



November 30, 2018

MEMORANDUM FOR THE FEDERAL CO-CHAIR

Subject: Semiannual Report to Congress

In accordance with the requirements of the Inspector General Act Amendments of 1988, Public Law 100-504, the Inspector General Reform Act of 2008, Public Law 110-409, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203. I am pleased to submit the Appalachian Regional Commission (ARC) Office of Inspector General's Semiannual Report to Congress. The Inspector General Act of 1978, as amended by the Inspector General Act Amendments of 1988, provides that this report be forwarded to appropriate Congressional Committees within 30 days and that you provide whatever additional comments you consider appropriate.

This year marks the 40<sup>th</sup> anniversary of the Inspector General Act and creation of the original 12 Offices of Inspector General. Our office was created in 1989. Since that time we have been part of a community that has grown to include 73 statutory Inspectors General who collectively oversee the operations of nearly every aspect of the Federal government.

Every 6 months we provide Congress with a report detailing our independent oversight of ARC during the reporting period. In the years to come, the OIG looks forward to continuing efforts to provide independent and effective oversight of ARC and working with the Council of Inspectors General on Integrity and Efficiency (CIGIE) on important issues that cut across our government.

This Semiannual Report to Congress summarizes the activities of our office for the 6-month period ending September 30, 2018. During this fiscal period, we issued 22 reports including 19 grant audits and 3 management reports. Overall, grant audits conclude that ARC grants are being implemented effectively. Recommendations in grant audit reports pertained to policies and procedures, improved performance reporting, indirect costs, and documentation supporting cost. Actions were initiated by grantees and ARC to address the recommendations.

The management evaluations pertained to inactive grants, and expired performance periods. Recommendations emphasized follow-up on grants with no ARC payments at least two years after approval or obligation to determine potential to use funds on other priority projects and addressing expired performance periods that could result in significant ineligible payments.

Actions on grants in prior reports included 17 deobligations/cancellations totaling \$1,906,550. Basic Agency Monitoring Reports (BAMR) recommended cancelling projects and reallocating an additional \$1.2 million from 7 open inactive grants to other projects.

During this period, the Inspector General continued to serve as an active member of the Council of the Inspectors General on Integrity & Efficiency (CIGIE), its Audit and Inspections and

Evaluations Committees and a group addressing small OIG issues. The report also contains continuing significant issues impacting the OIG audit community that are not directly connected to ARC operations.

I also take this opportunity as I submit my 40<sup>th</sup> and last Semi-Annual Report to Congress to express my appreciation to agency officials and the Congress for their recognition and support for the Offices of Inspectors General (OIG) and OIG staff during my 49 years in the OIG community and 21 years as IG at the Appalachian Regional Commission.

I appreciate the Commission's cooperation with the Office of Inspector General in the conduct of our operations.

Sincerely,

Hubert Sparks  
Inspector General  
Enclosure

## TABLE OF CONTENTS

	Page
Executive Summary	ii
I. Introduction	1
II Background	1
Office of Inspector General	5
III. OIG Activity	6
Audits, Inspections, Evaluations & Reviews	6
Investigations	7
Other	7
IV. Reporting Fraud, Waste, and Abuse	7
V. Legislative & Regulatory Review	8
VI. Dodd-Frank Legislation	8
VII. OIG Audit Community Wide Issues	8
Appendices	
A. Schedule of Reports Issued April 1, 2018 thru September 30, 2018	
B. Schedule of Audits, Inspections, Evaluation and Review Reports of Questioned or Unsupported Cost	
C. Schedule of Audit, Inspection, Evaluation and Review Reports with Recommendations that Funds be put to Better Use and Summary of Management Decision	
D. Definition of Terms Used	

## EXECUTIVE SUMMARY

ARC grant operations, including grant management and grant projects represent the most significant aspect of ARC programs and OIG reviews. For this reporting period OIG activity included issuance of twenty two reports, including nineteen grant audits and three management evaluation reports.

Overall there is a high degree of implementation of ARC policies and procedures. Recommendations in grant audit reports pertained to policies and procedures, improved performance reporting, indirect costs and documentation supporting cost. Actions were initiated by grantees to address the recommendations.

Three management evaluations pertained to inactive grants, grants with expired end dates and remaining ARC balances. Recommendations emphasized follow-up on grants with no ARC payments at least two years after approval or obligation to determine potential use of funds on other priority projects and addressing expired periods that could result in significant ineligible payments. For inactive grants, Basic Agency Monitoring Reports identified 7 grants with \$1.2 million approved ARC funds that are not being implemented and could be cancelled and funds reallocated to other projects.

Actions on 17 grants in prior reports included deobligations/cancellations totaling \$1,906,550.

