls Head Water Pollution Control plant, which was funded by an EPA construction grant. The Gelbs photocopied original invoices paid by Federal Chandros and subsequently altered dollar amounts and delivery information. They then submitted them to the City for payment. The fraudulent billings for the Owls Head plant totalled \$79,180.

## Two Pennsylvania Firms Indicted For Environmental Violations

Two former Trainer, Pennsylvania, firms, Metro Container Corporation, and Metro-Enterprise Container Corporation, Sidney S. Levy, President, and one of the owners of Metro, and Steven Zubrin, a Metro maintenance supervisor, were indicted on August 15, 1990 by a Federal grand jury on a 17-count indictment that charged them with criminal violations of two Federal environmental statutes, the Resource Conservation and Recovery Act and the Clean Water Act, and with conspiracy to violate the two Federal environmental statutes.

A joint investigation by the EPA OIG, the EPA Office of Criminal Investigations, and the Federal Bureau of Investigation was initiated after a criminal investigation by the EPA OIG of another allegation involving the Superfund program found evidence of serious environmental violations. The EPA OIG's initial investigation had directed its focus on the allegation that Metro records necessary for EPA's cost recovery case on the proposed removal action against Metro Container, a potentially responsible party, were being destroyed. This investigation into the obstruction of proceedings before EPA, i.e., the destruction of records necessary to the cost recovery action or search for potentially responsible parties at the Metro Container Corporation site, is still ongoing.

As part of the joint investigation a search was executed at the site by members of the EPA's National Enforcement Investigations Center (NEIC). NEIC personnel excavated portions of the site where Metro conducted a drum recycling business. Using heavy equipment, NEIC personnel excavated portions of the site where the hazardous waste was

believed to have been buried. Buried drums were uncovered, and numerous samples taken from the site revealed the presence of hazardous waste in the yard and in the building. In addition the presence of contaminants was detected in a pipe leading from the Metro facility to Stoney Creek, a tributary of the Delaware River.

## Additional Indictments for Hazardous Waste Cleanup Firm

A Greensboro, North Carolina, grand jury returned a two count indictment on June 25, 1990 against Thomas L. Ewing, President of Chem-tle Environmental Services, Inc. of San Antonio, Texas, and B. F. Rippy, Operations Manager of Chem-tle, for violation of 18 U.S.C. 287, False Claims. Chem-tle Environmental Sciences, Inc. was previously indicted, on July 31, 1989, in a two-count indictment for submitting false claims to EPA totaling \$177,629.

Chem-tle, Ewing and Rippy billed EPA for the three months' operation of a quality assurance program which they never provided on the EPA contract. Chem-tle was the EPA Emergency Response Cleanup Service (ERCS) Zone 2 contractor. The ERCS contract with Chem-tle was cancelled for the convenience of the Government.

## Maryland Firm Makes Restitution to Government

A settlement agreement was reached on July 23, 1990 between the Woodbridge Construction Corporation, Annapolis, Maryland, and the General Services Administration whereby Woodbridge will make restitution to the Government of \$9,000. Woodbridge was leasing its space in Annapolis, Maryland, to EPA for the Eastern Central Regional Laboratory part of the lease agreement. Woodbridge was required to have on the premises a qualified operating engineer 24 hours a day, 7 days a week.

In an investigation conducted by the EPA OIG with the General Services Administration OIG, it was disclosed that Woodbridge did not provide a 24 hour a day operating engineer as required by the lease, although it had billed and received full remuneration for providing the required service.

## **Superfund Contract Laboratory Program Investigation Yielding Formidable Results**

The Office of Investigations has a major investigative initiative underway within the Superfund program, directed at fraud in the Contract Laboratory Program (CLP). Laboratory analyses under the CLP are the empirical basis for the entire Superfund program. Based on testing for the presence of hazardous chemicals by these laboratories, the Superfund program decides which cleanup to initiate and how to carry them out. Fraudulent analyses could result in a danger to the public health and safety as well as the unnecessary expenditure of cleanup funds. In addition, fraudulent analyses could hinder the Department of Justice's efforts to collect the cost of cleanups from the responsible parties.

Our initiatives in the CLP, which are very complex and time-consuming, to date have resulted in a civil settlement of \$750,000, which was reported in the last semiannual period ending March 31, 1990. During this period one indictment, reported below, was returned against a laboratory supervisor for providing fraudulent laboratory test results to EPA.

## **Contract Lab Supervisor Indicted**

Dr. Vinh Tran, a former group leader of the Gas Chromatograph/Mass Spectrometer Unit at Weston Analytics, Lionville, Pennsylvania, was charged on July 30, 1990 with two counts of making false statements to EPA. Weston Analytics is a division of Roy F. Weston, Inc.

Dr. Tran had allegedly engaged in backdating laboratory analysis results of certain water and soil samples obtained from various Superfund sites by EPA and submitted to Weston for analysis. It is further alleged that Dr. Tran acted to conceal the fraud by a process known as "time travel" which involved setting back the computer clock attached to the Gas Chromatograph/Mass Spectrometer instruments to a date and time earlier than the actual date and time in order to meet sample testing requirements set by EPA.

As reported previously, Roy F. Weston, Inc. of Lionville, Pennsylvania, paid the Government \$750,000 as part of a consent judgment in response to a civil action filed by the Department of Justice under the False Claims Act.

## **Description Of Selected Prosecutive And Administrative Actions Concerning EPA Employees**

*The OIG investigates and reports information, allegations, and indications of possible wrongdoing or misconduct by EPA employees and persons or firms acting in an official capacity directly with EPA or through its grantees. In addition, the Senate Report of the Supplemental Appropriations and Rescission Act of 1980 states that appropriate administrative action is expected to be taken in cases where employees have acted improperly.*

## **Employee Makes Restitution in Travel Fraud and FTS Telephone Misuse Case**

An EPA employee at Headquarters in Washington, D.C. entered into a Pretrial Diversion Agreement on May 31, 1990 with the U.S. Attorney's Office, District of Columbia. This agreement was reached after the employee admitted fraudulently obtaining \$1,450 in travel advances, accepting \$406 in collect telephone calls on the office telephone, and fraudulently obtaining \$165 in claims for reimbursement applied for in the name of other employees. As part of the employee's offer to make full restitution in the amount of \$2,021 and to perform 40 hours of community service, prosecution was deferred for 3 1/2 months after which the record would be expunged, if the employee meets all the conditions of the agreement. The employee has already begun making restitution. EPA has begun action to remove the employee.

# Section 4—Fraud Prevention and Resource Management Improvements

This section describes several activities of the Office of Inspector General to promote economy and efficiency and to prevent and detect fraud, waste, and abuse in the administration of EPA programs and operations. This section includes information required by statute, recommended by Senate report, or deemed appropriate by the Inspector General.

## Review Of Legislation And Regulations

*Section 4(a)(2) of the Inspector General Act of 1978, as amended, directs the Office of Inspector General to review existing and proposed legislation and regulations relating to programs and operations to determine their effect on economy and efficiency and the prevention and detection of fraud and abuse. This semiannual reporting period, we reviewed 36 legislative and 63 regulatory items. The most significant items reviewed are summarized below.*

## Receivables and Billings

We reviewed the proposed change to EPA Resource Management Directive 2540, Chapter 9, Receivables and Billings. In our opinion, there is not a sufficient link between a debtor's delinquency or nonpayment and their ability to incur additional debt from the Federal Government. Therefore, we recommended that a control be established within EPA to prevent anyone who is sufficiently delinquent or has a poor credit history from participating in any activity in which additional debt may be incurred until all current debts are resolved. We believe that these controls (similar to those of private enterprise) are necessary to deter the delinquency or nonpayment of debts, and to protect the Agency from further loss from poor credit risks.

## Federal Civil Penalties Inflation Adjustment Act of 1989

We reviewed S. 535, Federal Civil Penalties Inflation Adjustment Act of 1989, and fully supported the intent of the bill to maintain the deterrent effect of civil monetary penalties by linking them to inflation. However, we suggested that an entity in the Federal Government have a coordinating role to ensure that data are consistently reported. We also expressed our concern that it was unclear whether the amount of civil monetary penalties imposed would be counted after the initial court action or only after all appeals have been exhausted. In addition, the bill seemed to assume that certain reporting mechanisms would improve the collection of civil monetary penalties by the Federal Government. Although these reporting mechanisms would make penalty assessments and collections more visible, we believe that various administrative techniques such as use of collection agencies, reporting those who have not paid penalties to credit bureaus, and offsetting tax refunds with fines owed would be more likely to improve collections.

## High Performance Computing Act of 1990

We recommended revisions to the proposed bill, S. 1067, High Performance Computing Act of 1990. The bill suggested the establishment of accounting mechanisms which would allow users to be charged for their usage of a network and copyright material available over a network. In our opinion, the bill should include a mandatory chargeback system for accounting and auditing purposes. Also, the bill did not address audit oversight of the research program, and we believe that this oversight should be specifically assigned and included in the bill. Finally, we felt that EPA's role as a result of this legislation was unclear, and that EPA's specific responsibilities regarding the coordinated Federal research program should be included in the bill.

## Office of Government Ethics Issuance of Waivers

The Ethics Reform Act, as it was amended on May 4, 1990, provides the Office of Government Ethics (OGE) the authority to issue executive branch-wide waivers for those interests which are too remote or inconsequential to warrant a disqualification under the restrictions of 18 U.S.C. section 208(a). Subsequently, OGE developed a list of subjects that it believes would be appropriate for some type of waiver, including interests in securities having a *de minimis* value.

Since agency ethics regulations restrict not only actual conflicts of interest, but also the appearance of a conflict of interest, we did not agree that ownership of securities in any corporations that are regulated by a particular agency should be waived as *de minimis*. We believe that it would weaken the public perception of a Federal agency's integrity and ability to regulate if agency officers and employees were permitted to maintain interests in securities of an agency-regulated corporation. As public officials, we should be concerned with the public's perception of governmental integrity. Therefore, we suggested that it might be more appropriate to have the officer or employee terminate interest in securities having a *de minimis* value.

## Establishment of Chief Financial Officers in the Federal Government

The "Financial Management Reform Act of 1990," and the "Federal Management Reform Act of 1990," are concerned with the issue of federal financial operations and the creation of "Chief Financial Officers" (CFOs). We support the proposed legislation establishing Chief Financial Officers in the Federal Government and believe it will result in improved financial management. Each bill states that the financial statements will be submitted to the Chief, Financial Officer of the United States no later than December 31 of each year. We believe the provision should also state that the financial statements should be given to the Inspector General at the same time. In addition, the audit requirements as stated are broad in scope and should be clarified.

We did not agree with the provision of the Federal Management Reform Act regarding the requirement for the Inspector General to perform an audit of the financial statements and submit a report by March 31. This timeframe can only be met if the Inspector General begins the audit before the end of the financial statement reporting period. In addition, the report requirements to assess internal program controls and compliance with laws and regulations are too broad in scope and should be more specific. In our opinion, the Act should include a provision that the Inspector General is responsible for scheduling all audits.

We opposed the provision in the Financial Management Reform Act authorizing the Chief Financial Officer to contract the audits as this authority should be limited to the Inspector General. We also did not agree that the financial statements be prepared only for revolving funds, trust funds, and agency commercial functions. We believe comprehensive financial statements would be more likely to achieve the goal of improved financial management.

## Suspension And Debarment Activities

EPA's policy is to do business only with contractors and grantees who are honest and responsible. EPA enforces this policy by suspending or debaring contractors or grantees from further EPA involvement if there has been a conviction of, or civil judgment for,

- commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract;
- violation of Federal or State antitrust statutes relating to the submission of offers;
- commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making a false statement, or receiving stolen property; or
- commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a government contractor or subcontractor.

A contractor may also be debarred for violating the terms of a government contract or subcontract, such as willful failure to perform in accordance with the terms of one or more contracts, or a history of failure to perform, or of unsatisfactory performance on one or more contracts. A contractor may also be debarred for any other cause of so serious or compelling a nature that it affects the present responsibility of the contractor. Thus, a contractor need not have committed fraud or be convicted of an offense to warrant being debarred. Debarments are to be for a period commensurate with the seriousness of the cause, but are generally not to exceed 3 years.

The effectiveness of the suspension and debarment

(S&D) program has been enhanced by regulations that provide all Federal agencies a uniform system for debaring contractors from receiving work funded by Federal grants, loans, or cooperative agreements. The system, required by Executive Order 12549, provides that a nonprocurement debarment or suspension by one agency is effective in all agencies and requires the General Services Administration (GSA) to publish monthly a "List of Parties Excluded from Federal Procurement or Nonprocurement Programs." Formerly, a nonprocurement debarment was effective only in the programs administered by the debaring agency, and each agency maintained its own list.

The EPA Grants Administration Division operates the S&D program at EPA. The OIG conducts audits, investigations, and engineering studies; obtains documents; and provides information and evidence used in determining whether there is a cause for suspension or debarment.

The OIG's Suspension and Debarment Unit has been working with the Grants Administration Division to further educate and inform State and local governments and environmental interest groups about the effective use of suspensions and debarments.

## Summary of Suspension and Debarment Activities

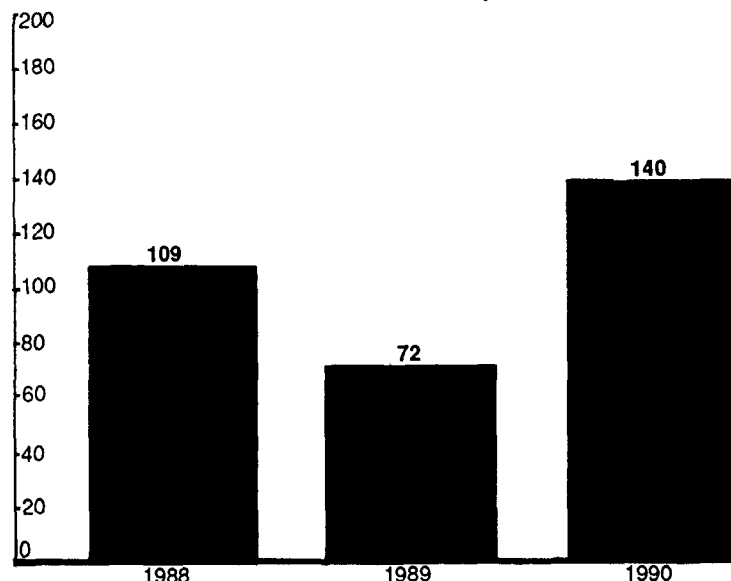
The following is a summary of S&D actions taken during this reporting period:

April 1, 1990 to  
September 30, 1990 FY 1990

Cases opened during period	220	30
Cases completed:		
• Suspensions	67	8
• Debarments	39	4
• Voluntary Exclusions	0	
• Settlements	4	
Subtotal S&D action	110	12
Closed after investigation	141	18
TOTAL CASES CLOSED	251	30
Active cases as of September 30, 1990		
• Under OIG investigation		4
• Under program review		13
• Under OGC review		5
• Proposed for debarment		1
Total active cases		23

### Suspension and Debarment Activities

Total debarments, settlements, and voluntary exclusions.



The following are several examples of suspension and debarment actions:

EPA's concerted efforts are continuing to eliminate unethical asbestos removal contractors from doing business with the Government. These unlawful activities could adversely affect the public's health. The following persons and/or firms were convicted of bribing EPA asbestos inspectors in attempts to influence their official actions. In addition to substantial fines and jail sentences, these dishonest persons and firms were debarred from participating in federal benefits and assistance programs, and from Federal contracting:

- Marshall Katz, Richard Katz and Robert Katz of the Environmental Abatement Corporation, Brooklyn, New York.
- Gene Belsole, president of Cleaner Industrial Services of New York, Inc.
- John Fiume and three New York companies: Fiume Jet Spray Co. Inc.; Fiume Interior Contracting and Design, Inc.; and All State Environmental, Inc.
- Vincent Longo, president of Complete Oil Burner, Inc., New York.
- Valery Kaminov, principal of the now defunct New York entity, Val Enterprises.
- Toby Romano, president of Breezy Demolition Inc., New York.
- Sheldon Richman, agent for RCI contracting, Inc., New York.
- Nelson W. Foucher, president of Alpine Wrecking Corporation of New York.
- Seymour Breiterman, president of DMX Industries, Inc. EPA suspended Breiterman and subsequently debarred him for 18 months.
- Bernard J. Tully of New York.

Samar Chatterjee, general manager and sole stockholder of AES Engineers, Inc., (AES) of Illinois, and president and member of the Board of Directors of Universal Engineering Services, Inc. (UES) of Indiana, pleaded guilty to knowingly, willfully and unlawfully participating in a scheme to defraud EPA. He was sentenced to 4 years imprisonment; probation for a 5 year period; and ordered to pay restitution of \$110,000 each to EPA and the South Stickney, Illinois, Sanitary District. Chatterjee, UES and AES were debarred by EPA from Federal procurement and assistance programs for 3 years.

EPA's OIG has uncovered adequate evidence supporting a reasonable belief that one of EPA's Contract Laboratory Program (CLP) participants, Metatrace, and one of its officials, Carol Byington, may have committed acts of fraud and failed to perform in accordance with the EPA CLP protocols. Accordingly, EPA suspended Metatrace and Carol Byington from participation in Federal assistance, loan and benefit programs and activities, and all direct Federal procurement, for a temporary period pending completion of investigation or ensuing legal, debarment, and/or Program Fraud Civil Remedies Act proceedings.

*Cases (cited above) resulted from OIG related involvement or investigation.*

## Employee And Public Awareness

A continuing priority of the Office of Inspector General is to enhance awareness of its presence among EPA employees, grantees, firms participating in EPA programs, and the public. In this process, we are trying to make these groups aware of their responsibility to prevent, detect, and report instances of fraud, waste, and abuse. We have found that while most EPA employees, grantees, and contractors are conscientious about the economy, efficiency, and effectiveness of their work, they have little knowledge about the Office of Inspector General. We have also found that while many Agency employees and managers are concerned about the possibility of fraud and abuse in EPA and sincerely want to learn how to detect or prevent it, several others appear naive to its existence or even reject the possibility of it happening. Although they may not be in violation of law, employees who maintain anything but a strictly arm's-length relationship with any contractor, and any contractor that performs with anything less than good faith, represent a risk to the integrity of the competitive procurement process and what EPA gets for its money. Also any contractor, grantee, or employee who claims funds in excess of or for other than the approved purpose are in violation of the law. We believe that EPA employees are in the best position to detect, prevent, and report fraud, waste, and abuse if they can recognize it.

We have used a variety of media to provide information and encourage specific segments of the concerned population to recognize and report conditions or actions that threaten EPA's resources or mission. OIG-developed publications, videotapes, presentations, and training help prepare EPA project or program managers and employees to identify and report suspected indicators of fraud that otherwise may have gone unnoticed.

## Presentations

Elissa R. Karpf, Director, Audit Operations Staff, gave two presentations at EPA's Grants Conference held in May 1990. First, Ms. Karpf discussed the OIG's construction grant task force, which was convened to determine where enhancements could be made to our construction grant program audit strategy. The task force has recommended several changes to previous policy, including dollar thresholds for projects to be audited. The second presentation addressed the IG Act Amendments of 1988 and the two major areas that will directly affect EPA's grant offices: (1) standardization of cost terminology in all financial audit reports; and (2) the highlighting of all audit reports not resolved within 180 days in the OIG's semiannual report to the Congress.

Region 3, in conjunction with the OIG, conducted a training session for regional management to inform them of procedures and requirements of the audit process and their responsibility for audit response and followup. P. Ronald Gandolfo, Divisional Inspector General for Audit, provided an overview of the importance of audits and the positive impact they can have on operations. Ms. Karpf and Robert Coia, discussed the audit process in detail from a Headquarters and regional perspective.

Ms. Karpf and Christine Baughman, Internal Audit Division, gave presentations at the Office of Research and Development's workshop held for internal control coordinators. Topics included the importance and need to conduct internal control reviews and the importance of EPA project officers' responsibility to provide oversight of Agency contractors' performance to ensure that quality and timely products are obtained.



John E. Barden, Assistant Inspector General for Investigations, and Michael J. Binder, Director, Administrative and Management Services Division, gave a presentation at the EPA Office of Research and Development Directors' Conference in September 1990 on detection and prevention of fraud as it relates to scientific misconduct. The presentation included a discussion of the need for controls in research, including separation of duties, documentation and independent corroboration, and the need for a high degree of professional skepticism.

### Semiannual Report

Over 1,600 copies of each semiannual report to Congress are distributed to members of Congress on EPA-related committees, top EPA managers, news media (including wire services), State agencies administering EPA programs, State attorneys general, citizens (by request), EPA libraries, and selected environmental groups.

### Articles and Publications

We have been working with several professional associations to develop publications and articles which have a wide audience in the areas of environmental protection, auditing, government financial management, and law enforcement. We have also continued to develop and publish articles for EPA managers and employees by working with the EPA Office of Public Affairs. In addition, numerous articles have been published by newspapers nationwide concerning the results of our most significant audits and investigations.

### OIG Recognition Award

The Office of Inspector General Recognition Award is presented to an EPA official who exemplifies teamwork and cooperation with the Office of Inspector General in promoting economy, efficiency, and effectiveness in EPA. During this reporting period, the OIG Recognition Award was presented to Judith Blanchard for working with the OIG in the formulation of its budget over the last 3 years including fiscal 1990, our first year with a separate and independent appropriation of funds.

## Personnel Security Program

The personnel security program is one of the Agency's first-line defenses against fraud, using background and National Agency Check and Inquiries investigations to review the integrity of EPA employees and contractors.

During this semiannual reporting period, the Personnel Security Staff reviewed 317 investigations. The following conditions were identified and administrative actions taken:

- Four employees resigned pending administrative removal for falsification of the SF-171, Application for Federal Employment. The falsification included: not listing prior convictions, claiming college degrees not earned, misuse of Government funds for personal gain, and timecard fraud.
- One employee resigned pending administrative removal for failure to qualify for a security clearance because of continuous use of controlled substances. The security clearance was required in connection with the employee's official duties.
- One employee resigned pending administrative removal for falsifying the SF-171 and other official Government forms by using numerous social security numbers.
- Two employees received written reprimands for failing to list previous convictions on the SF-171.
- Two other employees received oral reprimands for failing to list previous convictions on the SF-171.
- One contractor employee was denied access to confidential business information because of failure to list previous convictions for

use of controlled substances on the SF-86, Questionnaire for Sensitive Positions.

- Seven employees were required to submit corrected SF-171s or SF-86s to list minor offenses they had failed to report.

We continue working closely with Agency program officials on the implementation of the OPM regulations regarding position sensitivity designations and granting of security clearances.

We are also entering information into an operational computer system which provides management reports on the status of ongoing investigations. It also provides reports on those investigations which need updating.



Inspector General John Martin presents the OIG Recognition Award to Judith Blanchard for her assistance with formulation of the OIG budget while assigned to the

EPA Budget Office. Ms. Blanchard now works for the Office of Congressional and Legislative Affairs (photo by Michael Binder).

