



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General is reviewing Special Appropriation Act Project grants to identify issues warranting further analysis. We selected the City of Rupert (grantee) for one of these reviews.

Background

In 1998, the City of Rupert received an EPA Special Appropriation Act Project grant, XP98011401. The purpose of the grant was to provide Federal assistance of \$2 million to construct a water supply system. The City of Rupert was required to provide local matching funds equal to 45 percent of the EPA-awarded funds.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2009/20090112-09-2-0078.pdf

Costs Claimed under EPA Grant XP98011401 Awarded to the City of Rupert, Idaho

What We Found

The grantee did not meet the Title 40 Code of Federal Regulations Part 31 requirements for financial management. In particular, the grantee:

- Claimed unsupported costs,
- Claimed unallowable pre-award costs,
- Claimed unallowable interest costs,
- Claimed unallowable equipment costs, and
- Reported cumulative total project costs that were not supported by accounting records.

Because of the above issues, EPA needs to recover \$63,256 of the \$423,106 in costs questioned under the grant.

What We Recommend

We recommend that EPA Region 10's Regional Administrator disallow \$423,106 and recover \$63,256 in costs questioned under Grant XP98011401.

With the exception of pre-award costs, the grantee concurred with the findings and recommendations in the discussion draft.