

**PRESS****RELEASE**

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BREAKING NEWS

FOR IMMEDIATE RELEASE

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Recovery Board's New 'Wall of Shame'

WASHINGTON—Recipients of Recovery Act funds failed to submit 303 spending reports for the first quarter of 2012, according to Michael Wood, the Executive Director of the Recovery Board. Of those, Wood wrote in a blog, 139 involve grants issued by the Justice Department to cities, counties, police departments, sheriff's offices and others.

The Recovery Act requires recipients to submit quarterly reports to the Board.

The text of Wood's blog follows:

The new list is out on Recovery Act recipients that failed to file quarterly spending reports as required by law and it's a bit surprising.

Nearly 46 percent of the Recovery scofflaws, it turns out, received grants from the Department of Justice, the nation's principal law enforcement agency. For the most recent quarter, 303 reports were listed on the Recovery Board's Wall of Shame, our nickname for the list of non-compliers compiled on Recovery.gov. Of those, 139 involve grants issued by the Justice Department to cities, counties, police departments, sheriff's offices and others.

Some of these law enforcement agencies received grants under the federal COPS program, which promotes community policing in state, local, territory and tribal law enforcement agencies. The reasons for non-compliance varied, according to the Justice Department. Some recipients said they did not have the personnel available to fill out reports and submit them to the Recovery Board. Others experienced technical difficulties, and some simply said their failure was unintentional.

Big and small law enforcement agencies failed to report, including the City of Pittsburgh's police department. It blamed technical problems and failed to submit reports for the last two quarters on its use of a \$144,000 COPS grant.

There was some good news, however: Fewer and fewer recipients of Recovery Act funds want to be featured on the Wall of Shame. For the quarter ending March 31, recipients submitted 138,814 spending reports to the Board. Of the 303 reports not filed—the lowest number in the history of the program—most were one-time offenders. The missing reports involve nearly \$1.2 billion in Recovery awards.

(more)

The Recovery Accountability and Transparency Board was created by the American Recovery and Reinvestment Act of 2009 to oversee the expenditure of Recovery funds and bring transparency and accountability to the process. The Board consists of a chairman, Earl E. Devaney, and 12 federal Inspectors General. The Board runs the Recovery.gov website that provides information on the Recovery initiatives and spearheads an accountability effort that involves both federal and state investigators and enforcement officials.

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Here's a glimpse at some recipients that failed to report to various agencies:

- The City of Richmond, CA, failed to report in three consecutive quarters on its use of a \$4.3 million grant from the Department of Homeland Security. Its explanation, according to DHS: "None given."
- Stephentown Regulation Services LLC, Stephentown, NY, did not submit a report for two quarters on a \$43.1 million loan guarantee from the Department of Energy. The reason, according to DOE: "Recipient declared bankruptcy."
- The office of the Arizona Attorney General did not submit a report on a \$2.9 million grant from the Justice Department. The recipient said its failure was unintentional.
- The City of Fairfield, CA, failed to report on \$4 million in grants from the Federal Transit Administration. The FTA said it will suspend the grant payments if the city does not submit a report in the next quarter.
- The Milwaukee County Transit System said it forgot to submit a report on its use of a \$25,682,975, grant, according to the FTA, which plans to suspend the grant payments if the transit system fails to file a report in the next quarter.
- Northrop Grumman Systems Corporation failed to submit a report on a \$3.1 million contract issued by the Social Security Administration. The SSA said that "the individual [in Northrop Grumman] responsible for reporting on behalf of the recipient indicated he forgot the due date for the report."
--Michael Wood, Executive Director, Recovery Board

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