## President's Council On Integrity And Efficiency

The President's Council on Integrity and Efficiency (PCIE) was established by Executive Order in March 1981 to attack fraud and waste, and improve management in the Federal Government. The PCIE coordinates interagency activities involving common issues, and develops approaches and techniques to strengthen the effectiveness of the entire Inspector General community. The PCIE is headed by the Deputy Director, Office of Management and Budget, and includes the statutory Inspectors General and other key Federal officials.

### Internal Operations Committee

John C. Martin, Inspector General, EPA, chairs the Internal Operations Committee, one of the PCIE's standing committees. The standing committees are the means the PCIE uses to segment and perform its work. The Internal Operations Committee is composed of Inspectors General from the Departments of Treasury and Interior, the Federal Maritime Commission, and the Appalachian Regional Commission.

The Internal Operations Committee seeks to promote good administrative practices through special projects and surveys which contribute to a common understanding of issues important to the IG community. The Internal Operations Committee is responsible for conducting special projects and surveys regarding matters of common interest to the IG community and operational infrastructure. The Subcommittee on Qualifications Review, whose work is chiefly confidential, conducts ongoing objective reviews of the professional qualifications of prospective Inspector General candidates.

### Internal Operations Committee Activities

The Internal Operations Committee has been responsible for a number of special assignments, including investigators' common medical and fitness standards; OIG procurement, legal counsel, and personnel practices; and SES performance review boards.

A working group, with 23 agencies participating, was established to develop common medical and fitness standards for OIG investigators. The working group was divided into four subgroups that tackled issues on grandfathering current employees, primary vs. secondary positions, maintenance standards, minimal standards, waiver policies and procedures, Federal Law Enforcement Training Center standards, medical standards and physical requirements vs. fitness program. The working group is now in the process of developing a draft model directive on these standards.

The Committee also conducted a survey identifying ways in which OIGs obtain procurement, legal counsel, and personnel services. Responses were received from 22 Agency OIGs, which indicated most IGs use agency procurement offices, although some IGs have limited procurement authority. For personnel and legal services about half of the IGs responding carried out these functions within the OIG, and the remaining half rely entirely or in part on their agencies for these services.

The Committee also completed an update of the Performance Review Board (PRB) membership roster for OIG SES employees. The update was published as a notice in the *Federal Register* on September 10, 1990. The notice provides a roster of persons in Offices of Inspector General who have agreed to serve as members of PRBs. Offices of Inspector General may use the roster to establish PRBs consistent with Federal regulations and arrangements made with their respective agencies.

### Technology Committee

The EPA OIG is a member of the PCIE Technology Committee, which addresses technological issues as they relate to Federal agencies and the Inspector General community. The Technology Committee has held round table discussions on hardware and software procurement, strategic management automation planning, and computer issues of concern to the Computer Systems Security and Privacy Advisory Board. Committee activities will also encompass electronic data processing audit and investigative activities, and studies of new technology that can enhance productivity.

### Investigative Standards and Training

Inspector General Martin also serves on the Investigative Standards Subcommittee of the Integrity and Law Enforcement Committee. This Subcommittee will be involved with coordinating OIG investigator training at the Federal Law Enforcement Training Center (FLETC) and assisting new Offices of Inspector General in developing their investigative functions. Mr. Martin also serves as the PCIE representative on the Board of Directors at FLETC.

## Committee On Integrity And Management Improvement

The Committee on Integrity and Management Improvement (CIMI) was established in 1984 by EPA Order 1130.1. The purpose of CIMI is to coordinate the Agency's effort to minimize the opportunities for fraud, waste, and mismanagement in EPA programs and to advise the Administrator on policies to improve the efficiency and effectiveness of EPA programs and activities. The Committee is composed of senior EPA program and regional officials and is chaired by the Inspector General. The following examples describe projects completed during this reporting period.

### Awareness Bulletin on Acceptance of Food, Refreshments or Entertainment

The acceptance of food, refreshments, or entertainment from a prohibited source can cause a Government employee's integrity to be questioned because of the appearance of impropriety. Spousal acceptance of food, refreshments or entertainment may also create concern unless it is entirely unrelated to the employee's Government position. CIMI believed that employees should be made aware of regulations regarding this matter as a preventive measure. As a result, CIMI developed an awareness bulletin which focused on regulatory prohibitions, identification of prohibited sources, and exceptions to the prohibitions regarding the acceptance of food, refreshments, or entertainment from any person or entity.

In addition, the bulletin provided information on Agency ethics officials to enable employees to obtain answers to questions concerning this issue.

## Public Service Recognition Week

To communicate support and appreciation to EPA employees at all levels, CIMI sought an opportunity for the Agency to speak out and show its commitment to human resources. As a result, CIMI developed and coordinated a series of special events during Public Service Recognition Week. The program, hosted by EPA's Administrator, William Reilly, was highlighted by speeches from Dr. Jerome Karle, a Nobel Prize winner, and Dr. Frances Kelsey of the Food and Drug Administration, who was primarily responsible for stopping the importation of thalidomide into the United States.

Through this Public Service Recognition Week program, CIMI successfully provided a focal point for enhancing employee morale and the public's understanding of the services they performed. The program effectively paid tribute to the "unsung heroes" that make up the public workforce.

## Hotline Activities

The OIG Hotline Center received 20 new complaints and completed and closed 27 cases during the reporting period. Of the cases closed, 11 resulted in environmental, prosecutive, or administrative corrective action, while 16 did not require action. Cases that did not have immediate validity due to insufficient information may be used to identify trends or patterns of potentially vulnerable areas for future review. The Hotline also referred 1,261 telephone callers to the appropriate program office, State agency, or other Federal agency for assistance.

The following are examples of corrective action taken as a result of information provided to the OIG Hotline Center:

- A complaint alleged that a company was emitting fumes which were polluting the air. A review of the complaint disclosed that the company was performing open spray painting in violation of State air quality regulations which prohibit the emission of air contaminants over the property of other persons. Based on our inquiry, State authorities informed the company of the violation, and the company agreed that no further open spray painting would be conducted on the property. The company was also advised by the State that any future violations would result in enforcement action.
- A complaint alleged that a Government vehicle had been misused. The complainant indicated that a passenger in the car, while stopped at a traffic light, placed an empty beer bottle in the road. A review of the complaint disclosed improper behavior in a Government vehicle by a contract driver while on delivery. As a result of this complaint, the contractor and its employee were reprimanded and warned of the ramifications of any future reports of this nature.

## Professional And Organizational Development

During this semiannual period, the EPA OIG continued to expand on initiatives started in the first half of fiscal 1990 while beginning new ones to improve our organizational skills, relationships, efficiency, and effectiveness. Areas of the greatest activity include the development and presentation of several technical and management courses by our staff, leadership in professional associations, publication and distribution of our own training catalog, and organization-wide training on self-awareness and organizational culture. For the semiannual period ending September 30, 1990, we approved 453 training enrollments for a total of 1,284 days of training and participation in professional development seminars and conferences. Contract and in-house courses conducted by the OIG are summarized below.

### OIG-Developed Courses

- *Detection and Prevention of Fraud.* This course was developed to prepare independent public accountants doing work for the EPA OIG to detect and refer possible instances of fraud to the OIG for criminal investigation. We prepared staff members in each divisional office to present this course in their geographical locations.
- *Superfund Auditing Course.* This course was developed to provide OIG staffers with an understanding of the Superfund program and the role of the OIG in the program. The development of this course, coordinated by the OIG employee development

specialist, was a combined effort of all three primary components of the OIG. The course consists of six units: (1) history of Superfund, (2) major concepts of the Superfund program, (3) Superfund program organizations and resources, (4) auditing cooperative agreements, (5) auditing Superfund contracts, and (6) internal (management) audits.

- *Effective Briefing Techniques.* This course was designed to prepare auditors, investigators, and managers to give effective and persuasive presentations, deal with confrontation situations, and improve OIG/client relations. The course includes sections on effective oral communication, visual imagery, confrontational management, and a video workshop. It stresses the importance of teamwork between OIG employees and Agency management.

### OIG Contracted Courses

- *Evaluating and Reporting on Internal Control Systems.* This course was designed to help meet the requirements of the Federal Managers' Financial Integrity Act and OMB Circular A-123. The course includes guidance on conducting and reporting on vulnerability assessments and internal control reviews and strengthening the audit practices for determining reliance on systems of internal controls in complex government systems.
- *Questioned Cost/Compliance Auditing.* This course analyzes policies, standards, and practices to enhance the auditor's ability to identify, document, and report questioned costs in a governmental audit and to participate in their resolution.
- *Total Quality Management (TQM).* The Office of Investigations participated in a TQM workshop which provided

# Section 5 — Delinquent Debts

management an overview of the scientific method of problem solving known as the PDCA (plan, do, check, and act). The workshop described several types of quantitative methods which are used in each phase of the PDCA cycle as a means of gathering and analyzing data for use in the process control and improvement cycle.

## OIG Training Activities

• **OIG Support Staff Seminar.** The OIG support staff participated in the Myers-Briggs program as part of the Support Staff seminar. This program is a descriptive instrument used to identify how individuals' perceptions, values, and thought processes affect their ability to understand and be understood.

• **OIG Orientation Seminar.** The OIG orientation workshop for new employees included opening remarks by John C. Martin, Inspector General, and Anna Hopkins Virbick, Deputy Inspector General. Each Assistant Inspector General and their management staff presented an overview of the office's organization and function.

To help OIG supervisors identify and select appropriate development opportunities for their staff, we have updated the OIG Training and Development Sources catalog. This catalog lists, describes, and provides schedules of over 97 courses that are included in the OIG computerized career profiles for auditors, investigators, and support staff. The catalog includes profiles of required or suggested training for the OIG staff and a description of the General Accounting Office "yellow book" requirements for training. These standards require anyone performing or managing Government audits to receive at least 80 hours of continuing professional training every 2 years, including at least 24 hours directly related to Government auditing.

**The Supplemental Appropriations and Rescission Act of 1980 (Public Law 96-304) requires the Inspector General to report on EPA's delinquent debts and efforts to improve the collection of such debts.**

## Agencywide Accounts Receivable Activity

### Claims Office Actions

When the Agency's Servicing Finance Offices determine that debts are uncollectible, they forward the debts to the EPA Claims Officer for disposition. The Claims Officer may compromise, terminate, or suspend further collection efforts on debts under \$20,000. Debts over \$20,000 generally must be forwarded to the Department of Justice for approval of the final resolution of the debts. However, the Claims Officer need not immediately refer debts over \$20,000 until all Agency collection actions have been taken.

As of September 30, 1990, the Claims Officer reported 34 accounts receivable valued at \$3,100,179.46. For this reporting period, the Claims Officer:

- terminated one debt totaling \$56,424 because of a U. S. Attorney's decision that the debt was uncollectible;

- withdrew two debts totalling \$1,853,840 because the Agency determined the costs were allowable for a constructed collector sewer system; and

- returned two debts totaling \$24,761 to the Financial Management Division because the debts were not filed properly.

The OIG did not verify the Claims Officer's figures.

### Agency Collection Efforts

The Financial Management Division provided the following summary of EPA's collection efforts for April 1, 1989, through September 30, 1990. Although the figures reflect the Agency's accounting records as of September 30, 1990, they were obtained before the closing process. Therefore, they may not be the Agency's final figures. The OIG did not verify the amounts presented below:

Collection	\$93,697,690 <sup>1</sup>
Amount Written Off	164,914
Interest Assessed	(1,786,773) <sup>1 2</sup>
Interest Collected	1,009,048 <sup>1</sup>
Accounts Receivable	
Non-Federal	
90 days or less	\$29,170,414
over 90 days	123,288,236
Subtotal	152,458,650 <sup>1 3</sup>
Interagency Agreements	1,734,421 <sup>1 4</sup>
Total	\$154,193,071 <sup>1</sup>

<sup>1</sup> These figures are subject to change pending the subsequent reconciliation of EPA's accounts receivable. The reconciliation is required as part of EPA's conversion to and implementation of a new Integrated Financial Management System.

<sup>2</sup> The negative amount represents an adjustment to previous assessments.

<sup>3</sup> Data to determine what refunds are being appealed was not available for this semiannual period; therefore, we are unable to show what percentage of the Agency's records are receivables that are being appealed. For refunds that are being appealed, collection actions are suspended until the appeals process is complete.

<sup>4</sup> This amount is for debts owed EPA by other agencies. Although these debts do not have an impact on the U. S. Treasury, they do impact the Agency budget. Approximately 37 percent of the total in this category is over 90 days old.

# Appendix 1—Audit Reports Issued

THE INSPECTOR GENERAL ACT REQUIRES A LISTING, SUBDIVIDED ACCORDING TO SUBJECT MATTER, OF EACH AUDIT REPORT ISSUED BY THE OFFICE DURING THE REPORTING PERIOD AND FOR EACH AUDIT REPORT, WHERE APPLICABLE, THE DOLLAR VALUE OF QUESTIONED COSTS AND THE DOLLAR VALUE OF RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE.

Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommen Efficien (Funds Be To Better
			Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
1. INTERNAL & MANAGEMENT AUDITS (Listed by Action Official)						
Assistant Administrator for Air and Radiation						
-----						
E1GAG0-05-6004-0400034	OFFICE OF MOBILE SOURCES ADMINISTRATION OF PENALTIES FOLLOWUP	9/28/90				
Assistant Administrator For Administration and Resources Management						
-----						
E1AME9-11-0041-0100523	UNLIQUIDATED OBLIGATIONS	9/27/90				
E1BMGO-11-0028-0400014	TRAINING - TQM	4/ 5/90				
E1LMFO-11-0012-0100357	EPA 1989 FMFIA ACTIVITY	6/22/90				
E1MMF9-11-0039-0100419	CONTROLS OVER OVERTIME	8/ 1/90				
P1SFF9-11-0032-0100492	SUPERFUND TRUST FUND AUDIT - FISCAL 1989	9/24/90				
E1XWGO-13-0027-0400029	EPA FOLLOWUP SYSTEM	8/14/90				
Assistant Administrator for Pesticides and Toxic Substances						
-----						
E1EPF9-05-0375-0100486	PESTICIDE DISPOSAL PRACTICES	9/28/90				
Assistant Administrator for Research and Development						
-----						
E1NBGO-15-0038-0400037	OFFICE OF RESEARCH AND DEVELOPMENT AUTOMATED TRACKING SYSTEM	9/24/90				
Assistant Administrator for Solid Waste and Emergency Response						
-----						
E1HWA9-03-0240-0100491	SPILL PREVENTION CONTROL AND COUNTERMEASURE PROGRAM	9/24/90				
E1SFG0-15-0020-0400019	SUPERFUND CERCLIS POST- IMPLEMENTATION STUDY	6/14/90				
E1SJGO-11-0022-0400036	SUPERFUND COST RECOVERY FOLLOWUP	9/24/90				
E1SGG9-05-0275-0400044	INVESTIGATIVE-DERIVED WASTE DISPOSAL - REGION 5	9/28/90				
Assistant Administrator for Water						
-----						
E1HWG9-13-9024-0400018	OIL AND GAS WASTES	6/14/90				
E1HWF9-03-0316-0100508	LEAD IN DRINKING WATER	9/26/90				
Deputy Administrator						
-----						
E6AWGO-10-0022-0400015	SPECIAL REVIEW OF THE HANDLING OF AIR AND WATER ISSUES - REGION 10	5/ 1/90				
Director, Office of Emergency and Remedial Response						
-----						
E1MMF9-11-0039-0400027	SUPERFUND ACCOUNTING - EDISON, NJ	8/ 7/90				

Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unnecessary/Unreasonable Costs	
Procurements Contract Management Division						
-----						
E1SGB9-11-0021-0100274	ARCS CONTRACT BIDDING SURVEY SITE	4/20/90				
Region 1						
-----						
E1SGG8-14-0004-0400038	REMEDIAL INVESTIGATION/ FEASIBILITY STUDY - NYANZA, MA	9/27/90				
E1SGG8-14-0002-0400039	REMEDIAL INVESTIGATION/ FEASIBILITY STUDY - IRON HORSE PARK, MA	9/27/90				
E1SGG7-14-0003-0400040	REMEDIAL INVESTIGATION/ FEASIBILITY STUDY - BAIRD & MCGUIRE MA	9/27/90				
Region 2						
-----						
E1HWF0-02-0140-0100482	PROCESSING OF SECTION 301(H) MARINE WAIVERS - REGION 2	9/18/90				
Region 3						
-----						
E1SJD0-03-0185-0100485	SUPERFUND POST-SETTLEMENT ACTIVITIES - REGION 3	9/19/90				
E1HMG0-03-6000-0400028	CHESAPEAKE BAY FOLLOWUP	8/10/90				970,000
Region 4						
-----						
E1SGB9-04-0016-0100519	SUPERFUND REMOVAL CLEANUP ACTIVITIES - REGION 4	9/26/90				
Region 5						
-----						
E1SFF0-05-0111-0100415	SUPERFUND CONFIDENTIAL DISCLOSURE STATEMENTS - REGION 5	7/25/90				
E1SHG0-05-0192-0400023	BETTER BRITE SPECIAL REVIEW	6/29/90				
Region 6						
-----						
E1EPB9-06-0121-0100470	MONITORING STATE PESTICIDES PROGRAMS - REGION 6	9/ 5/90				
E1EPG0-06-0132-0400035	FIRFA SECTION 7 PESTICIDES ENFORCEMENT - REGION 6	9/20/90				
Region 9						
-----						
E1SGG9-14-0013-0400041	REMEDIAL INVESTIGATION/ FEASIBILITY STUDY - SELMA TREATING COMPANY CA	9/27/90				
TOTAL INTERNAL & MANAGEMENT AUDITS = 30			970,000			

## 2. CONSTRUCTION GRANT AUDITS

P2CW*7-01-0180-0100309	DOVER	NH	5/ 8/90	1,768	16,905	0
P2CW*8-01-0197-0100310	SOMERSWORTH	NH	5/ 8/90	12,569	0	0
P2CW*7-01-0012-0100351	OSSIPEE	NH	6/19/90	10,400	0	0

Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommen- Efficien- (Funds B- To Better
				Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
P2CW*8-01-0044-0100489	HOPKINGTON	NH	9/24/90	9,750	923	0	
P2CW*8-01-0042-0100533	ALLENSTOWN	NH	9/28/90	45,144	119,500	0	
P2CW*8-01-0032-0100534	HARTLAND	ME	9/28/90	0	19,651	64,240	
S2CW*8-01-0037-0100350	NEW BEDFORD	MA	6/18/90	11,997	0	0	
S2CW*8-01-0156-0100407	WORCESTER	MA	7/18/90	70,817	0	0	
S2CW*8-01-0035-0100458	METROPOLITAN DISTRICT COMM	MA	8/23/90	101,593	238,383	0	
S2CWL9-01-0065-0100479	HULL	MA	9/17/90	80,700	0	0	
TOTAL OF REGION 01 = 10				344,738	395,362	64,240	
E2FWPO-02-0284-0400033	EARLY WARNING - COMPOSTING	PR	9/18/90				
P2CW*7-02-0027-0100247	PORTLAND-POWFRET-DUNKIRK	NY	4/ 4/90	59,364	634	0	
P2CW*8-02-0257-0100248	CORNING	NY	4/ 5/90	21,028	0	0	
P2CW*8-02-0194-0100252	NIAGARA FALLS	NY	4/ 9/90	66,205	71,114	0	
P2CWL9-02-0027-0100288	CORNING	NY	4/26/90	50,871	18,154	0	
P2CW*8-02-0025-0100307	YORKTOWN	NY	5/ 3/90	19,470	23,016	0	
P2CW*8-02-0088-0100376	CORTLAND	NY	7/ 3/90	271,920	445,669	0	
P2CW*8-02-0207-0100377	NEW BALTIMORE	NY	7/ 3/90	79,144	1,173	0	
P2CW*7-02-0222-0100480	SYLVAN BEACH	NY	9/17/90	363,424	244,709	0	
P2CWL9-02-0050-0100481	NASSAU COUNTY	NY	9/17/90	533,556	127,363	0	
TOTAL OF REGION 02 = 10				1,464,982	931,832	0	
E2CWL0-03-0119-0100524	EARL TOWNSHIP SEWER AUTH	PA	9/27/90	167,233	21,594	0	
E2CWL0-03-0105-0100525	EAST EARL SEWER AUTHORITY	PA	9/27/90	485,872	89,488	0	
E2AWPO-03-0069-0400017	DC GOVERNMENT	DC	5/10/90				
E2AWPO-03-0325-0400032	PRJTS AWAITING ADM COMPLTN	MD	9/14/90				
P2CW*8-03-0018-0100249	BALTIMORE MAYOR & CTY COUN	MD	4/ 5/90	799,312	942,560	0	
P2DNL9-03-0234-0100308	WSSC	MD	5/ 4/90				
P2CW*8-03-0016-0100316	BLOOMFIELD TWP SEWER AUTH	PA	5/ 9/90	179,391	66	0	
P2CW*8-03-0278-0100404	SOMERSET CO SANI DISTRICT	MD	7/12/90	62,364	109,779	7,741	
P2CW*8-03-0344-0100406	DERRY TWP MUNI AUTHORITY	PA	7/17/90	349,431	0	0	
P2CW*8-03-0045-0100478	CHARLES CO COMMISSIONERS	MD	9/13/90	302,280	9,096,986	58,288	
P2CW*8-03-0178-0100536	GREENBRIER CO PSD #2	WV	9/28/90	882,455	416,213	162,449	
TOTAL OF REGION 03 = 11				3,228,338	10,676,686	228,478	
E2CWM9-04-0049-0200007	BRUCE	MS	5/ 7/90	103,524	0	0	
E2CWM8-04-0031-0200008	BERKELEY CO WSA	SC	5/11/90	56,102	0	0	
E2CWM8-04-0034-0200009	OMEGA	GA	6/29/90	19,436	0	0	
E2CWM9-04-0047-0200012	EDGEFIELD	SC	8/29/90	50,753	0	0	
E2CWN7-04-0302-0300054	SYLACAUGA UTILITIES BD	AL	5/10/90	1,231,066	0	0	
E2CWN9-04-0251-0300056	SHUBUTA CLARKE CO.	MS	5/21/90	15,227	0	0	
E2BWN0-04-0025-0300074	ORANGE CTY	FL	7/27/90	1,176,077	0	161,207	
E2CWN7-04-0079-0300094	COLUMBIA	SC	9/25/90	208,624	1,342	0	
E2AWPO-04-0134-0400016	EARLY WARNING R-4	TN	5/ 9/90				
E2HWPO-04-0205-0400031	STATE REVOLVING FUND	TN	9/ 6/90				
P2CWN9-04-0158-0300053	BRADENTON	FL	5/10/90	56,147	0	0	
P2CWN9-04-0293-0300075	CENTRAL TAMPA	FL	8/ 1/90	154,452	0	0	
P2CWN9-04-0161-0300081	LEXINGTON,	KY	8/15/90	98,601	0	0	
P2CWN9-04-0175-0300082	ATLANTA, CITY OF,	GA	8/15/90	3,483,653	0	0	
S2CWN7-04-0081-0300051	KINGSPORT	TN	5/ 9/90	503,091	111,485	0	
S2CWN8-04-0249-0300087	UNION CITY	TN	9/ 7/90	133,760	53,689	0	
TOTAL OF REGION 04 = 16				7,290,513	166,516	161,207	
E2CWM8-05-0586-0200010	IUKA	IL	7/30/90	41,870	7,523	0	
E2AWPO-05-0223-0400020	SELLERSBURG-EWS	IN	6/14/90				