In December 2013 OMB issued an updated Designated Federal Entity (DFE) list that included ARC. The IG Act identifies the DFE agency head as the applicable board or commission such as the Federal Co-Chair and the Governors of the 13 Appalachian States.

Legislation provides that the DFE Agency Head can terminate the Inspector General with a two thirds vote. No problems have resulted from the implementation of this provision.

Within the OIG community and the Council of Inspectors General on Integrity and Efficiency (CIGIE) the IG continues to emphasize issues impacting efficiency, effectiveness and credibility of OIG-wide audit operations and actions to address these issues. These issues include identification and support of revised performance auditor qualifications to address performance auditing skills gaps, addressing open and unimplemented recommendations, independent peer reviews of the efficiency and effectiveness of audit operations and reporting of actual monetary rather than primarily potential monetary benefits.

**PURPOSE AND REQUIREMENTS OF THE  
OFFICE OF INSPECTOR GENERAL SEMIANNUAL REPORT**

The Inspector General Act of 1978 requires the IG to keep the Federal Co-Chair and Congress fully and currently informed about problems and deficiencies in the Commission's operations and the necessity for corrective action. In addition, the Act specifies that semiannual reports will be provided to the Federal Co-Chair by April 30 and October 31 and to Congress 30 days later.

The Federal Co-Chair may transmit comments to Congress along with the report but may not change any part of the report. The specific requirements prescribed in the Act, as amended (Public Law 100-504), are listed below.

Reporting Requirements

Section 4(a)(2)	Review of legislation and regulations	Page 8
Section 5(a)(1)	Problems, abuses, and deficiencies	Page 7
Section 5(a)(2)	Recommendations with respect to problems, abuses, and deficiencies	Page 9
Section 5(a)(3)	Prior significant recommendations not yet implemented	*
Section 5(a)(4)	Matters referred to prosecutive authorities	*
Section 5(a)(5) and 6(b)(2)	Summary of instances where information was refused	*
Section 5(a)(6)	Listing of audit reports showing number of reports and dollar value of questioned costs	App A
Section 5(a)(8)	Statistical table showing number of reports and dollar value of questioned costs	App B
Section 5(a)(8)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use	App C

\* None.

## I. INTRODUCTION - OIG

The Inspector General Act Amendments of 1988, (Pub. L. No. 100-504) provides for the establishment of an Office of Inspector General (OIG) at Designated Federal Entities (DFEs), including the ARC. The ARC OIG became operational on October 1, 1989, with the appointment of an IG and provision of budgetary authority for OIG operations including contracted audit and/or investigation activities.

## II. BACKGROUND - ARC

The Appalachian Regional Development Act of 1965, (Pub.L. No. 89-4) established the Appalachian Regional Commission. The Act authorizes a Federal/State partnership designed to promote long-term economic development on a coordinated regional basis in the 13 Appalachian States. The Commission represents a unique experiment in partnership among the Federal, State, and local levels of Government and between the public and private sectors. It is composed of the Governors of the 13 Appalachian States and a Federal representative who is appointed by the President. The Federal representative serves as the Federal Co-Chair and the Governors annually elect one of their numbers to serve as the States' Co-Chair.

- Through joint planning and development of regional priorities, ARC funds are used to assist and encourage other public and private resources to address Appalachia's unique needs. Program direction and policy are established by the Commission (ARC Code) with the vote of a majority of the State members and the affirmative vote of the Federal Co-Chair. Emphasis has been placed on infrastructure development, business enterprise, energy, human resources, and health and education programs, and highways. Specific priority initiatives to stimulate economic growth and opportunity in the region includes the Partnership for Opportunity and Workforce and Economic Revitalization (POWER), Southern/South Central Appalachia Workforce Training and Central Appalachia Broadband.

- To ensure that funds are used effectively and efficiently, and to strengthen local participation, ARC works with the Appalachian states to support a network of multicounty planning and development organizations, or local development districts (LDDs), throughout the Region. The 73 LDDs cover all 420 counties in Appalachia. The LDDs' roles include identification of priority needs of local communities and assisting with participation in ARC programs.

- Administratively, the Commission has a staff of 54 non Federal employees and five Federal employees responsible for program operations. The Commissions' administrative expenses, including salaries, are jointly funded by Federal and State funds.

- The Commission's appropriation for FY 2018 was \$155 million and is \$165 million for FY 2019.

The ARC approves about 500 grants annually with funds allocated to the thirteen Appalachian States for area economic development, including special projects such as broad band expansion,

significant funding for distressed counties, local development districts administrative funds, research projects identifying Appalachian issues, and technical assistance funds for State economic and development agencies.

An additional 149 grants totaling about one hundred twenty million dollars were approved since FYs 2016 for the POWER program directed at growing the economy in coal impacted communities.

