



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) conducted a review of earmarked grants known as Special Appropriation Act Projects issued to local and tribal governments. We selected the Wayne County Water and Sewer Authority, New York, for review.

Background

The Wayne County Water and Sewer Authority received an EPA Special Appropriation Act Project grant, Grant No. XP98247201. The purpose of the grant was to provide Federal assistance of \$4,350,000 for designing and constructing a 500,000 gallon per day regional wastewater treatment plant and sewer line in the Town of Wolcott, New York. The Wayne County Water and Sewer Authority was required to provide local matching funds equal to 45 percent of the EPA-awarded funds.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2008/20071217-08-2-0045.pdf

Unallowable Federal Funds Drawn on EPA Grant No. XP98247201 Awarded to the Wayne County Water and Sewer Authority, New York

What We Found

The Wayne County Water and Sewer Authority (grantee) claimed and was reimbursed for preaward costs of \$276,268 that are unallowable under Federal regulations and the grant terms and conditions. As a result, EPA will need to recover \$151,947 under Grant No. XP98247201.

The grantee's financial management system does not provide accurate information to ensure costs are claimed in accordance with Federal regulations. We found four instances of inaccurate disclosures. As a result, we had no assurance that the costs were not being claimed more than once or that the grantee was complying with the funding or matching requirements for the various funding sources.

What We Recommend

We recommend that the Regional Administrator, EPA Region 2:

1. Obtain recovery of \$151,947 in unallowable preaward costs under Grant No. XP98247201.
2. Require the grantee to reconcile costs claimed for each of the sources of funding to ensure that financial reports are accurate and costs claimed in accordance with grant requirements.