5,463,2

Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
E2AWPO-05-0224-0400045	W TERRE HAUTE-EWS	IN	9/28/90				5,275,325
P2CWL9-05-0324-0100464	SUMMIT & PORTAGE	OH	8/29/90	233,040	4,813,935	78,124	
P2CWL8-05-0282-0100490	SUMMIT CO	OH	9/24/90	3,553,409	2,467,655	0	
P2CWN7-05-0087-0300059	NEORS D CLEVELAND	OH	6/29/90	443,618	125,226	0	
P2CWN8-05-0494-0300065	SHEBOYGAN	WI	6/14/90	69,699	42,019	0	
P2CWN8-05-0410-0300070	ZANESVILLE	OH	6/26/90	105,805	0	0	
P2CWN9-05-0336-0300076	WELLSVILLE	OH	8/ 6/90	1,429,919	0	0	
P2CWP7-05-0499-0400030	BEMIDJI	MN	8/29/90	115,590	0	0	
TOTAL OF REGION 05 = 10				5,992,950	7,456,358	78,124	10,738,585
E2CWN9-06-0031-0300043	SLIDELL	LA	4/12/90	744,312	41,459	0	
E2CWN9-06-0028-0300046	KROTZ SPRINGS	LA	4/20/90	19,195	0	0	
E2CWN8-06-0037-0300055	BARTLESVILLE	OK	5/11/90	8,199,782	31,307	0	
E2CWN0-06-0027-0300057	JEFFERSON PARISH	LA	5/21/90	394,793	0	0	
E2AWPO-06-0244-0400042	EARLY WARNING-CABOT	AR	9/27/90				
P2CWN7-06-0139-0300064	SANTA FE	NM	6/29/90	100,690	0	8,722	
P2CWN7-06-0041-0300088	CORPUS CHRISTI	TX	9/ 7/90	38,314	0	0	
TOTAL OF REGION 06 = 7				9,497,086	72,766	8,722	
E2CW*7-08-0036-0100418	THREE LAKES WATER & SANIT	CO	7/31/90	417,514	0	11,967,543	
TOTAL OF REGION 08 = 1				417,514	0	11,967,543	
E2CW*8-09-0024-0300090	HONOLULU CITY & COUNTY OF	HI	9/19/90	209,405	0	2,839,712	
E2CWN9-09-0033-0300091	HONOLULU, CITY & COUNTY OF	HI	9/19/90	830,190	0	3,974,153	
E2CW*8-09-0037-0300092	HONOLULU, CITY & COUNTY OF	HI	9/19/90	12,202,264	0	1,870,125	
E2AWPO-09-0072-0400025	MARIPOSA CO. WATER AGENCY	CA	7/30/90				3,601,400
E2AWPO-09-0249-0400043	HILO WWT P, HAWAII COUNTY	HI	9/27/90				9,023,600
S2CW*8-09-0113-0200011	ORANGE COUNTY	CA	8/22/90	5,018	0	779,692	
S2CW*7-09-0100-0300052	EASTERN MUN WATER DIST	CA	5/10/90	121,992	0	0	
S2CW*7-09-0135-0300060	EDGERLY ISLAND RECLAM DIST	CA	5/31/90	9,179	0	25,951	
S2CW*8-09-0140-0300061	CA DEPT OF CORRECTIONS	CA	6/20/90	252,054	2,264,054	0	
S2CW*8-09-0219-0300063	VENTURA REG SAN DIST	CA	6/20/90	788,161	0	0	
S2CWN9-09-0045-0300067	EUREKA, CITY OF	CA	6/21/90	1,687,934	1,462,898	0	
S2CW*7-09-0194-0300068	WIKIUP, COUNTY WATER DIST	CA	6/22/90				
S2DMN9-09-0015-0300069	DELEUM CATHER & CO	IL	6/25/90				
S2CW*8-09-0117-0300077	SCOTTS VALLEY, CITY OF	CA	8/ 7/90	400,917	0	33,981	
S2CW*8-09-0335-0300085	OAKLEY-BETHEL ISLAND	CA	8/23/90	301,545	0	0	
S2BWN9-09-0167-0300097	SAN FRANCISCO, C&C GREAT HI	CA	9/28/90	373,407	2,535,954	0	
TOTAL OF REGION 09 = 16				17,182,066	6,262,906	9,523,614	12,625,000
TOTAL CONSTRUCTION GRANT AUDITS = 81				45,418,187	25,962,426	22,031,928	23,363,585

### 3. OTHER GRANT AUDITS

G3HMKO-01-0174-0500772	PITTSFIELD	MA	4/ 9/90	0	0	0	
G3HWMJ0-01-0153-0500781	CONNECTICUT-DEPT, STATE OF	CT	4/10/90	0	0	0	
G3HMKO-01-0281-0501202	PITTSFIELD	MA	9/17/90	0	0	0	
G3HMKO-01-0282-0501215	CHICOPEE	MA	9/18/90	0	0	0	
G3HMKO-01-0157-0500753	BERLIN	NH	4/ 3/90	0	0	0	
G3HMKO-01-0171-0500778	ST. JOHNSBURY	VT	4/10/90	0	0	0	
G3HMKO-01-0151-0500780	WINCHESTER	NH	4/10/90	0	0	0	
G3HMKO-01-0173-0500782	GARDNER	MA	4/10/90	0	0	0	
G3HMKO-01-0172-0500783	SPENCER	MA	4/10/90	0	0	0	
G3HMKO-01-0185-0500867	NORTH ATTLEBOROUGH	MA	5/16/90	0	0	0	



Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommen Efficien (Funds Be To Better I
				Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
G3HMKO-01-0182-0500871	WAKEFIELD	NH	5/16/90	0	0	0	
G3HMKO-01-0177-0500907	BRISTOL	CT	5/23/90	0	0	0	
G3HMKO-01-0188-0500909	PORTLAND WATER DISTRICT	ME	5/23/90	0	0	0	
G3HMKO-01-0202-0500953	HADLEY	MA	6/26/90	0	0	0	
G3HMKO-01-0200-0501027	EXETER	NH	6/25/90	0	0	0	
G3HMKO-01-0203-0501029	SCARBOROUGH SANITARY DIST.	ME	6/26/90	0	0	0	
G3HMKO-01-0199-0501048	SALISBURY	MA	6/20/90	0	0	0	
G3HMKO-01-0252-0501096	HARTFORD	VT	8/ 6/90	0	0	0	
G3HMKO-01-0258-0501098	FAIRHAVEN	MA	8/ 6/90	0	0	0	
G3HMKO-01-0215-0501165	INTERSTATE SANITATION COMM	CT	8/28/90	0	0	0	
G3HMKO-01-0277-0501201	WARREN	MA	9/17/90	0	0	0	
G3HMKO-01-0278-0501243	GARDNER	MA	9/25/90	0	0	0	
G3HMKO-01-0279-0501246	PLYMOUTH VILLAGE WAT. & SEW.	NH	9/26/90	0	0	0	
N3HMKO-01-0028-0500754	WORCESTER	MA	4/ 3/90	0	0	0	
N3HMKO-01-0152-0500779	LOWELL	MA	4/10/90	0	0	0	
N3HMKO-01-0187-0500865	CRANSTON	RI	5/16/90	0	0	0	
N3HMKO-01-0186-0500868	RHODE ISLAND, STATE OF	RI	5/16/90	0	0	0	
N3HMKO-01-0184-0500869	NANTUCKET	MA	5/16/90	0	0	0	
N3HMKO-01-0181-0500870	WATERBURY	CT	5/16/90	0	0	0	
N3HMKO-01-0183-0500872	VERMONT	VT	5/16/90	0	0	0	
N3HMKO-01-0179-0500885	HARTFORD	CT	5/17/90	0	0	0	
N3HMKO-01-0189-0500908	STATE OF NEW HAMPSHIRE	NH	5/23/90	0	0	0	
N3HMKO-01-0204-0501028	NEW HAVEN	CT	6/26/90	0	0	0	
N3HMKO-01-0201-0501030	STATE OF MAINE	ME	6/26/90	0	0	0	
N3HMKO-01-0251-0501095	PORTLAND	ME	8/ 6/90	0	0	0	
N3HMKO-01-0244-0501097	INDIAN TOWNSHIP	ME	8/ 6/90	0	0	0	
N3HMKO-01-0265-0501164	UNIV OF MAINE SYSTEMS	ME	8/28/90	0	0	0	
N3HMKO-01-0168-0501214	DANBURY	CT	9/18/90	0	0	0	
N3HMKO-01-0254-0501242	BURLINGTON	VT	9/25/90	0	0	0	
N3HMKO-01-0280-0501244	LOWELL	MA	9/26/90	0	0	0	
N3HMKO-01-0283-0501245	NORTHAMPTON	MA	9/26/90	0	0	0	

TOTAL OF REGION 01 = 41

G3HMKO-02-0217-0500857	FILLMORE	NY	5/16/90	0	0	0	
G3HMKO-02-0218-0500858	BERGEN	NY	5/16/90	0	0	0	
G3HMKO-02-0224-0500860	PRASA	PR	5/16/90	0	0	0	
G3HMKO-02-0225-0500861	PRASA	PR	5/16/90	0	0	0	
G3HMKO-02-0226-0500862	PRASA	PR	5/16/90	0	0	0	
G3HMKO-02-0241-0500916	CAPE MAY COUNTY MJA	NJ	5/25/90	0	0	0	
G3HMKO-02-0223-0500925	BYRON	NY	6/18/90	0	0	0	
G3HMKO-02-0262-0500977	BERGEN COUNTY UA	NJ	7/ 2/90	0	0	0	
G3HMKO-02-0261-0500978	INTERSTATE SANITATION COMM	NY	7/ 2/90	0	0	0	
G3HMKO-02-0258-0500982	HAMBURG	NY	7/ 2/90	0	0	0	
G3HMKO-02-0271-0501044	CHESTER	NY	7/17/90	0	0	0	
G3HMKO-02-0287-0501054	CASTLETON-ON-HUDSON	NY	7/24/90	0	0	0	
G3HMKO-02-0288-0501055	CASTLETON-ON-HUDSON	NY	7/24/90	0	0	0	
G3HMKO-02-0304-0501100	BUFFALO SA	NY	8/ 7/90	0	0	0	
G3HMKO-02-0305-0501127	EAST BRUNSWICK SA	NJ	8/14/90	0	0	0	
G3HMKO-02-0325-0501194	ROCKAWAY VALLEY RSA	NJ	9/13/90	0	0	0	
N3HMKO-02-0133-0500760	ERIE COUNTY	NY	4/ 4/90	0	0	0	
N3HMKO-02-0191-0500761	NEW YORK, STATE OF	NY	4/ 4/90	0	0	0	
N3HMKO-02-0014-0500777	SENECA NATION OF INDIANS	NY	4/10/90	0	0	0	
N3HMKO-02-0204-0500791	ROCHESTER	NY	4/20/90	0	0	0	
N3HMKO-02-0205-0500792	ROCHESTER	NY	4/20/90	0	0	0	
N3HMKO-02-0187-0500835	JAMESTOWN	NY	5/10/90	0	0	0	
N3HMKO-02-0188-0500836	SAYREVILLE	NJ	5/10/90	0	0	0	
N3HMKO-02-0189-0500837	MARCY	NY	5/10/90	0	0	0	

Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unnecessary/Unreasonable Costs	
N3HMKO-02-0190-0500838	THERESA	NY	5/10/90	0	0	0	
N3HMKO-02-0206-0500839	ESSEX COUNTY	NJ	5/10/90	0	0	0	
N3HMKO-02-0219-0500844	UTICA	NY	5/14/90	0	0	0	
N3HMKO-02-0220-0500845	UTICA	NY	5/14/90	0	0	0	
N3HMKO-02-0223-0500846	MIDDLESEX COUNTY	NJ	5/14/90	0	0	0	
N3HMKO-02-0158-0500905	NASSAU COUNTY	NY	5/23/90	0	0	0	
N3HMKO-02-0017-0500906	NEW YORK CITY	NY	5/23/90	0	0	0	
N3HMKO-02-0259-0500979	NEW HARTFORD	NY	7/ 2/90	0	0	0	
N3HMKO-02-0260-0500980	CATSKILL	NY	7/ 2/90	0	0	0	
N3HUKO-02-0257-0500981	CAMDEN CTY COUN ON ECON OPP	NJ	7/ 2/90	0	0	0	
N3HMKO-02-0018-0501099	PLATTSBURGH	NY	8/ 7/90	0	0	0	
N3HMKO-02-0146-0501106	FREEVILLE	NY	8/ 8/90	0	0	0	
N3HMKO-02-0314-0501195	ESSEX COUNTY	NJ	9/13/90	0	0	0	
N3HMKO-02-0168-0501196	SENECA NATION OF INDIANS	NY	9/13/90	0	0	0	
N3HMKO-02-0307-0501197	FULTON	NY	9/13/90	0	0	0	

TOTAL OF REGION 02 = 39

G3HMKO-03-0256-0500928	VA WASTE MANAGEMENT	VA	6/ 1/90	0	0	0	
G3HMKO-03-0257-0500932	HARFORD COUNTY 6/86	MD	6/21/90	0	0	0	
G3HMKO-03-0258-0500933	HARFORD COUNTY 6/87	MD	6/21/90	0	0	0	
G3HMKO-03-0259-0500934	HARFORD COUNTY FYE 6/88	MD	6/21/90	0	0	0	
G3HMKO-03-0260-0500936	HARFORD COUNTY FY 6/89	MD	6/21/90	0	0	0	
G3HMKO-03-0376-0501026	ANNE ARUNDEL COUNTY	MD	7/13/90	0	0	0	
G3HMKO-03-0352-0501183	BALTIMORE COUNTY 6/89	MD	8/30/90	0	0	0	
G3HMKO-03-0351-0501192	SUSSEX COUNTY 6/89	DE	9/11/90	0	0	0	
G3HMKO-03-0378-0501193	FAIRFAX COUNTY 6/89	VA	9/11/90	0	0	0	
G3HMKO-03-0380-0501200	VA STATE WATER CNTRL BOARD	VA	9/17/90	0	0	0	
G3HMKO-03-0187-0500827	TALBOT COUNTY 6/89	MD	5/ 7/90	0	0	0	
G3HMKO-03-0263-0500998	INTERSTATE COMM ON POTOMAC	MD	7/ 6/90	0	0	0	
G3HMKO-03-0357-0500999	SAINT MARY'S COUNTY	MD	7/ 6/90	0	0	0	
G3HMKO-03-0326-0501001	SOMERSET COUNTY 6/89	MD	7/ 6/90	0	0	0	
G3HMKO-03-0321-0501006	STROUDSBURG BOROUGH OF	PA	7/ 6/90	0	0	0	
G3HMKO-03-0272-0501007	LEOLA SEWER AUTHORITY	PA	7/ 6/90	0	0	0	
G3HMKO-03-0356-0501011	SAINT THOMAS TOWNSHIP	PA	7/ 6/90	0	0	0	
G3HMKO-03-0354-0501024	BELLEFONTE BOROUGH AUTH	PA	7/13/90	0	0	0	
G3HMKO-03-0392-0501213	ALTOONA CITY AUTHORITY	PA	9/18/90	0	0	0	
G3HMKO-03-0394-0501217	MONTGOMERY COUNTY	PA	9/19/90	0	0	0	
G3HMKO-03-0396-0501218	HUNTINGTON 6/89	WV	9/19/90	0	0	0	
G3HMKO-03-0420-0501225	DUBLIN BOROUGH AUTHORITY	PA	9/20/90	0	0	0	
G3HMKO-03-0393-0501240	DC DEPT CONSUMER & REG	DC	9/25/90	0	0	0	
N3HMKO-03-0068-0500892	ERIE COUNTY FYE 12/87	PA	5/21/90	0	0	0	
N3HMKO-03-0135-0500893	VA CONSERVATION & HISTORIC	VA	5/21/90	9,311	0	0	
N3HMKO-03-0178-0500894	RICHMOND CITY OF	VA	5/21/90	0	0	0	
N3HMKO-03-0228-0500895	NATL COUNCIL OF SENIOR CTZN	DC	5/21/90	0	0	0	
N3HUKO-03-0229-0500896	HOWARD UNIVERSITY 6/88	DC	5/21/90	0	0	0	
N3HMKO-03-0138-0500912	ALLEGANY COUNTY	MD	5/24/90	0	0	0	
N3HMKO-03-0255-0500913	DELMAR TOWN OF 6/86	MD	5/24/90	0	0	0	
N3HUKO-03-0091-0500917	TEMPLE UNIVERSITY	PA	5/25/90	0	0	0	
N3HMKO-03-0096-0500920	PITTSBURGH UNIVERSITY 6/88	PA	5/25/90	0	0	0	
N3HUKO-03-0226-0500997	VA COMMONWEALTH UNIVERSITY	VA	7/ 6/90	0	0	0	
N3HMKO-03-0186-0501002	WILMINGTON CITY OF	DE	7/ 6/90	0	0	0	
N3HMKO-03-0293-0501003	CECIL COUNTY 6/89	MD	7/ 6/90	0	0	0	
N3HMKO-03-0286-0501004	NAT'L CAUCUS & CTR ON B AGE	DC	7/ 6/90	0	0	0	
N3HMKO-03-0287-0501005	NAT'L CAUCUS & CTR ON B AGE	DC	7/ 6/90	0	0	0	
N3HMKO-03-0290-0501008	CAMBRIDGE CITY OF 6/88	MD	7/ 6/90	0	0	0	
N3HMKO-03-0291-0501009	CAMBRIDGE CITY OF 6/89	MD	7/ 6/90	0	0	0	
N3HMH9-03-0355-0501010	BALTIMORE CITY OF-FYE 6/88	MD	7/ 6/90	411,756	0	0	

Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommend Efficient (Funds Be To Better L
				Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
N3HMKO-03-0349-0501025	WEST VIRGINIA STATE OF	WV	7/13/90	0	0	0	
N3HMJO-03-0285-0501138	VA DEPT OF HEALTH 6/89	VA	8/16/90	0	0	0	
N3HMKO-03-0407-0501140	CECIL COUNTY	MD	8/23/90	119,320	0	0	
N3HMKO-03-0353-0501216	PORTSMOUTH CITY OF	VA	9/19/90	0	0	0	
N3HMJO-03-0415-0501219	VA POLYTECHNIC INSTITUTE	VA	9/19/90	0	0	0	
N3HMJO-03-0416-0501220	VA INSTITUTE OF MARINE SCI	VA	9/19/90	0	0	0	
N3HUKO-03-0421-0501226	GEORGETOWN UNIVERSITY	DC	9/20/90	0	0	0	
N3HMKO-03-0050-0501239	MARYLAND STATE OF FYE 6/88	MD	9/25/90	0	0	0	
N3HUKO-03-0447-0501241	TEMPLE UNIVERSITY	PA	9/25/90	0	0	0	
TOTAL OF REGION 03 = 49				540,387	0	0	
C3HMKO-04-0184-0500797	LEXINGTON-FAYETTE CO. GOV.'TKY		4/20/90	0	0	0	
C3HMKO-04-0240-0500975	FT.LAUDERDALE	FL	6/ 6/90	0	0	0	
C3HMKO-04-0306-0501113	COBB COUNTY	GA	8/ 7/90	0	0	0	
C3HMKO-04-0312-0501134	TALLAHASSEE	FL	8/14/90	0	0	0	
C3HMKO-04-0323-0501185	NASHVILLE & DAVIDSON COUNTY	TN	8/31/90	0	0	0	
C3HMKO-04-0339-0501237	JACKSONVILLE	FL	9/24/90	0	0	0	
G3HMKO-04-0171-0500750	JACKSON	TN	4/ 2/90	0	0	0	
G3HMKO-04-0174-0500755	CLIFTON	TN	4/ 3/90	0	0	0	
G3HMKO-04-0080-0500756	KEVIL	KY	4/ 3/90	0	0	0	
G3HMKO-04-0029-0500796	PORT ORANGE	FL	4/20/90	0	0	0	
G3HMKO-04-0185-0500813	GADSDEN WATER WORKS & SEWER	AL	5/ 1/90	0	0	0	
G3HMKO-04-0190-0500824	ATWOOD	TN	5/ 7/90	0	0	0	
G3HMKO-04-0188-0500825	ATLANTIC BEACH	FL	5/ 7/90	0	0	0	
G3HMKO-04-0189-0500826	ATWOOD	TN	5/ 7/90	0	0	0	
G3HMKO-04-0195-0500828	CULLMAN	AL	5/ 8/90	0	0	0	
G3HMKO-04-0198-0500887	OLD HICKORY UTILITY DISTRICT	TN	5/18/90	0	0	0	
G3HMKO-04-0222-0500898	SUMTER	SC	5/22/90	0	0	0	
G3HMKO-04-0219-0500899	PAHOKEE	FL	5/22/90	0	0	0	
G3HMKO-04-0252-0500954	COLLIER COUNTY	FL	6/26/90	0	0	0	
G3HMKO-04-0243-0500962	MANATEE COUNTY	FL	6/ 7/90	0	0	0	
G3HMKO-04-0242-0500974	KEY WEST	FL	6/ 6/90	0	0	0	
G3HMKO-04-0254-0500989	HUNTSVILLE	AL	6/ 7/90	0	0	0	
G3HMKO-04-0244-0501033	BERRY	AL	6/ 6/90	0	0	0	
G3HMKO-04-0241-0501034	MANCHESTER	KY	6/ 6/90	0	0	0	
G3HMKO-04-0296-0501050	FORT MILL	SC	7/20/90	0	0	0	
G3HMKO-04-0301-0501066	PUNTA GORDA	FL	7/27/90	0	0	0	
G3HMKO-04-0304-0501087	DILLON	SC	8/ 2/90	0	0	0	
G3HMKO-04-0307-0501112	OZARK UTILITIES BOARD	AL	8/ 7/90	0	0	0	
G3HMKO-04-0313-0501133	SYLACAUGA UTILITIES BOARD	AL	8/13/90	0	0	0	
G3HMKO-04-0324-0501184	INEZ	KY	8/31/90	0	0	0	
G3HMKO-04-0325-0501187	THOMASVILLE	GA	8/31/90	0	0	0	
G3HMKO-04-0332-0501198	NEW BERN	NC	9/15/90	0	0	0	
G3HMKO-04-0334-0501203	TARBORO	NC	9/14/90	0	0	0	
G3HMKO-04-0320-0501205	SARASOTA	FL	9/ 1/90	0	0	0	
G3HMKO-04-0328-0501221	BELLE GLADE	FL	9/15/90	0	0	0	
G3HMKO-04-0336-0501224	NORTH AUGUSTA	SC	9/19/90	0	0	0	
G3HMKO-04-0338-0501234	TRYON	NC	9/24/90	0	0	0	
G3HMKO-04-0366-0501235	WESTERN CAROLINA REGION SA	SC	9/24/90	0	0	0	
G3HMKO-04-0340-0501236	GEORGETOWN COUNTY W&SD	SC	9/24/90	0	0	0	
G3HMKO-04-0344-0501261	AHOSKIE	NC	9/28/90	0	0	0	
N3HUKO-04-0211-0500749	GEORGIA STATE UNIVERSITY	GA	4/ 2/90	0	0	0	
N3HMKO-04-0191-0500829	GEORGIA, UNIVERSITY OF	GA	5/ 8/90	0	0	0	
N3HAKO-04-0196-0500900	KNOX COUNTY	TN	5/22/90	0	0	0	
N3HMKO-04-0212-0500901	DUKE UNIVERSITY	NC	5/22/90	0	0	0	
N3HMKO-04-0192-0500961	DOTHAN	AL	6/ 7/90	0	0	0	
N3HMKO-04-0223-0500963	MURFREESBORO	TN	6/ 7/90	0	0	0	

Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unnecessary/Unreasonable Costs	
3HUKO-04-0186-0500964	CLEMSON UNIVERSITY	SC	6/28/90	0	0	0	
3HUKO-04-0186-0500965	CLEMSON UNIVERSITY	SC	6/ 7/90	0	0	0	
3HUJO-04-0035-0500966	NC AT CHARLOTTE UNIVERSITY	NC	6/ 7/90	0	0	0	
3HUJO-04-0034-0500967	NORTH CAROLINA STATE UNIVER	NC	6/ 7/90	0	0	0	
3HMKO-04-0224-0500968	SANFORD	FL	6/27/90	0	0	0	
3HAKO-04-0216-0500976	MECKLENBERG COUNTY	NC	6/ 6/90	0	0	0	
3HMKO-04-0207-0501031	COLLINS	MS	6/27/90	0	0	0	
HMKO-04-0220-0501032	LAKELAND	FL	6/27/90	0	0	0	
HMKO-04-0217-0501035	GASTONIA	NC	6/ 6/90	0	0	0	
HMKO-04-0258-0501045	FULTON COUNTY	GA	7/17/90	0	0	0	
HMKO-04-0248-0501046	FULTON COUNTY	GA	7/17/90	0	0	0	
HMKO-04-0147-0501051	VALDOSTA	GA	7/20/90	0	0	0	
HMJJO-04-0249-0501063	GA DEPT NATURAL RESOURCES	GA	7/27/90	0	0	0	
HUKO-04-0273-0501064	NORTHERN KENTUCKY UNIVERSITY	KY	7/27/90	0	0	0	
HMKO-04-0303-0501065	FORT PAYNE	AL	7/27/90	0	0	0	
HUJO-04-0272-0501067	MISSISSIPPI MEDICAL CENTER	MS	7/27/90	0	0	0	
HUJO-04-0302-0501068	NC CENTRAL UNIVERSITY	NC	7/27/90	0	0	0	
HMKO-04-0117-0501076	BERKLEY COUNTY	SC	7/31/90	0	0	0	
HMKO-04-0314-0501088	FORT PAYNE	AL	8/ 2/90	0	0	0	
HMKO-04-0275-0501122	PINELLAS COUNTY	FL	8/10/90	0	0	0	
HMKO-04-0255-0501139	HILLSBOROUGH COUNTY	FL	8/20/90	0	0	0	
HMKO-04-0311-0501166	GAINESVILLE	FL	8/24/90	0	0	0	
HMKO-04-0165-0501167	HARTSVILLE	SC	8/24/90	0	0	0	
HUKO-04-0299-0501168	FLORIDA INST. OF TECHNOLOGY	FL	8/24/90	0	0	0	
HUKO-04-0317-0501169	LOUISVILLE, UNIVERSITY OF	KY	8/24/90	0	0	0	
HAKO-04-0098-0501170	FORSYTH COUNTY	NC	8/24/90	0	0	0	
HMKO-04-0225-0501186	ST. PETERSBURG	FL	8/31/90	0	0	0	
HSJO-04-0096-0501188	AL EMERGENCY MANAGEMENT AGEN	AL	9/ 2/90	0	0	0	
3HMKO-04-0274-0501199	OKALOOSA COUNTY	FL	9/12/90	0	0	0	
3HAKO-04-0276-0501204	SHELBY COUNTY	TN	9/17/90	0	0	0	
3HSJO-04-0257-0501222	GEORGIA DEPT OF EDUCATION	GA	9/18/90	0	0	0	
3HMKO-04-0253-0501223	LEE COUNTY	FL	9/17/90	0	0	0	
3HMKO-04-0310-0501238	SAVANNAH	GA	9/24/90	0	0	0	
3HUJO-04-0333-0501259	SOUTHERN MISSISSIPPI UNIVER	MS	9/28/90	0	0	0	
3HMKO-04-0346-0501260	FLEMING-NEON	KY	9/28/90	0	0	0	
3HMKO-04-0337-0501262	DADE COUNTY	FL	9/28/90	0	0	0	
N3HMKO-04-0247-0510964	RICHLAND COUNTY	SC	6/ 7/90	0	0	0	

TOTAL OF REGION 04 = 83

C3HMJO-05-0207-0500819	HAMMOND FY 88	IN	5/ 2/90	0	0	0	
C3HMKO-05-0157-0500897	AKRON FY 88	OH	5/22/90	0	0	0	
C3HMJO-05-0331-0501155	HAMMOND FY 89	IN	8/27/90	0	0	0	
C3HMKO-05-0369-0501189	LANSING FY 89	MI	9/ 5/90	0	0	0	
G3HMJO-05-0189-0500745	STEBEN LAKES RWD FY 87/88	IN	4/ 2/90	0	0	0	
G3HMJO-05-0169-0500746	ZIONSVILLE FY 87/88	IN	4/ 2/90	0	0	0	
G3HMKO-05-0163-0500747	ELYRIA FY 88	OH	4/ 2/90	0	0	0	
G3HMJO-05-0167-0500770	WILKINSON FY 87/88	IN	4/ 6/90	0	0	0	
G3HMKO-05-0187-0500771	FARMER CITY FY 89	IL	4/ 9/90	0	0	0	
G3HMJO-05-0180-0500775	MONON FY 87/88	IN	4/ 9/90	0	0	0	
G3HMJO-05-0199-0500776	WILMINGTON FY 88	OH	4/ 9/90	0	0	0	
G3HMKO-05-0156-0500787	GREENFIELD FY 87	MN	4/18/90	0	0	0	
G3HMKO-05-0185-0500788	W CHICAGO FY 89	IL	4/18/90	0	0	0	
G3HMJO-05-0216-0500793	VERSAILLES FY 87/88	IN	4/20/90	0	0	0	
G3HMKO-05-0201-0500806	KEWANEE FY 89	IL	4/30/90	0	0	0	
G3HMKO-05-0206-0500820	VERNDAL FY 89	MN	5/ 2/90	0	0	0	
G3HMJO-05-0208-0500832	DALE FY 87/88	IN	5/ 9/90	0	0	0	
G3HMJO-05-0215-0500850	HAUBSTADT FY 87/88	IN	5/14/90	0	0	0	

Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommen Efficien (Funds B To Better
			Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
G3HMJO-05-0205-0500851	SYRACUSE FY 87/88	IN	5/14/90	0	0	0
G3HMJO-05-0214-0500852	ST JOHN FY 87/88	IN	5/14/90	0	0	0
G3HMJO-05-0241-0500863	ADRIAN FY 89	MN	5/16/90	0	0	0
G3HMJO-05-0226-0500880	BOONVILLE FY 88	IN	5/17/90	67,889	0	0
G3HMJO-05-0252-0500888	DALE FY 89	IN	5/18/90	0	0	0
G3HMJO-05-0259-0500889	KALIDA LSD FY 89	OH	5/18/90	0	0	0
G3HMJO-05-0254-0500890	FRANCESVILLE FY 85/86	IN	5/18/90	0	0	0
G3HMJO-05-0256-0500891	BLOOMFIELD-MESPO LSD FY 89	OH	5/18/90	0	0	0
G3HMJO-05-0258-0500914	NELSONVILLE-YORK CSD FY 89	OH	5/24/90	0	0	0
G3HMJO-05-0255-0500915	MADISON LSD FY 89	OH	5/24/90	0	0	0
G3HMJO-05-0274-0500937	ORLEANS FY 87/88	IN	6/22/90	0	0	0
G3HMJO-05-0272-0500938	BATTLE LAKE FY 89	MN	6/22/90	0	0	0
G3HMJO-05-0273-0500939	CROTHERSVILLE FY 87/88	IN	6/22/90	0	0	0
G3HMJO-05-0276-0500941	MONROE CO DC FY 89	MI	6/22/90	383,140	0	0
G3HMJO-05-0282-0500955	ROCKY RIVER FY 88	OH	6/27/90	0	0	0
G3HMJO-05-0286-0500956	BEAVER LSD FY 88	OH	6/27/90	0	0	0
G3HMJO-05-0288-0500983	CLEVELAND CSD FY 88	OH	7/ 2/90	0	0	0
G3HMJO-05-0289-0500984	COLDWATER VSD FY 88	OH	7/ 2/90	0	0	0
G3HMJO-05-0291-0500985	WASHINGTON LSD FY 86/87	OH	7/ 2/90	0	0	0
G3HMJO-05-0284-0500986	CAMPBELLSPORT FY 89	WI	7/ 2/90	0	0	0
G3HMJO-05-0290-0500987	WAYNE TRACE LSD FY 88	OH	7/ 2/90	0	0	0
G3HMJO-05-0287-0500988	SALEM CSD FY 88	OH	7/ 2/90	0	0	0
G3HMJO-05-0262-0501015	TRI VALLEY LSD FY 89	OH	7/10/90	0	0	0
G3HMJO-05-0298-0501016	OTSEGO LSD FY 89	OH	7/11/90	0	0	0
G3HMJO-05-0297-0501017	SIDNEY CSD FY 89	OH	7/10/90	0	0	0
G3HMJO-05-0170-0501039	GRABILL FY 88	IN	7/17/90	0	0	0
G3HMJO-05-0296-0501040	DARMSTADT FY 87/88	IN	7/17/90	0	0	0
G3HMJO-05-0309-0501041	NEENAH-MENASHA SC FY 89	WI	7/17/90	0	0	0
G3HMJO-05-0316-0501042	AMBOY FY 89	MN	7/17/90	0	0	0
G3HMJO-05-0324-0501043	BIGFORK FY 89	MN	7/17/90	0	0	0
G3HMJO-05-0312-0501056	STEWARTVILLE FY 89	MN	7/25/90	0	0	0
G3HMJO-05-0313-0501057	MAPLETON FY 89	MN	7/25/90	0	0	0
G3HMJO-05-0314-0501058	BROWNTON FY 89	MN	7/25/90	0	0	0
G3HMJO-05-0315-0501059	SILVER LAKE FY 89	MN	7/25/90	0	0	0
G3HMJO-05-0319-0501069	WORTHINGTON FY 89	MN	7/31/90	0	0	0
G3HMJO-05-0330-0501070	CHURUBUSCO FY 87/88	IN	7/31/90	0	0	0
G3HMJO-05-0318-0501072	NASHWAUK FY 89	MN	7/31/90	0	0	0
G3HMJO-05-0322-0501073	N HOUGHTON CWS FY 89	MI	7/31/90	0	0	0
G3HMJO-05-0320-0501074	DODGE CENTER FY 89	MN	7/31/90	0	0	0
G3HMJO-05-0321-0501075	NEW PRAGUE FY 89	MN	7/31/90	0	0	0
G3HMJO-05-0326-0501081	ROCHESTER FY 89	IN	8/ 2/90	0	0	0
G3HMJO-05-0341-0501082	LAKEFIELD FY 89	MN	8/ 2/90	0	0	0
G3HMJO-05-0336-0501083	GOODLAND FY 88/89	IN	8/ 2/90	0	0	0
G3HMJO-05-0351-0501084	NEORS CLEVELAND FY 89	OH	8/ 2/90	0	0	0
G3HMJO-05-0328-0501085	LAKE STATION FY 89	IN	8/ 2/90	0	0	0
G3HMJO-05-0325-0501086	TURKEY CREEK FY 89	IN	8/ 2/90	0	0	0
G3HMJO-05-0340-0501092	DUNDEE FY 90	MI	8/ 3/90	0	0	0
G3HMJO-05-0337-0501102	SARTELL FY 89	MN	8/ 8/90	0	0	0
G3HMJO-05-0338-0501103	MILACA FY 89	MN	8/ 8/90	0	0	0
G3HMJO-05-0350-0501104	REDWOOD FALLS FY 89	MN	8/ 8/90	0	0	0
G3HMJO-05-0343-0501105	S ST PAUL FY 89	MN	8/ 8/90	0	0	0
G3HMJO-05-0375-0501118	MAZEPPA FY 89	MN	8/13/90	0	0	0
G3HMJO-05-0348-0501121	HUTCHINSON FY 89	MN	8/13/90	0	0	0
G3HMJO-05-0373-0501128	PIPESTONE FY 89	MN	8/14/90	0	0	0
G3HMJO-05-0342-0501130	PINCKNEY FY 90	MI	8/14/90	0	0	0
G3HMJO-05-0374-0501131	BLACKDUCK FY 89	MN	8/14/90	0	0	0
G3HMJO-05-0379-0501132	LONG PRAIRIE FY 89	MN	8/14/90	0	0	0
G3HMJO-05-0397-0501151	PLAINVIEW-ELGIN SD FY 89	MN	8/27/90	0	0	0

Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
G3HMKO-05-0398-0501152	CARVER FY 89	MN	8/27/90	0	0	0	
G3HMKO-05-0381-0501211	DELTA TWP LANSING FY 89	MI	9/18/90	0	0	0	
N3HMKO-05-0200-0500744	LOYOLA FY 88/89	IL	4/ 2/90	0	0	0	
N3HMKO-05-0139-0500773	CLEVELAND FY 88	OH	4/ 9/90	0	0	0	
N3HMKO-05-0131-0500784	WARREN FY 88	OH	4/11/90	0	0	0	
N3HMKO-05-0155-0500785	CLERMONT CO FY 88	OH	4/16/90	0	0	0	
N3HMKO-05-0173-0500786	CHICAGO FY 88	IL	4/16/90	0	0	0	
N3HMKO-05-0198-0500794	INDIANA STATE U	IN	4/20/90	0	0	0	
N3HMKO-05-0197-0500795	WISCONSIN MED COLLEGE	WI	4/20/90	0	0	0	
I3HMKO-05-0087-0500821	BATTLE CREEK FY 89	MI	5/ 2/90	0	0	0	
V3HMKO-05-0188-0500833	CUYAHOGA CO FY 88	OH	5/ 9/90	0	0	0	
I3HMKO-05-0096-0500834	SHIawassee CO FY 88	MI	5/ 9/90	0	0	0	
I3HMKO-05-0210-0500849	W IL U MACOMB FY 89	IL	5/14/90	0	0	0	
I3HMKO-05-0213-0500864	MONTGOMERY CO FY 88	OH	5/16/90	0	0	0	
I3HMKO-05-0092-0500879	EAU CLAIRE FY 88	WI	5/17/90	0	0	0	
I3HMKO-05-0277-0500940	ILLINOIS DPH FY 88/89	IL	6/22/90	0	0	0	
I3HMKO-05-0267-0501018	MENOMINEE IND TRIBE FY 89	WI	7/ 6/90	0	0	0	
I3HMKO-05-0281-0501019	LICKING CO FY 88	OH	7/ 6/90	0	0	0	
I3HMKO-05-0280-0501020	ASHTABULA CO FY 88	OH	7/ 6/90	0	0	0	
I3HMKO-05-0209-0501021	ASHTABULA CO FY 87	OH	7/ 6/90	0	0	0	
N3HMKO-05-0317-0501038	COLUMBUS FY 89	OH	7/17/90	0	0	0	
N3HMKO-05-0285-0501049	FERDINAND FY 87/88	IN	7/19/90	0	0	0	
N3HMKO-05-0329-0501071	INDIANA U FY 89	IN	7/31/90	0	0	0	
N3HMKO-05-0345-0501119	SIU CARBONDALE FY 88/89	IL	8/13/90	0	0	0	
N3HMKO-05-0367-0501120	OHIO ST FY 88/89	OH	8/13/90	0	0	0	
N3HMKO-05-0380-0501129	CASS LAKE FY 89	MN	8/14/90	0	0	0	
N3HMKO-05-0407-0501190	WASHINGTON CO FY 89	MN	9/ 6/90	0	0	0	
N3HMKO-05-0408-0501191	EAU CLAIRE FY 89	WI	9/ 6/90	0	0	0	
TOTAL OF REGION 05 = 104				451,029	0	0	
G3HMKO-06-0173-0500843	SAN ANTONIO	TX	5/11/90	0	0	0	
G3HMKO-06-0170-0500816	BAY CITY	TX	5/ 1/90	0	0	0	
G3HMKO-06-0171-0500817	DIBOLL	TX	5/ 2/90	0	0	0	
G3HMKO-06-0172-0500818	DIBOLL	TX	5/ 2/90	0	0	0	
G3HMKO-06-0175-0500840	ARDMORE	OK	5/11/90	0	0	0	
G3HMKO-06-0176-0500841	ARDMORE	OK	5/11/90	0	0	0	
G3HMKO-06-0178-0500842	GAINESVILLE	TX	5/11/90	0	0	0	
G3HMKO-06-0179-0500848	LINDEN	TX	5/14/90	0	0	0	
G3HMKO-06-0187-0500874	OAKDALE	LA	5/17/90	0	0	0	
G3HMKO-06-0188-0500875	PRINCETON	TX	5/17/90	0	0	0	
G3HMKO-06-0189-0500876	RED RIVER	NM	5/17/90	0	0	0	
G3HMKO-06-0185-0500877	BACLIFF MUNICIPAL UTILITIES	TX	5/17/90	0	0	0	
G3HMKO-06-0186-0500878	BACLIFF MUNICIPAL UTILITIES	TX	5/17/90	0	0	0	
G3HMKO-06-0180-0500881	MIDWEST CITY	OK	5/17/90	0	0	0	
G3HMKO-06-0181-0500882	NEDERLAND	TX	5/17/90	0	0	0	
G3HMKO-06-0182-0500883	SANGER	TX	5/17/90	0	0	0	
G3HMKO-06-0183-0500884	WELCH	OK	5/17/90	0	0	0	
G3HMKO-06-0205-0500929	PRINCETON	TX	6/20/90	0	0	0	
G3HMKO-06-0213-0501013	CAVE CITY WWTP CONSTRUCTION	AR	7/11/90	0	0	0	
G3HMKO-06-0230-0501145	FAYETTEVILLE	AR	8/24/90	0	0	0	
G3HMKO-06-0233-0501146	JACKSONVILLE WASTEWATER UTILAR	AR	8/24/90	0	0	0	
G3HMKO-06-0231-0501148	FAYETTEVILLE	AR	8/24/90	0	0	0	
G3HMKO-06-0232-0501149	FAYETTEVILLE	AR	8/27/90	0	0	0	
G3HMKO-06-0241-0501158	CAVE CITY WWTP	AR	8/28/90	0	0	0	
G3HMKO-06-0242-0501159	CAVE CITY WWTP CONSTRUCTION	AR	8/28/90	0	0	0	
G3HMKO-06-0243-0501160	CAVE CITY WWTP CONSTRUCTION	AR	8/28/90	0	0	0	
G3HMKO-06-0240-0501161	EDINBURG	TX	8/28/90	0	0	0	

Audit Control Number	Auditee		Final Report Issued	Questioned Costs			Recommendation (Funds Bk To Better
				Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
G3HMKO-06-0239-0501162	ABERNATHY	TX	8/28/90	0	0	0	
G3HMKO-06-0197-0501179	SAN JUAN	TX	8/31/90	0	0	0	
G3HMKO-06-0196-0501181	DERIDDER	LA	8/31/90	0	0	0	
G3HMKO-06-0252-0501251	CROSBY MUNICIPAL UTILITY	TX	9/27/90	0	0	0	
G3HMKO-06-0253-0501252	EDINBURG	TX	9/27/90	0	0	0	
N3HMKO-06-0143-0500743	BRYAN	TX	4/ 2/90	0	0	0	
N3HMKO-06-0166-0500807	CROWDER COLLEGE	OK	5/ 1/90	0	0	0	
N3HMJO-06-0167-0500808	ARKANSAS DEPT OF HEALTH	AR	5/ 1/90	0	0	0	
N3HMJO-06-0168-0500809	ARKANSAS DEPT OF HEALTH	AR	5/ 1/90	0	0	0	
N3HMKO-06-0142-0500810	CORPUS CHRISTI	TX	5/ 1/90	0	0	0	
N3HMKO-06-0106-0500811	CORPUS CHRISTI	TX	5/ 1/90	0	0	0	
N3HMJO-06-0177-0500830	ARKANSAS DEPT OF HEALTH	AR	5/ 9/90	0	0	0	
N3HMKO-06-0198-0500926	LAREDO	TX	6/19/90	0	0	0	
N3HMKO-06-0199-0500927	LAREDO	TX	6/19/90	0	0	0	
N3HMKO-06-0215-0501037	MARSHALL	TX	7/16/90	0	0	0	
N3HMKO-06-0234-0501147	BAYTOWN	TX	8/24/90	0	0	0	
N3HMKO-06-0235-0501150	FORT WORTH	TX	8/27/90	0	0	0	
N3HMKO-06-0202-0501176	NACOGDOCHES	TX	8/31/90	0	0	0	
N3HMKO-06-0203-0501177	OKLAHOMA CITY	OK	8/31/90	0	0	0	
N3HMKO-06-0218-0501253	BEAUMONT	TX	9/27/90	0	0	0	
TOTAL OF REGION 06 = 47							
G3HMJO-07-0275-0501163	NEBRASKA DEPT OF ENV. CONTROLNE		8/28/90	0	0	0	
G3HMJO-07-0219-0500814	RED OAK	IA	5/ 1/90	0	0	0	
G3HMJO-07-0220-0500815	ATALISSA	IA	5/ 1/90	0	0	0	
G3HMKO-07-0222-0500822	CHAUTAUQUA	KS	5/ 3/90	0	0	0	
G3HMKO-07-0227-0500847	PRAIRIE AGRES IMPROVEMENT	KS	5/14/90	0	0	0	
G3HMKO-07-0229-0500859	JOPLIN	MO	5/15/90	0	0	0	
G3HMKO-07-0230-0500866	MALDEN	MO	5/16/90	0	0	0	
G3HMKO-07-0231-0500873	WALKER	MO	5/16/90	0	0	0	
G3HMJO-07-0244-0500930	PACIFIC JUNCTION	IA	6/21/90	0	0	0	
G3HMKO-07-0245-0500931	MYSTIC	IA	6/21/90	0	0	0	
G3HMKO-07-0259-0501060	WINFIELD	KS	7/27/90	0	0	0	
G3HMKO-07-0260-0501061	SIKESTON BOARD OF UTILITIES	MO	7/27/90	0	0	0	
G3HMKO-07-0261-0501062	SIKESTON BOARD OF UTILITIES	MO	7/27/90	0	0	0	
G3HMKO-07-0281-0501141	KIMBERLING CITY	MO	8/24/90	0	0	0	
G3HMKO-07-0276-0501142	JOPLIN	MO	8/24/90	0	0	0	
G3HMKO-07-0279-0501144	ELKHART	KS	8/24/90	0	0	0	
G3HMKO-07-0280-0501153	HUTCHINSON	KS	8/27/90	0	0	0	
G3HMKO-07-0277-0501154	ERIE	KS	8/27/90	0	0	0	
G3HMKO-07-0285-0501156	CENTRALIA	MO	8/28/90	0	0	0	
G3HMKO-07-0284-0501157	BEEMER	NE	8/28/90	0	0	0	
G3HMKO-07-0240-0501175	WILLARD	MO	8/31/90	0	0	0	
G3HMKO-07-0241-0501178	WRIGHT CITY	MO	8/31/90	0	0	0	
G3HMKO-07-0243-0501180	LIBERTY	MO	8/31/90	0	0	0	
G3HMKO-07-0292-0501254	OLATHE	KS	9/27/90	0	0	0	
G3HMKO-07-0294-0501255	NESS CITY	KS	9/28/90	0	0	0	
G3HMKO-07-0295-0501257	CRETE	NE	9/28/90	0	0	0	
N3HMKO-07-0172-0500762	SIOUX CITY	IA	4/ 5/90	0	0	0	
N3HAKO-07-0218-0500812	POLK COUNTY	IA	5/ 1/90	0	0	0	
N3HMKO-07-0223-0500823	DES MOINES	IA	5/ 3/90	0	0	0	
N3HPJO-07-0226-0500831	IOWA DEPT OF EMPLOYMENT SERVIA		5/ 9/90	0	0	0	
N3HMKO-07-0255-0501014	EASTERN IOWA COM COLLEGE DISIA		7/11/90	0	0	0	
N3HMJO-07-0242-0501173	KANSAS CORP CONTROL	KS	8/30/90	0	0	0	
N3HMJO-07-0217-0501174	KIRKWOOD COMMUNITY COLLEGE	IA	9/10/90	0	0	0	
N3HMKO-07-0296-0501256	SEDGWICK COUNTY	KS	9/28/90	0	0	0	
N3HMKO-07-0197-0501258	INDEPENDENCE	KS	9/28/90	0	0	0	
TOTAL OF REGION 07 = 35							

Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unnecessary/Unreasonable Costs	
3HMJO-08-0114-0501229	DEPT OF ENVIRONMENTAL QUAL. WY	9/20/90	0	0	0	
3HMJO-08-0078-0500855	WYOMING OIL & GAS COMMISSION WY	5/15/90	0	0	0	
3HMJO-08-0087-0500924	WEST FARGO, CITY OF ND	6/15/90	0	0	0	
3HMJO-08-0084-0500952	MADOCK CITY OF ND	6/ 6/90	0	0	0	
3HMKO-08-0091-0500957	GENESEE WTR & SAN DISTRICT CO	6/27/90	0	0	0	
3HMKO-08-0092-0500958	GENESEE WTR & SAN DIST CO	6/27/90	0	0	0	
3HMJO-08-0093-0500960	MEETEETSE, TOWN OF WY	6/27/90	542,417	0	0	
3HMJO-08-0094-0500991	SOUTHEAST CASS WATER RES DI ND	7/ 3/90	0	0	0	
3HMJO-08-0095-0500992	MAPLE RIVER WATER RES DIST ND	7/ 3/90	0	0	0	
3HMKO-08-0096-0501022	GRAND FORKS, CITY OF ND	7/12/90	0	0	0	
3HMJO-08-0104-0501052	DEVILS LAKE, CITY OF ND	7/23/90	0	0	0	
3HMKO-08-0105-0501078	SO VALLEY WATER RECLAM FAC UT	7/31/90	0	0	0	
3HMKO-08-0106-0501079	VICTOR, CITY OF CO	7/31/90	0	0	0	
G3HMKO-08-0047-0501094	MET DENVER SEW DISP DIST #1 CO	8/ 3/90	0	0	0	
G3HMKO-08-0109-0501111	SO ADAMS CTY. WTR. & SAN. DICO	8/ 9/90	0	0	0	
G3HMKO-08-0110-0501123	BROOMFIELD, CITY OF CO	8/14/90	0	0	0	
G3HMJO-08-0116-0501228	LOVELL, TOWN OF WY	9/20/90	0	0	0	
N3HMKO-08-0070-0500802	ASSINIBOINE & SIOUX TRIBES CA	4/27/90	0	0	0	
N3HMKO-08-0052-0500854	CASPER COLLEGE WY	5/15/90	0	0	0	
N3HMKO-08-0086-0500922	SOUTHERN UTE INDIAN TRIBE CO	6/13/90	0	0	0	
N3HMKO-08-0088-0500942	WYOMING DEPT HLTH & SOC SER WY	6/22/90	0	0	0	
N3HMKO-08-0089-0500945	NORTH DAKOTA, UNIVERSITY OF ND	6/22/90	0	0	0	
N3HMKO-08-0080-0500948	CHEYENNE RIVER SIOUX TRIBE ND	6/22/90	0	0	0	
N3HMJO-08-0083-0500949	ND STATE UNIV ND	6/ 6/90	0	0	0	
N3HMKO-08-0097-0501023	BRIGHAM YOUNG UNIVERSITY UT	7/12/90	0	0	0	
N3HMKO-08-0081-0501077	CONF SALISH & KOOTENAI TRIB MT	7/31/90	0	0	0	
N3HMKO-08-0107-0501080	BOULDER, CITY OF CO	8/ 1/90	0	0	0	
N3HMKO-08-0098-0501126	LOWER BRULE SIOUX TRIBE SD	8/14/90	0	0	0	
N3HMKO-08-0113-0501206	LONGMONT, CITY OF CO	9/17/90	0	0	0	
N3HMKO-08-0115-0501227	LARIMER COUNTY CO	9/20/90	0	0	0	
TOTAL OF REGION 08 = 30			542,417	0	0	
C3HMKO-09-0195-0500911	HONOLULU, CITY AND COUNTY OF HI	5/23/90	0	0	0	
D3BMNO-09-0268-0300099	ROCKWELL INTERNATIONAL CORP CA	8/22/90				
G3HMKO-09-0224-0500959	FERNDALE, CITY OF CA	6/27/90	0	0	0	
G3HMKO-09-0248-0501089	SIERRA LAKES CO WATER DIST CA	8/ 2/90	477,390	0	0	
M3BMNO-09-0266-0300100	GUAM, GOVERNMENT OF	8/16/90				
N3HMKO-09-0149-0500757	SAN LUCAS COUNTY WATER DIST CA	4/ 3/90	0	0	0	
N3HMKO-09-0096-0500759	MAUI, COUNTY OF HI	4/ 3/90	0	0	0	
N3HMKO-09-0155-0500763	CALIF, UNIV OF, SAN DIEGO CA	4/ 6/90	0	0	0	
N3HMKO-09-0154-0500764	CALIF, UNIV OF, RIVERSIDE CA	4/ 6/90	0	0	0	
N3HMKO-09-0135-0500765	PLYMOUTH, CITY OF CA	4/ 6/90	0	0	0	
N3HMKO-09-0133-0500766	LOS ALAMOS COMM SERV DIST CA	4/ 6/90	0	0	0	
N3HMKO-09-0131-0500767	OROSI PUBLIC UTILITY DIST. CA	4/ 6/90	0	0	0	
N3HMKO-09-0134-0500768	SAN JUAN BAUTISTA, CITY OF CA	4/ 6/90	0	0	0	
N3HMKO-09-0099-0500769	SAN DIEGO ASSOC OF GOVTS CA	4/ 6/90	0	0	0	
N3HMKO-09-0163-0500789	FRESNO CTY GOV., COUNCIL OF CA	4/19/90	0	0	0	
N3HMKO-09-0164-0500790	LOS ANGELES COUNTY SAN DIST CA	4/19/90	0	0	0	
N3HMKO-09-0166-0500799	SACRAMENTO, COUNTY OF CA	4/24/90	0	0	0	
N3HMKO-09-0167-0500800	CALIF., UNIV. OF, SF CA	4/24/90	0	0	0	
N3HMKO-09-0177-0500801	MONTEREY BAY UNIFIED AIR POLCA	4/26/90	0	0	0	
N3HMKO-09-0178-0500803	SOUTH COAST AIR QUAL MGMT CA	4/27/90	0	0	0	
N3HMKO-09-0179-0500804	SANTA CRUZ, CITY OF CA	4/27/90	0	0	0	
N3HMKO-09-0180-0500805	SAN JOSE, CITY OF CA	4/27/90	0	0	0	
N3HMKO-09-0132-0500853	RURAL COMMUNITY ASSIST CORP CA	5/15/90	0	0	0	
N3HMKO-09-0191-0500856	EAST BAY MUNI UTIL DIST CA	5/15/90	97,553	0	0	
N3HMKO-09-0194-0500886	AUBURN, CITY OF CA	5/17/90	0	0	0	



Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommen- dation (Funds B To Better)
			Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
N3HMKO-09-0225-0500903	COLORADO RIVER INDIAN TRIBE	AZ 5/22/90	0	0	0	
N3HMKO-09-0091-0500919	HAWAII, COUNTY OF	HI 5/25/90	0	0	0	
N3HMKO-09-0210-0500921	KINGS, COUNTY OF	CA 6/13/90	0	0	0	
N3HMKO-09-0211-0500923	CORNING, CITY OF	CA 6/13/90	0	0	0	
N3HMKO-09-0216-0500943	SAN LUCAS COUNTY WATER DIST	CA 6/22/90	0	0	0	
N3HMKO-09-0217-0500944	ALBANY, CITY OF	CA 6/22/90	3,389	0	0	
N3HMKO-09-0219-0500946	VENTURA COUNTY OF	CA 6/22/90	0	0	0	
N3HMKO-09-0121-0500947	SOUTH COAST AIR QUAL MGT DI	CA 6/22/90	0	0	0	
N3HMJO-09-0201-0500950	STEGE SANITARY DISTRICT	CA 6/ 6/90	0	0	0	
N3HMKO-09-0200-0500951	SAN FRANCISCO, CITY OF	CA 6/ 6/90	0	0	0	
N3HMKO-09-0202-0500970	TRACY CITY OF	CA 6/ 8/90	0	0	0	
N3HMKO-09-0203-0500971	ORANGE COUNTY OF	CA 6/ 8/90	0	0	0	
N3HMKO-09-0204-0500972	OAKLAND CITY OF	CA 6/ 8/90	0	0	0	
N3HMKO-09-0205-0500973	LAKE COUNTY CA	CA 6/ 8/90	0	0	0	
N3HMKO-09-0095-0500993	SANTA CRUZ, CITY OF	CA 7/ 3/90	0	0	0	
N3HMJO-09-0128-0500994	CALIFORNIA, STATE OF	CA 7/ 3/90	0	0	0	
N3HMKO-09-0229-0500996	SONOMA, COUNTY OF	CA 7/ 5/90	0	0	0	
N3HMKO-09-0207-0501000	EUREKA, CITY OF	CA 7/ 6/90	0	0	0	
N3HMKO-09-0232-0501012	GUADALUPE, CITY OF	CA 7/ 9/90	0	0	0	
N3HMKO-09-0251-0501091	RENO, CITY OF	NV 8/ 2/90	0	0	0	
N3HMKO-09-0254-0501107	MERGED, COUNTY OF	CA 8/ 9/90	0	0	0	
N3HMKO-09-0255-0501108	SAN DIEGO, COUNTY OF	CA 8/ 9/90	0	0	0	
N3HMKO-09-0234-0501109	SOUTH TAHOE PUD	CA 8/ 9/90	0	0	0	
N3HMKO-09-0256-0501110	FRESNO, COUNTY OF	CA 8/ 9/90	0	0	0	
N3HMJO-09-0197-0501114	MARICOPA COUNTY	AZ 8/10/90	0	0	0	
N3HMKO-09-0257-0501115	GERBER-LAS FLORES COMM SER	CA 8/10/90	0	0	0	
N3HMKO-09-0258-0501117	SANTA CLARA VALLEY WATER DI	CA 8/10/90	0	0	0	
N3HMKO-09-0233-0501124	BAY AREA AIR QUALITY MGMT DICA	CA 8/14/90	0	0	0	
N3HMJO-09-0259-0501125	SAN JOAQUIN VALLEYWIDE AIR	CA 8/14/90	0	0	0	
N3HMKO-09-0260-0501136	SAN DIEGO, CITY OF	CA 8/15/90	0	0	0	
N3HMKO-09-0265-0501137	OCEANSIDE, CITY OF	CA 8/15/90	0	0	0	
N3HMKO-09-0278-0501171	MORRO BAY CITY OF	CA 8/29/90	0	0	0	
N3HMKO-09-0279-0501172	EASTERN MUNICIPAL WATER DIS	CA 8/30/90	0	0	0	
N3HMKO-09-0281-0501207	BANNING, CITY OF	CA 9/17/90	0	0	0	
N3HMKO-09-0276-0501208	HAWAII, DEPT. OF AGRIC.	HI 9/17/90	0	0	0	
N3HMKO-09-0287-0501209	ELSINORE VAL MUNI WATER DIS	CA 9/17/90	33,282	0	0	
N3HMKO-09-0288-0501212	GUALALA COMMUNITY SERV. DISTCA	CA 9/18/90	0	0	0	
N3HMKO-09-0296-0501230	REP OF THE MARSHALL ISLANDS	MH 9/20/90	0	0	0	
N3HMKO-09-0297-0501231	SHASTA COUNTY OF	CA 9/20/90	0	0	0	
N3HMKO-09-0277-0501232	PHOENIX, CITY OF	AZ 9/20/90	0	0	0	
N3HMKO-09-0237-0501233	MODESTO, CITY OF	CA 9/21/90	0	0	0	
N3HMKO-09-0235-0501248	HAWAII, DEPT OF HEALTH	HI 9/26/90	0	0	0	
N3HMKO-09-0301-0501249	GUALALA COMM. SERV.	CA 9/26/90	0	0	0	
TOTAL OF REGION 09 = 68			611,614	0	0	
G3HMKO-10-0030-0500751	TANGENT, CITY OF	OR 4/ 2/90	0	0	0	
G3HMKO-10-0031-0500752	SPRINGFIELD, CITY OF	OR 4/ 2/90	0	0	0	
G3HMKO-10-0059-0500758	NEWBERG, CITY OF	OR 4/ 3/90	0	0	0	
G3HMKO-10-0057-0500798	COEUR D' ALENE, CITY OF	ID 4/24/90	0	0	0	
G3HMJO-10-0070-0500904	COLLEGE PLACE, CITY OF	WA 5/22/90	0	0	0	
G3HMKO-10-0071-0500910	JUNEAU, CITY AND BOROUGH	AK 5/23/90	0	0	0	
G3HMJO-10-0072-0500969	MCCLEARY, CITY OF	WA 6/ 8/90	0	0	0	
G3HMKO-10-0087-0501053	HOMER, CITY OF	AK 7/23/90	0	0	0	
G3HMJO-10-0095-0501250	DAVENPORT, CITY OF	WA 9/26/90	0	0	0	
N3HMKO-10-0041-0500902	EUGENE, CITY OF	OR 5/22/90	0	0	0	
N3HMJO-10-0042-0500918	OREGON, STATE OF	OR 5/25/90	0	0	0	
N3HMJO-10-0067-0500990	ALASKA DEPT OF ENVIRON. CON	AK 7/ 3/90	0	0	0	
N3HMKO-10-0034-0500995	SUQUAMISH TRIBE	WA 7/ 5/90	0	0	0	

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HMJO-10-0033-0501090	IDAHO DEPT OF AGRICULTURE	ID	8/ 2/90	0	0	0	
HMJO-10-0073-0501093	WASHINGTON, STATE OF	WA	8/ 3/90	0	0	0	
HMKO-10-0028-0501116	NORTH BEND, CITY OF	OR	8/10/90	0	0	0	
HMKO-10-0083-0501135	PORTLAND, CITY OF	OR	8/15/90	0	0	0	
HMJO-10-0092-0501210	DEPT. COMMERCE & ECON DEV.	AK	9/17/90	10,167	0	0	
HMJO-10-0094-0501247	IDAHO DEPT OF LABOR & IND SVID		9/26/90	0	0	0	
TOTAL OF REGION 10 = 19				10,167	0	0	
TOTAL OTHER GRANT AUDITS = 515				2,155,614	0	0	
. SUPERFUND GRANTS							
5BFN9-04-0190-0300045	MS DEPT OF NAT RESOURCES	MS	4/20/90	1,593	0	0	
5BGN9-04-0213-0300048	GA DEPT OF NATURAL RESOURCES	GA	5/ 1/90	5,813	8,435	0	
5BGN9-04-0129-0300049	NC, DHR	NC	5/ 3/90	1,083	0	0	
TOTAL OF REGION 04 = 3				8,489	8,435	0	
5BHN9-08-0092-0300096	SO. ADAMS COUNTY WSD	CO	9/27/90	65,431	3,159,365	207,194	
TOTAL OF REGION 08 = 1				65,431	3,159,365	207,194	
5BKN9-09-0267-0300098	SOUTH BAY MULTI-SITE	CA	9/28/90	0	2,903,899	0	
TOTAL OF REGION 09 = 1				0	2,903,899	0	
5CHN9-10-0151-0300095	OREGON DEQ	OR	9/27/90	81,028	0	0	
TOTAL OF REGION 10 = 1				81,028	0	0	
5BFLO-11-0034-0100428	SF IAG-INTERIOR (OEPR)		8/13/90				
5BFLO-11-0035-0100475	SF IAGS - INTERIOR AGENCIES		8/24/90				
TOTAL OF REGION 11 = 2							
TOTAL SUPERFUND GRANTS = 8				154,948	6,071,699	207,194	
. OTHER CONTRACT AUDITS							
8BML0-01-0165-0100241	INDUSTRIAL ECONOMICS INC	MA	4/ 3/90	*The dollar value of contract audits have not been shown. Public disclosure of the dollar value of financial recommendations could prematurely reveal the Government's negotiating positions or release of this information is not routinely available under the Freedom of Information Act. The number of these reports and dollar value of the findings have been included in the aggregate data displayed below. Such data individually excluded in this listing will be provided to the Congress under separate memorandum within 30 days of the transmittal of the semiannual report to the agency head. The transmitted data will contain appropriate cautions regarding disclosure.			
8AML0-01-0164-0100242	GREAT LAKES TOWING CO.	OH	4/ 3/90				
8AML0-01-0166-0100243	GRADIENT CORPORATION	MA	4/ 3/90				
8AML0-01-0193-0100322	MIDWEST RESEARCH INSTITUTE	ME	5/23/90				
8AML0-01-0192-0100323	THE CADMUS GROUP WALTHAM	MA	5/23/90				
8AML0-01-0191-0100324	ABT ASSOCIATES CAMBRIDGE	MA	5/23/90				
8AML0-01-0190-0100325	THE CADMUS GROUP	MA	5/23/90				
78AML0-01-0194-0100352	TRC ENVIRONMENTAL CONSULTANT	CT	6/21/90				
78AML0-01-0211-0100375	CE ENVIRONMENTAL INC	ME	7/ 2/90				
78AML0-01-0219-0100378	CAMP DRESSER MCKEE INC	MA	7/ 9/90				
78AML0-01-0212-0100379	ALLIANCE TECHNOLOGIES	MA	7/ 9/90				
78AML0-01-0207-0100380	CADMUS GROUP	MA	7/ 9/90				
78AML0-01-0208-0100381	ENSR CORPORATION	MA	7/ 9/90				
78AML0-01-0209-0100382	ENSR CORPORATION	MA	7/ 9/90				
78AML0-01-0206-0100383	INDUSTRIAL ECONOMICS	MA	7/ 9/90				
78AML0-01-0205-0100384	ALLIANCE TECHNOLOGIES	MA	7/ 9/90				
DBAML0-01-0213-0100385	STONE & WEBSTER ENV. SUS.	MA	7/ 9/90				
DBAML0-01-0214-0100386	BARRY LAWSON ASSOCIATES	MA	7/ 9/90				
DBAML0-01-0218-0100387	TEMPLE BARKER & SLOANE INC.	MA	7/ 9/90				

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D8AWLO-01-0216-0100388	ALLIANCE TECHNOLOGIES	MA	7/ 9/90			
D8AWLO-01-0220-0100389	EASTERN RESEARCH GROUP	MA	7/ 9/90			
D8AWLO-01-0248-0100421	BADGER ENGINEERING INC.	MA	8/ 6/90			
D8AWLO-01-0250-0100422	BADGER ENGINEERING INC.	MA	8/ 6/90			
D8AWLO-01-0246-0100423	RESOURCE ANALYSTS INC.	NH	8/ 6/90			
D8AWLO-01-0247-0100424	RESOURCE ANALYSTS INC.	NH	8/ 6/90			
D8AWLO-01-0256-0100425	ARTHUR D. LITTLE	MA	8/ 6/90			
D8AWLO-01-0264-0100459	CADMUS GROUP	MA	8/28/90			
D8AWLO-01-0263-0100471	EASTERN RESEARCH GROUP	MA	9/ 6/90			
D8AWLO-01-0287-0100506	TOXIKON CORPORATION	MA	9/26/90			
D8AWLO-01-0276-0100507	EASTERN RESEARCH GROUP INC.	MA	9/26/90			
S8DWL9-01-0183-0100457	UNIVERSAL ENGINEERING CORP.	MA	8/23/90			
S8DWLO-01-0315-0100535	CHARLES J. KRASNOFF & ASSOC.RI		9/28/90			
TOTAL OF REGION 01 = 32						
D8AWLO-02-0228-0100312	KOHLMANN RUGGIERO	NY	5/ 9/90			
D8AWLO-02-0326-0100476	HYDROQUAL INC	NJ	9/13/90			
D8AWLO-02-0327-0100477	HYDROQUAL INC	NJ	9/13/90			
TOTAL OF REGION 02 = 3						
D8AWLO-03-0235-0100284	ATLIS FEDERAL SERVICES	MD	4/26/90			
D8AWLO-03-0236-0100285	CHELSEA INTERNATIONAL CORP	DC	4/26/90			
D8AWLO-03-0237-0100286	ENVIRONMENTAL MGMT SUP	MD	4/26/90			
D8AWLO-03-0238-0100287	GKY & ASSOCIATES INC	VA	4/26/90			
D8AWLO-03-0239-0100289	HYDROGEOLOGIC INC	VA	4/26/90			
D8AWLO-03-0240-0100290	HYDROGEOLOGIC INC	VA	4/26/90			
D8AWLO-03-0241-0100291	ICF INCORPORATED	VA	4/26/90			
D8AWLO-03-0242-0100292	JWK INTERNATIONAL CORP	VA	4/26/90			
D8AWLO-03-0243-0100293	MERIDIAN RESEARCH INC	MD	4/26/90			
D8AWLO-03-0244-0100294	MERIDIAN RESEARCH INC	MD	4/26/90			
D8AWLO-03-0245-0100295	MITCHELL SYSTEMS CORP	VA	4/26/90			
D8DWLO-03-0246-0100296	ROY F. WESTON INC.	PA	4/26/90			
D8AWLO-03-0247-0100297	SCIENCE & POLICY ASSOC INC	DC	4/26/90			
D8CWLO-03-0248-0100298	SRA TECHNOLOGIES INC	VA	4/26/90			
D8AWLO-03-0249-0100299	TECHNICAL RESOURCES INC	MD	4/26/90			
D8AWLO-03-0250-0100300	TECHNICAL RESOURCES INC	MD	4/26/90			
D8AWLO-03-0251-0100301	TECHNICAL RESOURCES INC	MD	4/26/90			
D8BWLO-03-0252-0100302	UNISYS CORPORATION DEFENSE	VA	4/27/90			
D8CWLO-03-0253-0100303	VIAR & COMPANY INC	VA	4/27/90			
D8AWLO-03-0254-0100304	WADE MILLER ASSOCIATES INC	VA	4/27/90			
D8AWLO-03-0273-0100326	ICF INCORPORATED	VA	5/24/90			
D8AWLO-03-0274-0100327	WESTAT INC	MD	5/24/90			
D8AWLO-03-0276-0100328	AUTOMATED SCIENCES GROUP	MD	5/24/90			
D8AWLO-03-0278-0100329	UNISYS CORPORATION	VA	5/24/90			
D8AWLO-03-0281-0100330	VIAR & COMPANY	VA	5/24/90			
D8AWLO-03-0284-0100331	ENVIRONOMICS INC	VA	5/24/90			
D8AWLO-03-0294-0100332	UNISYS CORPORATION	VA	5/24/90			
D8AWLO-03-0295-0100333	CONSERVATION FOUNDATION	DC	5/24/90			
D8AWLO-03-0296-0100336	SOBOTKA & COMPANY INC	DC	5/25/90			
D8AWLO-03-0298-0100337	EVALUATION RESEARCH CORP	VA	5/25/90			
D8AWLO-03-0275-0100338	CSC APPLIED TECHNOLOGY DIV	VA	5/25/90			
D8AWLO-03-0277-0100339	EARTH SATELLITE CORPORATION	MD	5/25/90			
D8AWLO-03-0279-0100340	GENERAL SCIENCES CORPORATION	MD	5/25/90			
D8AWLO-03-0280-0100341	AMERICAN MANAGEMENT SYSTEMS	VA	5/25/90			
D8AWLO-03-0282-0100342	TECHNICAL RESOURCES INC	MD	5/25/90			
D8DWLO-03-0328-0100363	BOOZ ALLEN & HAMILTON	MD	6/28/90			
D8AWLO-03-0334-0100364	CRC SYSTEMS INC	VA	6/28/90			

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			Ineligible Costs	Unsupported Costs	Unnecessary/ Unreasonable Costs	
AMLO-03-0335-0100365	SOLUTIONS BY DESIGN	VA	6/28/90			
AMLO-03-0337-0100366	ASCI CORPORATION	VA	6/28/90			
CMLO-03-0327-0100367	SOBOTKA & COMPANY INC	DC	6/28/90			
AMLO-03-0329-0100368	CC JOHNSON & MALHOTRA PC	MD	6/28/90			
AMLO-03-0330-0100369	MERIDIAN CORPORATION	VA	6/28/90			
AMLO-03-0331-0100370	INFORMATION MANAGEMENT DIV	VA	6/28/90			
AMLO-03-0332-0100371	JACA CORPORATION	PA	6/28/90			
AMLO-03-0333-0100372	ENERGY & ENVIRONMENTAL	VA	6/28/90			
AMLO-03-0336-0100373	S COHEN & ASSOCIATES	VA	6/28/90			
AMLO-03-0363-0100391	C.C. JOHNSON & MALHOTRA	MD	7/11/90			
AMLO-03-0364-0100392	C.C. JOHNSON & MALHOTRA	MD	7/11/90			
AMLO-03-0365-0100393	RESOURCE APPLICATIONS INC	VA	7/11/90			
AMLO-03-0366-0100394	MARASCO NEWTON GROUP LTD	VA	7/11/90			
AMLO-03-0367-0100395	ICF INCORPORATED	VA	7/12/90			
BMLO-03-0368-0100396	ICF INCORPORATED	VA	7/12/90			
EMLO-03-0369-0100397	SAUM ENTERPRISES INC	VA	7/12/90			
AMLO-03-0370-0100398	FORD AEROSPACE CORPORATION	MD	7/12/90			
CMLO-03-0371-0100399	POLICY & PLANNING EVAL	VA	7/12/90			
AMLO-03-0372-0100400	APOGEE RESEARCH INC	MD	7/12/90			
AMLO-03-0373-0100401	INFO SYSTEMS SOLUTION INTER	MD	7/12/90			
AMLO-03-0374-0100402	AMERICAN MANAGEMENT SYSTEMS	VA	7/12/90			
AMLO-03-0375-0100403	ROY F. WESTON INC	PA	7/12/90			
AMLO-03-0377-0100405	ROY F WESTON	PA	7/13/90			
AMLO-03-0397-0100432	DAVID C COX & ASSOCIATES	DC	8/14/90			
AMLO-03-0398-0100433	CDM FEDERAL PROGRAMS CORP	VA	8/14/90			
AMLO-03-0399-0100434	BETHLEHEM STEEL CORPORATION	PA	8/14/90			
AMLO-03-0401-0100436	RESOURCE APPLICATIONS	VA	8/14/90			
AMLO-03-0402-0100437	RESOURCE APPLICATIONS INC	VA	8/14/90			
AMLO-03-0403-0100439	VIRGYAN INC	VA	8/14/90			
AMLO-03-0404-0100441	ICF TECHNOLOGY INC	VA	8/15/90			
AMLO-03-0405-0100442	CONCEPTUAL SYSTEMS INC	MD	8/15/90			
AMLO-03-0400-0100443	WESTAT INC	MD	8/16/90			
CMLO-03-0406-0100444	VIAR AND COMPANY	VA	8/16/90			
3AMLO-03-0423-0100494	ENVIRONMENTAL MGMT SUP	MD	9/25/90			
3CMLO-03-0424-0100495	BIONETICS CORPORATION	VA	9/25/90			
3CMLO-03-0425-0100496	BIONETICS CORPORATION	VA	9/25/90			
3AMLO-03-0426-0100497	ENERGY & ENVIRONMENTAL ANAL	VA	9/25/90			
3AMLO-03-0427-0100498	JWK INTERNATIONAL CORP	VA	9/25/90			
3CMLO-03-0428-0100499	KENDRICK & COMPANY	DC	9/25/90			
3AMLO-03-0429-0100500	PACIFIC ENVIRONMENTAL SER	VA	9/25/90			
3AMLO-03-0430-0100501	TECHNOLOGY & MGMT SERVICE	MD	9/25/90			
8AMLO-03-0431-0100502	TECHNICAL RESOURCES INC	MD	9/25/90			
8DMLO-03-0432-0100503	BENDIX FIELD ENGINEERING	MD	9/25/90			
8AMLO-03-0433-0100504	VIAR AND COMPANY	VA	9/25/90			
8AMLO-03-0444-0100510	BOOZ ALLEN & HAMILTON INC	MD	9/26/90			
8EMLO-03-0440-0100511	NETWORK MANAGEMENT INC	VA	9/26/90			
8AMLO-03-0441-0100512	JACA CORPORATION	PA	9/26/90			
8DMLO-03-0442-0100513	PACIFIC ENVIRONMENTAL SERV	VA	9/26/90			
8DMLO-03-0439-0100514	BOOZ ALLEN & HAMILTON INC	MD	9/26/90			
8AMLO-03-0438-0100515	CLEMENT INTERNATIONAL	VA	9/26/90			
8AMLO-03-0446-0100516	ULTRA TECHNOLOGIES	MD	9/26/90			
8DMLO-03-0436-0100517	SOBOTKA & COMPANY INC	DC	9/26/90			
8AMLO-03-0434-0100518	DYNAMAC CORPORATION	MD	9/26/90			
8AMLO-03-0435-0100529	DYNAMAC CORPORATION	MD	9/28/90			
8AMLO-03-0437-0100530	E.H. PECHAN & ASSOCIATES	VA	9/28/90			
8AMLO-03-0443-0100531	TECHNICAL RESOURCES INC	MD	9/28/90			
8AMLO-03-0445-0100532	WOODWARD-CLYDE FEDERAL	MD	9/28/90			
TOTAL OF REGION 03 =			94			

Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unnecessary/Unreasonable Costs	
D8AWLO-04-0206-0100246	GKY & ASSOCIATES (ES & E)	FL	4/ 3/90			
D8AWLO-04-0221-0100272	NSI TECHNOLOGY	NC	4/19/90			
D8AWLO-04-0235-0100276	KILKELLY ENV. ASSOC	NC	4/25/90			
D8AWLO-04-0262-0100321	META INC. COMPUTER SCIENCES	FL	5/21/90			
D8AWLO-04-0295-0100374	NSI TECHNOLOGY	NC	6/29/90			
D8AWLO-04-0335-0100414	RESEARCH & EVALUATION ASSOC	NC	7/24/90			
D8AWLO-04-0363-0100440	ENTROPY ENVIRONMENTALISTS	AL	8/15/90			
D8AWLO-04-0362-0100445	ENTROPY ENVIRONMENTALISTS	NC	8/17/90			
D8AWLO-04-0361-0100446	RESEARCH & EVALUATION	NC	8/17/90			
D8DWLO-04-0360-0100447	ENTROPY ENVIRONMENTALISTS	NC	8/17/90			
D8DWLO-04-0359-0100448	ENTROPY ENVIRONMENTALISTS	NC	8/17/90			
D8DWLO-04-0358-0100449	ENTROPY ENVIRONMENTALISTS	NC	8/17/90			
D8DWLO-04-0357-0100450	ENTROPY ENVIRONMENTALISTS	NC	8/17/90			
D8AWLO-04-0376-0100472	NSI TECHNOLOGY	NC	9/ 7/90			
D8AWLO-04-0389-0100493	E. H. PECHAN & ASSOCIATES	NC	9/25/90			
D8CWLO-04-0395-0100520	SYSTEMS RESEARCH & DEV.	NC	9/26/90			
D8AWLO-04-0401-0100521	AMBAC INTERNATIONAL	SC	9/26/90			
H8AWLO-04-0234-0100278	RESEARCH TRIANGLE INSTITUTE	NC	4/25/90			
H8AWLO-04-0232-0100279	RESEARCH TRIANGLE INSTITUTE	NC	4/25/90			
H8AWLO-04-0230-0100280	RESEARCH TRIANGLE INSTITUTE	NC	4/25/90			
H8AWLO-04-0231-0100281	RESEARCH TRIANGLE INSTITUTE	NC	4/25/90			
H8AWLO-04-0367-0100468	RESEARCH TRIANGLE INSTITUTE	NC	8/31/90			

TOTAL OF REGION 04 = 22

D8DWLO-05-0230-0100255	LIFE SYSTEMS INC FY 87	OH	4/10/90			
D8DWLO-05-0229-0100260	LIFE SYSTEMS INC FY 86	OH	4/12/90			
D8DWLO-05-0227-0100261	LIFE SYSTEMS INC FY 89	OH	4/12/90			
D8DWLO-05-0228-0100263	LIFE SYSTEMS INC FY 88	OH	4/12/90			
D8DWLO-05-0257-0100264	LIFE SYSTEMS INC FY 88	OH	4/12/90			
D8AWLO-05-0323-0100358	BMI COLUMBUS	OH	6/26/90			
D8AWNO-05-0377-0300072	PRC ENVIRONMENTAL MGT	IL	7/26/90			
D8AWNO-05-0376-0300073	PRC ENVIRONMENTAL MGT	IL	7/26/90			
D8AWNO-05-0412-0300078	BMI COLUMBUS	OH	8/14/90			
D8EMNO-05-0413-0300079	ANIMAL NUTRITION INC	IL	8/14/90			
D8AWNO-05-0415-0300086	ANIMAL NUTRITION INC	IL	8/27/90			
P8AXNO-05-0240-0300062	OH MATERIALS (ARMY)	OH	5/31/90			

TOTAL OF REGION 05 = 12

D8CWLO-06-0159-0100253	RADIAN CORPORATION	TX	4/ 9/90			
D8CSLO-06-0158-0100254	SOUTHWEST RESEARCH INSTITUTETX		4/10/90			
D8AWLO-06-0165-0100273	FTN ASSOCIATES, LTD.	AR	4/20/90			
D8AWLO-06-0184-0100320	RADIAN CORPORATION	TX	5/14/90			
D8ABLO-06-0211-0100359	LOCKHEED ENGINEERING & SCI	TX	6/26/90			
D8AWLO-06-0212-0100360	LOCKHEED ENGINEERING & SCI	TX	6/26/90			
D8AALO-06-0227-0100451	RADIAN CORPORATION	TX	8/20/90			
D8CWLO-06-0228-0100452	RADIAN CORPORATION	TX	8/20/90			
D8CPLO-06-0229-0100453	RADIAN CORPORATION	TX	8/20/90			
D8AALO-06-0245-0100466	EG&G AUTOMOTIVE RESEARCH INSTX		8/30/90			
D8AALO-06-0246-0100467	RADIAN CORPORATION	TX	8/30/90			
D8CWLO-06-0251-0100509	SOUTHWEST RESEARCH INSTITUTETX		9/26/90			

TOTAL OF REGION 06 = 12

D8AWLO-07-0210-0100240	MIDWEST RESEARCH INSTITUTE	MO	4/ 3/90			
D8DWLO-07-0233-0100361	BLACK & VEATCH	MO	5/31/90			
D8CWLO-07-0262-0100416	DEVELOPMENT PLANNING & RESE	KS	7/30/90			
D8BHLO-07-0263-0100417	BLACK & VEATCH INCORPORATED	MO	7/31/90			

Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unnecessary/Unreasonable Costs	
D8DWLO-07-0270-0100429	FRANKLIN ASSOCIATES LIMITED KS	8/13/90				
D8CML0-07-0269-0100430	DEVELOPMENT PLANNING & RESOUKS	8/13/90				
D8DWLO-07-0271-0100431	FRANKLIN ASSOCIATES LIMITED KS	8/13/90				
D8EWLO-07-0272-0100438	FRANKLIN ASSOCIATES LTD. KS	8/14/90				
D8AALO-07-0274-0100455	MIDWEST RESEARCH INSTITUTE MO	8/21/90				
D8APLO-07-0286-0100465	MIDWEST RESEARCH INSTITUTE MO	8/30/90				
D8AALO-07-0290-0100488	MIDWEST RESEARCH INSTITUTE MO	9/24/90				
D8ABLO-07-0291-0100505	MIDWEST RESEARCH INSTITUTE MO	9/26/90				
D8ABLO-07-0293-0100526	MIDWEST RESEARCH INSTITUTE MO	9/27/90				
D8AWLO-07-0238-0100537	DEVELOPMENT PLANNING & RESC KS	6/ 1/90				
D8DWLO-07-0235-0100538	DEVELOPMENT PLANNING & RESC KS	5/31/90				
D8DWLO-07-0234-0100539	DEVELOPMENT PLANNING & RESC KS	5/31/90				
D8ASLO-07-0236-0100540	DEVELOPMENT PLANNING & RESCHKKS	5/30/90				
D8AWLO-07-0237-0100541	KANSAS, UNIVERSITY OF KS	5/30/90				
TOTAL OF REGION 07 = 18						
D8APLO-08-0069-0100262	WOODWARD-CLYDE CONSULTANTS CO	4/12/90				
D8AWLO-08-0077-0100319	RCG/HAGLER, BAILLY, INC. CO	5/11/90				
TOTAL OF REGION 08 = 2						
D8APLO-09-0156-0100256	AQUA TERRA CONSULTANTS CA	4/11/90				
D8CML0-09-0157-0100257	SYSTEM APPLICATIONS, INC CA	4/11/90				
D8CML0-09-0158-0100258	SYSTEMS APPLICATIONS, INC CA	4/11/90				
D8CML0-09-0159-0100259	SYSTEMS APPLICATIONS, INC CA	4/12/90				
D8AWLO-09-0160-0100269	ECO ANALYSIS, INC CA	4/18/90				
D8AWLO-09-0161-0100270	TETRA TECH, INC CA	4/18/90				
D8AWLO-09-0162-0100271	TETRA TECH, INC CA	4/18/90				
D8CML0-09-0172-0100282	SYSTEMS APPLICATIONS, INC. CA	4/25/90				
D8CML0-09-0173-0100283	SYSTEMS APPLICATIONS, INC CA	4/25/90				
D8DWLO-09-0182-0100305	TRACOR MBA CA	5/ 1/90				
D8CALO-09-0183-0100306	SYSTEMS APPLICATIONS, INC CA	5/ 1/90				
D8CML0-09-0184-0100311	ENGINEERING SCIENCE, INC. CA	5/ 8/90				
D8CALO-09-0186-0100313	ENERGY & RESEARCH CORP CA	5/ 9/90				
D8CALO-09-0187-0100314	ENERGY & ENV RESEARCH CORP CA	5/ 9/90				
D8CALO-09-0188-0100315	SRI INTERNATIONAL CA	5/ 9/90				
D8CALO-09-0185-0100317	ENERGY & ENV RESEARCH CORP CA	5/ 9/90				
D8AWLO-09-0190-0100318	GEO/RESOURCE CONSULTANT INC. CA	5/11/90				
D8CALO-09-0209-0100344	ENERGY & ENV RESEARCH CORP CA	6/12/90				
D8CALO-09-0208-0100345	ENERGY & ENV. RESEARCH CORP CA	6/13/90				
D8CALO-09-0212-0100346	ENERGY & ENV RESEARCH CORP CA	6/15/90				
D8CALO-09-0213-0100347	ENERGY & ENV RESEARCH CORP CA	6/15/90				
D8CALO-09-0214-0100348	ENERGY & ENV RESEARCH CORP CA	6/15/90				
D8AWLO-09-0215-0100349	TETRA TECH CA	6/15/90				
D8CALO-09-0218-0100353	ENERGY & ENV RESEARCH CORP CA	6/22/90				
D8CALO-09-0220-0100355	ENERGY & ENV RESEARCH CORP CA	6/22/90				
D8AWLO-09-0221-0100356	ECO ANALYSIS, INC CA	6/22/90				
D8AWLO-09-0231-0100390	ENGINEERING-SCIENCE INC CA	7/ 9/90				
D8CALO-09-0206-0100409	ENERGY & ENV. RES. CORP CA	6/ 8/90				
D8AALO-09-0222-0100412	GEO/RESOURCE CONSULTANTS INCCA	6/27/90				
D8CML0-09-0245-0100413	S-CUBED, A DIV. OF MAXWELL CA	7/20/90				
D8AALO-09-0252-0100420	AEROCOMP, INC CA	8/ 3/90				
D8CALO-09-0267-0100456	AEROCOMP, INC CA	8/22/90				
D8AWLO-09-0269-0100460	JONES & STOKES ASSOC., INC CA	8/28/90				
D8AALO-09-0270-0100461	ACUREX CORP CA	8/28/90				
D8AALO-09-0271-0100462	AEROCOMP INC CA	8/28/90				
D8CALO-09-0272-0100463	ENERGY & ENVIRON. RESEARCH CA	8/28/90				
D8BML0-09-0282-0100469	JRB ASSOCIATES VA	8/31/90				

Audit Control Number	Auditee	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unnecessary/Unreasonable Costs	
D8APLO-09-0283-0100473	ACUREX CORP.	CA	9/ 7/90			
D8AWLO-09-0284-0100474	ACUREX CORP	CA	9/ 7/90			
D8AWLO-09-0289-0100483	ACUREX CORP	CA	9/18/90			
D8AWLO-09-0290-0100484	ACUREX CORP	CA	9/18/90			
D8AALO-09-0302-0100522	ENGINEERING SCIENCE, INC	CA	9/26/90			
D8BMLO-09-0304-0100527	THE RAND CORP	CA	9/27/90			
D8BMLO-09-0305-0100528	THE RAND CORP	CA	9/27/90			
D8AMNO-09-0150-0300042	AQUA TERRA CONSULTANTS	CA	4/11/90			
D8AANO-09-0189-0300050	ERC ENVIRON. & ENERGY SVCS.	CA	5/ 9/90			
D8AMNO-09-0227-0300071	S-CUBED	CA	7/ 5/90			
D8AMNO-09-0264-0300083	S-CUBED	CA	8/15/90			
D8BMNO-09-0230-0300101	ROCKWELL INTL CORP	CA	7/ 9/90			
TOTAL OF REGION 09 = 49						
D8AWLO-10-0062-0100265	PTI ENVIRONMENTAL SVCS	WA	4/12/90			
D8AWLO-10-0063-0100266	PTI ENVIRONMENTAL SVCS	WA	4/12/90			
D8AWLO-10-0064-0100267	PTI ENVIRONMENTAL SVCS	WA	4/12/90			
D8AMNO-10-0061-0300044	PTI ENVIRONMENTAL SVCS	WA	4/12/90			
D8AMNO-10-0091-0300089	OMNI ENVIRONMENTAL SERVICES	OR	9/14/90			
M8CMLO-10-0065-0100268	COOPER CONSULTANTS, INC.	OR	4/18/90			
TOTAL OF REGION 10 = 6						
TOTAL OTHER CONTRACT AUDITS		= 250	1,688,301	1,101,818	1,615	89,021,722
9. SUPERFUND CONTRACTS						
D9AKLO-02-0306-0100427	ECOLOGY AND ENVIRONMENT	NY	8/ 9/90			
TOTAL OF REGION 02 = 1						
P9AHNO-04-0326-0300093	FOUR SEASONS INDUSTRIAL INC	SC	9/20/90			
TOTAL OF REGION 04 = 1						
P9AHNO-05-0260-0300047	OH MATERIALS (PR EQ RATES)	OH	4/27/90			
P9AHNO-05-0365-0300084	OHM REMEDIATION	OH	8/16/90			
TOTAL OF REGION 05 = 2						
D9AKLO-06-0207-0100354	RADIAN CORPORATION	TX	6/22/90			
D9AKLO-06-0222-0100426	RADIAN CORPORATION	TX	8/ 7/90			
TOTAL OF REGION 06 = 2						
D9AKLO-09-0223-0100362	JACOBS ENGINEERING GRP., INCCA		6/27/90			
TOTAL OF REGION 09 = 1						
TOTAL SUPERFUND CONTRACTS		= 7				9,040,132
TOTAL AUDITS = 891			49,417,050	33,135,943	22,240,737	122,395,439

HDQ 771 - - REPORTS ISSUED BY TYPE AUDIT AND REGION  
SEMI-ANNUAL PERIOD ENDING 9/30/90

THE INSPECTOR GENERAL ACT REQUIRES A SUMMARY OF EACH AUDIT REPORT ISSUED BEFORE THE COMMENCEMENT OF THE REPORTING PERIOD FOR WHICH NO MANAGEMENT DECISION HAS BEEN MADE BY THE END OF THE REPORTING PERIOD (INCLUDING THE DATE AND TITLE OF EACH SUCH REPORT), AN EXPLANATION OF THE REASONS SUCH MANAGEMENT DECISION HAS NOT BEEN MADE, AND A STATEMENT CONCERNING THE DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION ON EACH SUCH REPORT. (The IG provides the summary, the date and title of each such report. The Agency provides the explanation of the reasons such management decision has been made, and a statement concerning the desired timetable for achieving a management decision on each such report.)

#### Followup Status Codes of Agency's Response at 9/30/90:

No Response  
 Incomplete Response Received  
 Proposed Response Received Awaiting Final Determination  
 Proposed Response Received in Review Process  
 Final Response Received in Review Process  
 In Pre-ARB Referral Process

Assignment Control Number	Title	Final Report Issued
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#### SISTANT ADMINISTRATOR FOR WATER

7F8-04-0331-0100208	REG 4 WATER DIV WETLAND BR GA	3/22/90
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**Summary:** EPA'S WETLAND POLICY CONFLICTS WITH COE, INEFFECTIVE USE OF AVAILABLE LAND REGULATORY STATUTES, INADEQUATE SECTION 404 JURISDICTIONAL AUTHORITY, AND ION 4'S INSUFFICIENT PROGRAM DEVELOPMENT AND RESOURCES SIGNIFICANTLY DECREASED EFFECTIVENESS OF EPA'S WETLAND PROTECTION.

#### EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:

MANAGEMENT DECISION LETTER SENT TO OIG ON 7/13/90. OIG DISAGREED WITH ION AS WRITTEN AND ASKED FOR MORE SPECIFIC INFORMATION. MANAGEMENT'S ISED RESPONSE WAS RECENTLY PREPARED AND IS BEING REVIEWED BEFORE RELEASE TO

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED SOLUTION DATE IS 11/30/90.

FOLLOWUP STATUS AT 9/30/90: [ 2 ]

WF9-05-0251-0100206	USER CHARGE SYSTEM	R5	3/28/90
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**Summary:** OUR REVIEW FOUND THAT EPA IS NOT ENSURING THAT \$75 BILLION IN PUBLIC ISTATEMENT IN WWTPS IS BEING SAFEGUARDED FROM DETERIORATION, EPA IS NOT ENSURING AT GRANTEES GENERATE SUFFICIENT REVENUE THROUGH ADEQUATE USER CHARGE SYSTEMS PROPERLY OPERATE, MAINTAIN AND REPLACE WWTPS.

#### EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:

PREPARATION OF THE MANAGEMENT DECISION REQUIRED COORDINATION WITH IONAL OFFICES TO GET THE MUNICIPAL PERSPECTIVE. THAT INFORMATION HAS BEEN LLECTED AND THE FINAL DETERMINATION LETTER (FDL) PREPARED. THE MANAGEMENT ISION IS BEING REVIEWED BEFORE RELEASE TO THE OIG.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED SOLUTION IS 12/31/90

FOLLOWUP STATUS AT 9/30/90: [ 1 ]

#### SISTANT ADMINISTRATOR, OFFICE OF

JSG0-05-6003-0400011	EXPORT OF HAZARDOUS WASTE FOLLOWUP	3/30/90
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**Summary:** AGENCY IMPROVEMENTS RESULTS IN BETTER CONTROL OVER EXPORTS OF ZARDOUS WASTE.

#### EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:

THE RESPONSE REQUIRES THE COORDINATION OF THREE DIFFERENT PROGRAM OFFICES THE AGENCY. THAT COORDINATION IS BEING COMPLETED AND THE FINAL MANAGEMENT ISION LETTER PREPARED.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED SOLUTION DATE IS 11/30/90.

FOLLOWUP STATUS AT 9/30/90: [ 1 ]

GAG9-05-6001-9400044	ASBESTOS NESHAPS ACP FOLLOWUP	9/28/89
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**Summary:** ALTHOUGH PROGRESS HAS BEEN MADE, ALL OF THE CORRECTIVE ACTION THE AGENCY PLANNED TO RESOLVE OUR 1988 REPORT RECOMMENDATIONS HAVE NOT BEEN COMPLETED.

#### EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:

RESPONSE REQUIRED COORDINATION OF SEVERAL DIFFERENT PROGRAM OFFICES IN IE AGENCY. THAT COORDINATION WAS COMPLETED AND THE PROPOSED MANAGEMENT ISION

ESPONSE WAS SIGNED AND SENT TO OIG ON APRIL 16, 1990. ON MAY 22, 1990, THE OIG EQUESTED ADDITIONAL INFORMATION BEFORE IT CAN AGREE ON RESOLUTION. THE ESOLUTION IS EXPECTED BY DECEMBER 1, 1990.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:**

3 FOLLOWUP STATUS AT 9/30/90: [2]

Assignment Control Number	Title	Final Report Issued
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#### DIRECTOR, WATER DIVISION, REGION 4

P2CWN9-04-0034-0300018	FLORENCE KY	2/29/89
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**Summary:** FLORENCE KY CLAIMED \$915,509 OF INELIGIBLE OR UNSUPPORTED COSTS THIS CONSISTED OF \$181,649 OF INELIGIBLE ENGINEERING FEES & CONSTRUCTION COSTS. IN ADDITION, \$733,860 OF UNSUPPORTED COSTS WERE QUESTIONED.

#### EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:

MANAGEMENT DECIDED TO DELAY ISSUING THE FDL UNTIL A GENERAL AGREEMENT COULD BE REACHED BETWEEN PROGRAM, OIG, AND GRANTS ADMINISTRATION UNIT AS TO WHAT CONSTITUTES ACCEPTABLE ALTERNATIVE DOCUMENTATION. ORIGINAL DOCUMENTS WERE DESTROYED BY FIRE.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 12/31/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

#### PROCUREMENTS CONTRACTS MANAGEMENT DIVISION Financial Analysis Section

P9AHN9-05-0347-0300036	OH MATERIALS (PR EQ RATES)	OH	3/27/90
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**Summary:** WE HAVE RECOMMENDED REDUCTIONS OF \$670,000 TO PROPOSED FIXED RATES FOR EQUIPMENT PRIMARILY BECAUSE OF ERRORS IN UTILIZATION METHODS, ADJUSTMENTS FOR FULLY DEPRECIATED EQUIPMENT AND UNSUPPORTED ESTIMATES AND ASSUMPTIONS BY THE CONTRACTOR.

#### EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:

CONTRACT HAS NOT BEEN AWARDED YET. NEGOTIATIONS ARE STILL PENDING.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:**

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

#### PROCUREMENT CONTRACTS MANAGEMENT DIVISION Washington Cost Advisory Branch

P9AHN9-05-0460-0300007	OH MATERIALS (ZONE 4A)	OH	10/31/89
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**Summary:** WE RECOMMENDED REDUCTIONS OF \$781,847 TO THE PROPOSED COSTS FOR RELOCATION INCENTIVES, DIRECT CHARGE OF ANTICIPATED BONUS AND IMPROPERLY CALCULATED BASE WORK YEAR.

#### EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:

CONTRACT HAS NOT BEEN AWARDED YET. NEGOTIATIONS ARE STILL PENDING.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:**

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P9AHN9-10-0167-0300023	RIEDEL ENVIRONMENTAL SERV OR		2/ 1/90
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#### \*Summary:

**EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** CONTRACT HAS NOT BEEN AWARDED YET. NEGOTIATIONS ARE STILL PENDING.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:**

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

#### GRANTS ADMINISTRATION DIVISION

M3BBL0-04-0197-0100211	INSTITUTE FOR TECH DEVELOP	MS	3/23/90
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#### \*Summary:

**EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** DEPARTMENT OF COMMERCE DID THE INITIAL AUDIT. THE AGENCY REQUESTED A FULL AUDIT BY EPA'S OIG. THE OIG HAS DECIDED NOT TO DO A FULL AUDIT. THE AUDIT WILL BE RESOLVED BASED ON THE COMMERCE FINDINGS.

**DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 12/15/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]



Assignment Control Number	Title		Final Report Issued
G3HMJ9-05-0498-0500043	NEW LONDON LSD FY 88	OH	10/16/89
<b>*Summary:</b> <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE FINAL DETERMINATION LETTER WAS SENT TO THE GRANTEE AND THE OIG. [Action Official faxed the Final Determination Letter to the OIG on 10/2/90.] <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> OIG CLOSED THIS AUDIT ON 10/3/90.  IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]			
G3HMJ9-05-0493-0500045	SW MERCER LSD FY 88	OH	10/16/89
<b>*Summary:</b> <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE FINAL DETERMINATION LETTER WAS SENT TO THE GRANTEE AND THE OIG. [Action Official faxed the Final Determination Letter to the OIG on 10/2/90.] <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> OIG CLOSED THIS AUDIT ON 10/3/90.  IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]			
G3HMJ0-05-0070-0500169	GIBSONBURG VSD FY 88	OH	11/ 3/89
<b>*Summary:</b> <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE FINAL DETERMINATION LETTER WAS SENT TO THE GRANTEE AND THE OIG. [Action Official faxed the Final Determination Letter to the OIG on 10/2/90.] <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> OIG CLOSED THIS AUDIT ON 10/3/90.  IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]			
C3HMJ0-05-0078-0500194	ADA EXEMPTED VSD FY 88	OH	11/ 9/89
<b>*Summary:</b> <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE FINAL DETERMINATION LETTER WAS PREPARED 2/14/90 AND SENT TO THE GRANTEE AND OIG ON THAT DATE. [Action official faxed the Final Determination Letter to the OIG on 10/30/90.] <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> OIG SHOULD CLOSE THIS AUDIT SHORTLY.  IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]			
G3HMJ0-05-0063-0500196	NELSONVILLE-YORK CSD FY 88	OH	11/ 9/89
<b>*Summary:</b> <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE FINAL DETERMINATION LETTER WAS SENT TO THE GRANTEE AND OIG. [Action Official faxed the Final Determination Letter to the OIG on 10/2/90.] <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> OIG SHOULD CLOSE THIS AUDIT SHORTLY. [IG closed this audit on 10/3/90.]  IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]			
G3HMJ0-05-0066-0500198	NORTHERN LSD FY 88	OH	11/ 9/89
<b>*Summary:</b> <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE FINAL DETERMINATION LETTER WAS SENT TO THE GRANTEE AND THE OIG. [Action Official faxed the Final Determination Letter to the OIG on 10/2/90.] <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> OIG CLOSED THE AUDIT ON 10/3/90.  IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]			

#### REGION 5 GRANTS FINANCIAL MANAGEMENT

P2CWN6-05-0044-0300006	WHITING	IN	10/30/89
<b>Summary:</b> WE QUESTIONED INELIGIBLE CONSTRUCTION AND ENGINEERING COSTS OF \$136,803. IN ADDITION, WE QUESTIONED UNSUPPORTED ADMINISTRATIVE EXPENSES OF \$16,500. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE OIG ACCEPTED MANAGEMENT'S DECISION AND CLOSED THIS AUDIT 10/3/90. <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> IG FOLLOWUP STATUS AT 9/30/90: [ 3 ] <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> FDL SHOULD BE RELEASED BY 1/18/91.  IG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			

Assignment Control Number	Title		Final Report Issued
N3HMK0-05-0143-0500671	WAYNE CO FY 88	MI	3
<b>*Summary:</b> <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> GRANTEE WAS ASKED BY AGENCY TO PROVIDE ADDITIONAL INFORMATION ABOUT POSSIBLE EARNED INTEREST ON GRANT MONEY. MANAGEMENT DECISION LETTER WAS TO OIG ON 9/22/90. OIG IS REVIEWING THE DECISION TO DETERMINE IF THEY WILL CLOSE THE AUDIT. <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> EXPECTED DECISION BY THE OIG IN OCT. 1990.  IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]			
P2CWN4-05-0183-5100159	EUCLID	OH	7
<b>Summary:</b> WE QUESTIONED THE ENTIRE GRANT AWARD OF ALMOST \$14.3 MILLION. THE GRANTEE FAILED TO MEET GRANT CONDITION NO. 3 AND OPERATE THE PLANT SUFFICIENTLY TO MEET IT NPDES PERMIT. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE GRANTEE IS IN LITIGATION WITH THEIR CONTRACTOR OVER INCURRED COSTS. AGENCY MUST AWAIT THE OUTCOME OF THAT LEGAL PROCESS BEFORE COMPLETING THE MANAGEMENT DECISION. <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> IG FOLLOWUP STATUS AT 9/30/90: [ 3 ]			
P3DWL1-05-0360-5100559	PRC ENG CT FY 80/81	IL	9/
<b>Summary:</b> WE RECOMMENDED OVERHEAD RATES OF 145.36 PERCENT AND 131.73 PERCENT FOR FISCAL YEARS 1981 AND 1980, RESPECTIVELY. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> INITIALLY PREPARED FDL DISALLOWING \$686,156 OF LEGAL AND SETTLEMENT COSTS. OIG AGREED. SUBSEQUENTLY, OIG REVERSED ITS POSITION AND REINSTATED THESE COSTS. REGION DISAGREED AND REFERRED THE AUDIT TO OFFICE OF REGIONAL COUNSEL.  P2CWN4-05-0357-6100389 DETROIT WSD MI 8/			
<b>Summary:</b> THE CITY OF DETROIT, MI CLAIMED OVER \$169,000 OF UNREASONABLE ENGINEERING COSTS. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION EXPECTED BY 1/1/91.  IG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
P2GWN4-05-0264-6100390	DETROIT WSD	MI	8/
<b>Summary:</b> WE QUESTIONED INELIGIBLE FORCE ACCOUNT COSTS OF \$20,872 INCURRED PRIOR TO GRANT AWARD. IN ADDITION, UNSUPPORTED FORCE ACCOUNT COSTS OF \$36,370 INCURRED AFTER THE APPROVED CONSTRUCTION COMPLETION DATE WERE QUESTIONED. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION EXPECTED BY 1/1/91.  IG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
P2CWN4-05-0263-6100391	DETROIT WSD	MI	8/
<b>Summary:</b> THE GRANTEE CLAIMED UNREASONABLE FORCE ACCOUNT COSTS OF \$286,000. GRANTEE ALSO CLAIMED INELIGIBLE COSTS OF \$15,000. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION EXPECTED BY 1/1/91.  IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]			
P2CWN4-05-0280-6100574	DETROIT WSD	MI	9/3
<b>Summary:</b> WE QUESTIONED INELIGIBLE COST OF \$293,000 MOSTLY FOR CHANGE ORDERS. WE QUESTIONED UNNECESSARY COST OF \$399,000 FOR FORCE ACCOUNT AND GRANTEE DEVELOPMENT CHANGE ORDER COSTS OF \$148,00 WERE UNSUPPORTED. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>=DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION EXPECTED BY 1/1/91.  IG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			

Assignment Control Number	Title		Final Report Issued
WN4-05-0265-6100575	DETROIT WSD	WI	9/30/86
<b>Summary:</b> THE GRANTEE CLAIMED INELIGIBLE AND UNSUPPORTED CONSTRUCTION COSTS OF \$9,000. THE GRANTEE ALSO CLAIMED UNREASONABLE ENGINEERING COSTS OF \$374,000. <b>PLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
WN5-05-0242-7000034	DETROIT WSD	MI	10/ 6/86
<b>Summary:</b> WE QUESTIONED INELIGIBLE CONSTRUCTION AND ENGINEERING COSTS OF \$20,006 ADDITION. WE QUESTIONED UNSUPPORTED ENGINEERING COSTS 40,495 INCURRED AFTER THE APPROVED CONSTRUCTION COMPLETION DATE. <b>PLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
WN5-05-0246-7000044	DETROIT WSD	MI	10/ 7/86
<b>Summary:</b> THE GRANTEE CLAIMED UNREASONABLE FORCE ACCOUNT COSTS OF \$336,000. <b>PLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
WN5-05-0275-7000045	DETROIT WSD	MI	10/ 7/86
<b>Summary:</b> WE QUESTIONED \$60,000 OF INELIGIBLE ENGINEERING AND CONSTRUCTION ENGINEERING COSTS OF \$112,000 INCURRED AFTER THE APPROVED CONSTRUCTION COMPLETION DATE WERE NOT SUPPORTED. <b>PLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
WN5-05-0247-7000049	DETROIT WSD	MI	10/ 8/86
<b>Summary:</b> WE QUESTIONED UNREASONABLE TECHNICAL SERVICES AND CONSTRUCTION COSTS \$59,000 <b>PLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
WN5-05-0276-7000050	DETROIT WSD	MI	10/ 8/86
<b>Summary:</b> WE QUESTIONED \$59,000 OF INELIGIBLE ENGINEERING COSTS. ENGINEERING COSTS \$433,600 INCURRED AFTER THE APPROVED CONSTRUCTION COMPLETION DATE WERE NOT SUPPORTED. <b>PLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			

Assignment Control Number	Title		Final Report Issued
E2BWL5-05-0136-7000980	SAUGET	IL	3/31/87
<b>Summary:</b> SAUGET, IL WAS AWARDED FEDERAL FUNDS IN EXCESS OF \$7 MILLION FOR INELIGIBLE AND UNNECESSARY PROJECT COSTS. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE AUDIT REPORT HAS COMPLEX ISSUES WITH TOTAL QUESTIONED AND SET-ASIDE COSTS OF \$15,323,316. WE ARE SEEKING GUIDANCE FROM REGIONAL COUNSEL AND WATER DIVISION A DEVIATION REQUEST IS PENDING IN EPA HEADQUARTERS. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS SUSPENDED PENDING THE OUTCOME OF THESE ACTIONS.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
P2GWN5-05-0132-8000464	DETROIT WSD	MI	1/20/88
<b>Summary:</b> DETROIT CLAIMED INELIGIBLE COSTS OF ALMOST \$2.6 MILLION RESULTING FROM ITS FAILURE TO HONOR A CONTRACT. WE ALSO QUESTIONED UNSUPPORTED COSTS OF ALMOST \$2.1 MILLION. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
P2CWN7-05-0237-8100724	DETROIT WSD	MI	8/29/88
<b>Summary:</b> DETROIT, MI CLAIMED OVER \$274,000 OF INELIGIBLE CONSTRUCTION COSTS. WE ALSO QUESTIONED UNSUPPORTED ENGINEERING AND FORCE ACCOUNT COSTS OF \$662,000. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
P2GWN5-05-0169-8100774	DETROIT WSD	MI	9/ 1/88
<b>Summary:</b> WE QUESTIONED INELIGIBLE CONSTRUCTION AND ENGINEERING COSTS OF \$96,520. ENGINEERING COSTS OF \$992,430 INCURRED AFTER THE APPROVED CONSTRUCTION COMPLETION DATE ARE UNSUPPORTED. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE RESOLUTION OF THIS AUDIT REQUIRED THE AGENCY TO DEVELOP GUIDANCE ON DETERMINING THE ALLOWABILITY OF COSTS INCURRED AFTER THE CONTRACT COMPLETION DATE SPECIFIED IN A GRANT. THIS GUIDANCE WAS ISSUED ON 10/1/90. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> RESOLUTION IS EXPECTED BY 1/1/91			
OIG FOLLOWUP STATUS AT 9/30/90: [ 2 ]			
P2CWP6-05-0111-9400026	PONTIAC	MI	3/31/89
<b>Summary:</b> THE GRANTEE CLAIMED INELIGIBLE CONSTRUCTION AND ENGINEERING COSTS OF \$128,522 AN ADDITIONAL \$134,735 OF UNSUPPORTED ENGINEERING COSTS WERE QUESTIONED. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE GRANTEE IS IN LITIGATION WITH THEIR CONTRACTOR OVER INCURRED COSTS. THE AGENCY MUST AWAIT THE OUTCOME OF THAT PROCESS BEFORE COMPLETING THE MANAGEMENT DECISION. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b>			
OIG FOLLOWUP STATUS AT 9/30/90: [ 3 ]			
<b>REGIONAL ADMINISTRATOR, REGION 3</b>			
P2CW*6-03-0049-0100231	DELAWARE SOLID WASTE AUTH	DE	3/29/90
<b>Summary:</b> RECOMMENDED COST RECOVERY INCLUDES INELIGIBLE (\$3,020,105) PRELIM. EXP., AE BASIC FEES, PROJECT INSPECTION FEES, CONSTRUCTION ; TECHNICAL SERVICE AND START-UP COSTS AND GRANT RELATED INCOME AND (\$521,105) UNSUPPORTED AE BASIC FEES, AND CONSTRUCTION COSTS. <b>-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</b> THE AUDIT REPORT INVOLVED COMPLEX TECHNICAL ISSUES AND SEVERAL DISCUSSIONS WITH THE PROGRAM MANAGERS AND AUDITORS WERE NECESSARY. TO CARRYOUT THESE DISCUSSIONS SEVERAL MEETINGS HAD TO BE ARRANGED. <b>-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:</b> A FINAL DETERMINATION LETTER WAS SENT TO THE OIG ON 9/28/90.			
OIG FOLLOWUP STATUS AT 9/30/90: [ 4 ]			

Assignment Control Number	Title	Final Report Issued
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P2CW*6-03-0237-0100237	HAMPTON ROADS SANITATION VA	3/30/90
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**Summary:** RECOMMENDED COST RECOVERY INCLUDES INELIGIBLE (\$156,009) AE FEES AND UNSUPPORTED (\$244,350) GRANT RELATED INCOME.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** DUE TO THE SIGNIFICANT DOLLAR AMOUNTS (OVER \$109 MILLION CLAIMED) AND COMPLEX ISSUES, THE PROGRAM REQUIRED ADDITIONAL TIME TO CONDUCT THE REVIEW AND SUBMIT THEIR RECOMMENDATIONS TO THE AUDIT MANAGEMENT SECTION. THE GRANTEE'S RESPONSE WAS EXTREMELY DETAILED.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** A FINAL DETERMINATION LETTER WAS SUBMITTED TO OIG ON 9/28/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 4 ]

P2CW*7-03-0210-0100238	HAMPTON RDS SANITATION VA	3/30/90
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**Summary:** RECOMMENDED COST RECOVERY INCLUDES \$3.7 MILLION OF INELIGIBLE ENGINEERING AND CONSTRUCTION COSTS AND \$2 MILLION OF UNSUPPORTED LAND COSTS.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** DUE TO THE SIGNIFICANT DOLLAR AMOUNTS (OVER \$109 MILLION CLAIMED) AND COMPLEX ISSUES, THE PROGRAM REQUIRED ADDITIONAL TIME TO CONDUCT THE REVIEW AND SUBMIT COMMENTS TO THE AUDIT MANAGEMENT SECTION. THE GRANTEE'S RESPONSE WAS EXTREMELY DETAILED.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** A FINAL DETERMINATION LETTER WAS SUBMITTED TO THE OIG ON 9/28/90

IG FOLLOWUP STATUS AT 9/30/90: [ 4 ]

## REGIONAL ADMINISTRATOR, REGION 2

P2CW*8-02-0033-0100119	NASSAU CO NY	1/23/90
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**Summary:** THE COUNTY OF NASSAU, NEW YORK CLAIMS \$11,172,040 IN UNALLOWABLE PROJECT COSTS IN THE CONSTRUCTION OF LATERAL AND TRUNK SEWERS UNDER GRANT C3609B2-05.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AUTHORITY RESPONSIBLE FOR THE AUDIT'S RESOLUTION. DUE TO A LARGE NUMBER OF AUDITS REQUIRING RESOLUTION AND A LACK OF STAFF AT NYSDEC, THE AUDIT COULD NOT BE RESOLVED BY 9/30/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 1ST QUARTER OF FY91.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P2CW*7-02-0220-0100122	CASTILE NY	1/25/90
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**Summary:** THE TOWN OF CASTILE, NY CLAIMED \$185,214 FOR INELIGIBLE COSTS OF \$21,321 ASSOCIATED WITH CONSTRUCTION OF A PUMP STATION, LIFT STATIONS, COLLECTION SEWERS, A FORCE MAIN, INTERCEPTORS AND SEWAGE TREATMENT PLANT MODIFICATIONS

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AUTHORITY RESPONSIBLE FOR THE AUDIT'S RESOLUTION. DUE TO A LARGE NUMBER OF

AUDITS REQUIRING RESOLUTION AND A LACK OF STAFF AT NYSDEC, THE AUDIT COULD NOT BE RESOLVED BY 9/30/90

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 1ST QUARTER OF FY91.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P2CW*8-02-0176-0100124	OSWEGO NY	1/25/90
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**Summary:** THE GRANTEE CLAIMED UNALLOWABLE COSTS OF \$371,943

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** FINAL

MANAGEMENT DECISION LETTER WAS SENT TO OIG ON 9/24/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** OIG HAS ACCEPTED THE MANAGEMENT DECISION AND WILL CLOSE THE AUDIT SHORTLY.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P2CW*8-02-0027-0100125	AUBURN NY	1/25/90
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**Summary:** THE CITY OF AUBURN, NY CLAIMED \$1,900,049 FOR INELIGIBLE COSTS OF \$1,302,680 AND UNSUPPORTED COSTS OF \$597,369 ASSOCIATED WITH THE PREPARATION OF PLANS AND SPECIFICATIONS AND CONSTRUCTION OF NEW SANITARY SEWERS AND PHOSPHOROUS REMOVAL FACILITIES.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AUTHORITY RESPONSIBLE FOR THE AUDIT'S RESOLUTION. DUE TO A LARGE NUMBER OF AUDITS REQUIRING RESOLUTION AND A LACK OF STAFF AT NYSDEC, THE AUDIT COULD NOT BE RESOLVED BY 9/30/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 1ST QUARTER OF FY91.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

Assignment Control Number	Title	Final Report Issued
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P2CW*8-02-0028-0100129	NYC - SPRING CREEK NY	1
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**Summary:** THE GRANTEE CLAIMED TOTAL UNALLOWABLE COSTS OF \$2,944,029 FOR THE AND CONSTRUCTION OF A RETENTION BASIN.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AUTHORITY RESPONSIBLE FOR THE AUDIT'S RESOLUTION. DUE TO A LARGE NUMBER OF AUDITS REQUIRING RESOLUTION AND A LACK OF STAFF AT NYSDEC, THE AUDIT COULD NOT BE RESOLVED BY 9/30/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 1ST QUARTER OF FY91.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P2CW*7-02-0228-0100139	WESTCHESTER CO NY	2
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**Summary:** THE GRANTEE CLAIMED TOTAL UNALLOWABLE COSTS OF \$6,404,317 TO UPC WASTEWATER TREATMENT PLANT.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AUTHORITY RESPONSIBLE FOR THE AUDIT'S RESOLUTION. DUE TO A LARGE NUMBER OF AUDITS REQUIRING RESOLUTION AND A LACK OF STAFF AT NYSDEC, THE AUDIT COULD NOT BE RESOLVED BY 9/30/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 1ST QUARTER OF FY91.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P2CWL9-02-0049-0100229	NASSAU COUNTY NY	3/
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**Summary:** THE GRANTEE CLAIMED TOTAL UNALLOWABLE COSTS OF \$138,923 FOR THE CONSTRUCTION OF VARIOUS SOLIDS HANDLING MODIFICATIONS TO A TREATMENT PLANT AND SLUDGE DEWATERING FACILITY.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AUTHORITY RESPONSIBLE FOR THE AUDIT'S RESOLUTION. DUE TO A LARGE NUMBER OF AUDITS REQUIRING RESOLUTION AND A LACK OF STAFF AT NYSDEC, THE AUDIT COULD NOT BE RESOLVED BY 9/30/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 1ST QUARTER OF FY91.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P2CWL9-02-0208-0100233	AMHERST NY	3/
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**Summary:** THE GRANTEE CLAIMED UNALLOWABLE COSTS OF \$1,294,339 FOR CONSTRUCTION YOUNGS ROAD INTERCEPTOR AND COLLECTION SEWERS FOR SOUTHEAST AMHERST.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AUTHORITY RESPONSIBLE FOR THE AUDIT'S RESOLUTION. DUE TO A LARGE NUMBER OF AUDITS REQUIRING RESOLUTION AND A LACK OF STAFF AT NYSDEC, THE AUDIT COULD NOT BE RESOLVED BY 9/30/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 1ST QUARTER OF FY91.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

P5BGL9-02-0366-0100245	NYS MULTI-SITE NY	3/
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**Summary:** THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION CLAIMED UNALLOWABLE COSTS OF \$293,032 COMPRISED OF INELIGIBLE COSTS OF \$71,897 AND UNSUPPORTED COSTS OF \$221,135 ASSOCIATED WITH THE REMEDIAL INVESTIGATION/FEASIBILITY STUDY ON THREE HAZARDOUS WASTE SITES AT FULTON TERM CLOTHIER AND VOLNEY LANDFILL.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE AUDIT REPORTED THAT THE THREE SUPERFUND CLEAN-UP SITES HAD SIGNIFICANT BUDGET OVERRUNS, NO FORMAL SUBCONTRACTS, AND OTHER QUESTIONED COSTS. THE NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION RECENTLY SUBMITTED DOCUMENTATION REQUESTING FORMAL BUDGET MODIFICATIONS AND EPA ACCEPTANCE OF THE FULLY EXECUTED SUBCONTRACTS.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** THE AGENCY EXPECTS TO ISSUE A FINAL DETERMINATION BY 11/15/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

G3HMK0-02-0145-0500441	HUDSON REG HEALTH COMM NJ	1/1
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## \*Summary:

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** THE AUDIT QUESTIONED COSTS CHARGED SOLELY TO THE EPA GRANT WHEN, IN FACT, OTHER GRANTS BENEFITTED FROM THE DISBURSEMENT. THE AGENCY HAS REQUESTED THAT THE AUDITOR DETERMINE WHAT PERCENTAGE OF THE COSTS SHOULD BE ALLOCATED TO THE EPA GRANT.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** THE AGENCY EXPECTS TO ISSUE A RESOLUTION LETTER BY 11/15/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

Assignment Control Number	Title	Final Report Issued
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C3HMK0-02-0165-0500589	EQB	PR	2/15/90
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**\*Summary:**

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

THE AUDIT QUESTIONED COSTS IN SEVERAL PROGRAM GRANTS. EQB HAS EXPERIENCED SIGNIFICANT FINANCE DEPARTMENT STAFF TURNOVER INCLUDING THE CHIEF OF FINANCE (THE PRIMARY PERSON WORKING ON RESOLUTION). EQB RECENTLY INFORMED THE AGENCY THAT AN AUDIT RESPONSE WILL BE SUBMITTED SHORTLY.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** FINAL RESOLUTION IS EXPECTED BY 11/30/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

G3HMK0-02-0169-0500601	LOVE CANAL AREA REVIT AGENCY NY	2/22/90
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**\*Summary:**

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

THE GRANTEE HAS OVERSPENT IN SEVERAL BUDGET CATEGORIES, SIGNIFICANTLY UNDERSPENT THE OVERALL GRANT AWARD, AND MAJOR GRANT ACTIVITY IS STILL TO BE ACCOMPLISHED. THE GRANTEE HAS SUBMITTED A FORMAL REQUEST FOR GRANT EXTENSION. THE AGENCY HAS REQUESTED ADDITIONAL INFORMATION FROM THE GRANTEE.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** A FINAL DETERMINATION IS EXPECTED BY 11/30/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

E2CWL9-02-0063-9100508	NYSDEC 205 G	NY	9/29/89
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**Summary:** NYSDEC'S ADMINISTRATION OF THE CONSTRUCTION MANAGEMENT ASSISTANCE PROGRAM (205 (G)) WAS NOT ADEQUATE TO ENSURE THE PROPER CONTROLLING AND REPORTING OF PROGRAM EXPENDITURES.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

THE AUDIT INCLUDED OVER \$1 MILLION IN PERSONNEL SERVICE COSTS CLAIMED BY NEW YORK STATE. THE STATE HAS SUBMITTED A PROPOSED APPROACH TO REVIEW AND ANALYZE APPROXIMATELY THREE YEARS OF TIME/EFFORT ACTIVITY. THIS PROPOSED APPROACH IS BEING REVIEWED BY THE AGENCY AND THE AUDITORS.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 12/31/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 2 ]

**Regional Administrator, Region 9**

S2CW*7-09-0015-0200001	SULTANA COMM SER DIST	CA	11/22/89
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**Summary:** INELIGIBLE COSTS WERE \$22,753 AND UNREASONABLE COSTS WERE \$808,753. THE UNREASONABLE COSTS WERE ASSOCIATED WITH THE PIPELINE CONSTRUCTION AS A RESULT OF THE EXISTENCE OF SAGS AND DEFLECTIONS IN THE COMPLETED PIPELINE. WE HAVE ASKED FOR A REGIONAL TECHNICAL INSPECTION.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

A FINAL DETERMINATION LETTER WAS SENT TO THE OIG ON 5/18/90. OIG DISAGREED WITH THE RESPONSE TO ONE OF THE FINDINGS. THE AUDIT RECOMMENDED THAT FLOW MEASUREMENTS BE REVIEWED BY THE STATE WATER RESOURCES CONTROL BOARD (SWRCB) TO DETERMINE IF FACILITIES ARE OPERATING AT A FLOW LEVEL OF 75 PERCENT OR MORE. SWRCB IMPLEMENTED MANDREL TESTING STUDIES TO ASSESS THE AUDIT'S FINDINGS. TESTS WERE COMPLETED IN MIDSEPTEMBER AND SWRCB IS REVIEWING THE RESULTS.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS OCT. 1990.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

S5BG*8-09-0202-0300037	CA DEPT OF HEALTH	CA	3/30/90
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**Summary:** COSTS OF \$2,419,415 QUESTIONED AS INELIGIBLE AND \$1,639,629 AS UNREASONABLE INELIGIBLES RELATED TO FORCE ACCOUNT AND CONTRACT COSTS. UNREASONABLE RELATED TO CONTRACT COSTS. GRANTEE'S FINANCIAL MANAGEMENT SYSTEM DETERMINED INADEQUATE. MOST INELIGIBLE COST RESULT OF THIS.

-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DUE TO THE LARGE NUMBER OF COMPLEX FINANCIAL ISSUES AND REVIEW TIME NEEDED TO ACCESS THE LARGE VOLUME OF HISTORICAL RECORDS RELATED TO RESOLVING THE PROGRAMMATIC ISSUES, THE MANAGEMENT DECISION LETTER HAS TAKEN OVER SIX MONTHS TO RESOLVE. A MANAGEMENT DECISION WAS PROVIDED TO THE OIG ON 9/26/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 10/31/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 4 ]

Assignment Control Number	Title	Final Report Issued
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S2CW*7-09-0116-0300038	SAN DIEGO, CITY OF	CA	3/30/90
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**Summary:** COSTS OF \$13,177,522 QUESTIONED AS INELIGIBLE AND \$33,460,195 QUESTIONED AS UNREASONABLE/UNNECESSARY. INELIGIBLE RELATED TO CONSTRUCTION CONTRACT AND CO COSTS, A/E, AND F/A COSTS OTHER COST QUESTIONED RELATED TO GUF, EXCESSIVE AXE, AND NO SEWER USE ORDINANCE APPROVED.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

THE AGENCY AND OIG HAD TO ADDRESS ISSUES CONCERNING THE COST EFFECTIVENESS OF THE GAS UTILIZATION FACILITY. MANAGEMENT DECISION WAS PROVIDED TO THE OIG ON 9/27/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** OIG WILL CLOSE THE AUDIT SHORTLY.

IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]

N3HMK0-09-0022-0500031	MARSHALL ISLANDS, REPUBLIC	MH	10/11/89
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**Summary:** THE REPORT QUESTIONED COSTS OF \$130,678: \$128,000 FOR DESIGN SERVICES FOR WHICH BID DOCUMENTATION COULD NOT BE LOCATED AND \$10,678 IN PROGRAM EXPENDITURES WHICH EXCEEDED AUTHORIZED AMOUNTS.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

THIS AUDIT COVERED TWO GRANTS -- ONE CONSTRUCTION GRANT AND ONE PROGRAMMATIC GRANT. THE AGENCY DID NOT RECEIVE AN ADEQUATE RESPONSE TO EXPLAIN THE QUESTIONED COSTS UNTIL THE DEPARTMENT OF THE INTERIOR PROVIDED A COPY OF AN FY89 AUDIT WHICH INDICATED THAT ALL QUESTIONED COSTS HAD BEEN RESOLVED.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 10/31/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

N3HMK0-09-0061-0500293	TRUST TERR OF THE PAC ISD	MP	12/12/89
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**\*Summary:**

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

THE TRUST TERRITORIES OF THE PACIFIC ISLANDS HAS YET TO RESPOND TO THE AGENCY'S INITIAL INQUIRY REGARDING THE AUDIT'S QUESTIONED COSTS OF OVER \$7,000. THE AGENCY IS WORKING WITH THE OIG TO PREPARE A FINAL DETERMINATION LETTER FOR THE GRANTEE.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS 10/31/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

E2CW*7-09-0091-8100958	MAUI COUNTY OF	HI	9/29/88
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**Summary:** FINAL AUDIT OF 3 CONSTRUCTION GRANTS AND AN INTERIM AUDIT OF 1 GRANT FOR WASTEWATER TREATMENT SYSTEM FOUND INOPERABLE AND UNDER-UTILIZED FACILITIES WITH TOTAL COSTS QUESTIONED OF \$32,305,267 (F.S. \$24,428,213). FACILITIES POORLY MAINTAINED, ABANDONED, AND REDUNDANT.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

ISSUES RELATING TO UNUSED CAPACITY AND MAINTENANCE OF FACILITIES WERE DIFFICULT TO RESOLVE LOCALLY. THE FINAL DETERMINATION LETTER WAS PROVIDED TO THE OIG ON 9/27/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** OIG WILL CLOSE THE AUDIT SHORTLY.

IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]

S2CW*7-09-0166-9300096	MORRO BAY/CAYUCOS WTF	CA	9/18/89
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**Summary:** FINAL AUDIT OF 3 CONSTRUCTION GRANTS FOR DESIGN AND UPGRADE OF WASTEWATER TREATMENT PLANT FOUND TOTAL COSTS QUESTIONED OF \$255,113 (F.S. \$191,337). THE INELIGIBLE COSTS WERE PRIMARILY FOR CONSTRUCTION COSTS OUTSIDE THE SCOPE OF THE CONTRACT.

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

ISSUES CONCERNING POST AUDIT COSTS CLAIMED HAD TO BE RESOLVED BETWEEN THE STATE WATER BOARD AND THE OIG. ALSO, THE GRANTEE'S APPEAL OF A PREVIOUS AUDIT IMPACTED THE RESOLUTION OF THIS AUDIT. THE FINAL DETERMINATION LETTER WAS PROVIDED TO THE OIG ON 9/27/90.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** THE OIG WILL CLOSE THE AUDIT SHORTLY.

IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]

E2AWP9-09-0065-9400025	HOMELAND EARLY WARNING	CA	3/31/89
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**Summary:** SPECIAL REVIEW OF CONSTRUCTION GRANT OF WASTEWATER TREATMENT PLANT FOUND \$3,737,139 IN FED. SHARE COSTS QUESTIONED. AN EARLY WARNING LETTER ADVISED THAT COSTS FOR THE COLLECTION SYSTEM PORTION OF THE PROJECT DID NOT QUALIFY FOR FUNDING BECAUSE OF THE "2/3 RULE".

**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:**

THE OIG IS TRANSMITTING THIS AUDIT TO THE AUDIT RESOLUTION GROUP (ARG). AFTER REVIEW, IF THE ARG CANNOT RESOLVE THE AUDIT, IT WILL BE NECESSARY TO PRESENT IT TO THE AGENCY'S AUDIT RESOLUTION BOARD. WHILE THIS IS OCCURRING, THE GRANTEE IS WORKING TO RESOLVE THE ISSUE TO THE AUDITOR'S SATISFACTION.

**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:**

IG FOLLOWUP STATUS AT 9/30/90: [ 2 ]

Assignment Control Number	Title	Final Report Issued
E2AWP9-09-0230-9400043	EARLY WARNING-MARINA CWD CA	9/26/89

**Summary:** SPECIAL REVIEW OF GRANT TO BUY CAPACITY RIGHTS FROM REGIONAL WASTEWATER TREATMENT PLANT RESULTED IN AN EARLY WARNING LETTER TO EPA MANAGEMENT THAT THE AWARD VIOLATED 40 CFR3S 2250 AND THAT TOTAL COSTS QUESTIONED OF \$1,694,000 (F.S. \$931,700) WOULD CAUSE "WINDFALL".  
**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** RESOLUTION OF THIS AUDIT IS BEING HELD IN ABEYANCE PENDING THE EXPECTED ISSUANCE IN DEC. 90 OF AN AUDIT REPORT FOR THE MONTEREY REGIONAL POLLUTION CONTROL AGENCY.  
**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION OF THIS AUDIT IS MARCH 1991.

IG FOLLOWUP STATUS AT 9/30/90: [ 5 ]

#### REGIONAL ADMINISTRATOR, REGION 6

E2CWN9-06-0150-0300017	PASADENA TX	12/26/89
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**Summary:** THE CITY OF PASADENA, TX DID NOT MAINTAIN TWO CRYOGENIC OXYGEN GENERATION UNITS IN A SERVICABLE CONDITION AS REQUIRED BY EPA REGULATIONS. THE BID PRICE FOR THE OXYGEN GENERATION FACILITIES IN THE AMOUNT OF \$2,761,660 WAS QUESTIONED IN OUR AUDIT REPORT.  
**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** ORIGINAL MANAGEMENT DECISION MADE 1/16/90. GRANTEE DISPUTED FINDINGS. SECOND MANAGEMENT DECISION MADE 6/13/90. OIG DISAGREED WITH THAT DECISION AND REQUESTED ADDITIONAL INFORMATION FROM THE GRANTEE. MOST RECENT MANAGEMENT DECISION WAS PREPARED ON 8/15/90 AND IS BEING REVIEWED BY THE OFFICE OF REGIONAL COUNSEL.  
**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** IG FOLLOWUP STATUS AT 9/30/90: [ 3 ]

#### REGIONAL ADMINISTRATOR, REGION 8

P2CW*8-08-0068-0100212	DELTA, CITY OF CO	3/23/90
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**Summary:** CITY OF DELTA, CO DID NOT FULLY MEET THE OBJECTIVES OF AN EPA CONSTRUCTION GRANT AWARDED TO THEM TO ALLEVIATE HEALTH HAZARDS CREATED BY FAILING SEPTIC TANKS IN THE NORTH DELTA AREA.  
**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** A PROPOSED DECISION WAS SUBMITTED TO THE OIG ON 7/12/90. THE OIG RESPONDED THAT THE GRANT DID NOT MEET THE PRIMARY OBJECTIVE OF SERVICING NORTH DELTA. THE AGENCY CONTENDS THAT THE OBJECTIVES WERE MET.  
**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** THE AUDIT WAS REFERRED TO HQ IG ON 7/30/90.

IG FOLLOWUP STATUS AT 9/30/90: [ 6 ]

TOTAL AUDITS ISSUED BEFORE REPORTING PERIOD FOR WHICH NO MANAGEMENT DECISION WAS MADE DURING THE REPORTING PERIOD: 64

\* = Agency procedures do not require the IG's approval on Agency's Management Decision on an audit (other than a preaward or an internal and management audit) with the Federal share of questioned costs of less than \$100,000. Therefore, we have not provided a summary of the audit.

Assignment Control Number	Title	Final Report Issued
P5CG*8-08-0117-9100484	COLORADO DOH CO	9/2

**Summary:** FINAL AUDIT OF COOPERATIVE AGREEMENT FOR EVALUATION AND REMEDIATION PL. CLEAN YAK TUNNEL/CA GULCH SUPERFUND SITE FOUND TOTAL COSTS QUESTIONED OF \$1,181,967,468 WAS FOR UNSUPPORTED AND UNAUDITED SUBCONTRACTOR COSTS.  
**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** 4/10/90, THE REGION SUBMITTED ITS FINAL DECISION TO THE OIG. THE OIG DID NOT CONCU RECOMMENDED REFERRAL TO THE AUDIT RESOLUTION BOARD. ON 7/13/90 HQ/OIG MET WI GRANTS ADMINISTRATION DIVISION (GAD) AND AGREED TO ALLOW THE COSTS IF GAD APPROX DEVIATION FROM PROCUREMENT REGULATIONS. A REQUEST WAS SUBMITTED 9/25/90.  
**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS DEC. 1990.

IG FOLLOWUP STATUS AT 9/30/90: [ 6 ]

#### REGIONAL ADMINISTRATOR, REGION 10

E2AWP0-10-0017-0400012	ELBE WATER DIST EARLY WARN WA	3/2
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**Summary:** THE ELBE WATER AND SEWER DIST PROPOSED TO CONSTRUCT A \$2.2 MILLI MODIFICATION OR REPLACEMENT TO SERVE 39 HOUSES (ABOUT \$60,000 PER HOUSE). HOWEVER PROJECT WAS NEITHER COST EFFECTIVE NOR DID IT QUALIFY AS A MODIFICATION OR REPLAC PROJECT.  
**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** OIG HAS FOLLOWED-UP WITH REGIONAL MANAGEMENT ON A DISPOSITION OF THIS AUDIT. TECHNICAL REVIEW WAS REQUESTED FROM THE PROGRAM TO DETERMINE IF THIS WAS A FAIL DESIGN.  
**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** EXPECTED RESOLUTION IS DEC. 1990

IG FOLLOWUP STATUS AT 9/30/90: [ 1 ]

E3BG*6-10-0066-8100761	MOSES LAKE IRR & REHAB DIST WA	8/3
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**Summary:** INTERIM AUDIT OF DEMONSTRATION GRANT TO RESTORE MOSES LAKE AND TO CC NON-POINT POLLUTION SOURCES FOUND TOTAL COSTS QUESTIONED OF \$2,439,103 (F.S. \$1,201,000). GRANTEE USED STANDARD METHODOLOGY INSTEAD OF DEVELOPING NEW INNOVATIVE TECHNI  
**-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:** PROGRAM OFFICIALS AND THE OIG COULD NOT RESOLVE THIS AUDIT. EPA'S AUDIT RESOLUTION WAS ASKED TO INTERVENE TO RESOLVE THE ISSUES.  
**-DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:** RESOLUTION ANTICIPATE IN DEC. 1990

IG FOLLOWUP STATUS AT 9/30/90: [ 6 ]

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