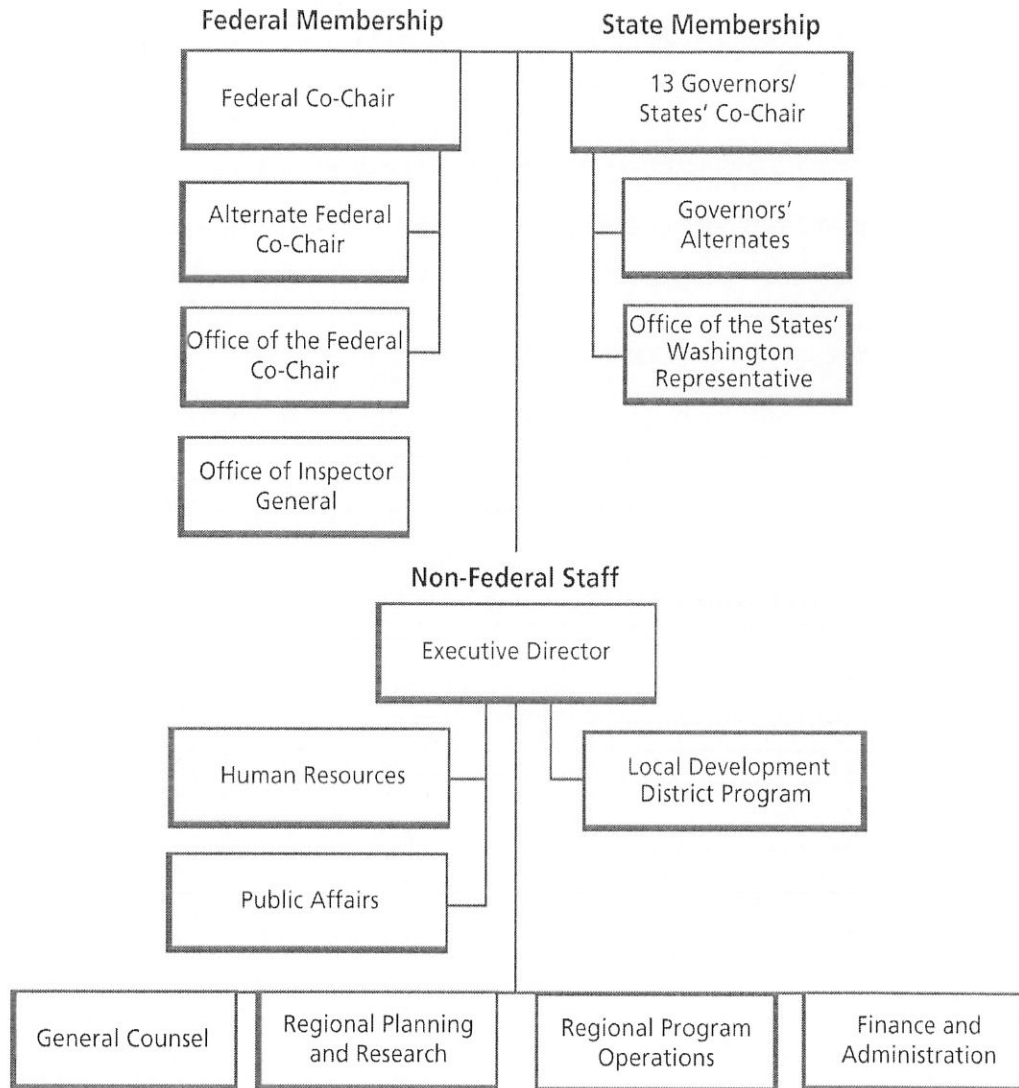
Although Congress changed the funding method for the Appalachian Development Highway System (ADHS) in July 2012, ARC continues to support and participate in completion of the ADHS including fulfilling planning and approval responsibilities.

ARC's non-ADHS funds are distributed to state and local entities in accordance with an allocation formula intended to provide fair and reasonable distribution of available resources. ARC staff has responsibilities for program development, policy analysis and review, grant development, technical assistance to States, and management and monitoring.

In order to avail itself of federal agency expertise and administrative capability in certain areas, ARC often relies on other departments and agencies for program administration, especially with respect to highways and infrastructure projects. For example, the Appalachian Regional Development Act authorizes the Secretary of Transportation to administer the Commission's highway programs. Working with State Departments of Transportation, ARC continues to actively monitor the status of construction in each State and disposition of any remaining ADHS.

ARC relies on Child Agencies, including the Departments of Agriculture (USDA), Housing and Urban Development (HUD), and the Economic Development Administration (EDA) to administer construction related grants to oversee non-highway infrastructure grants. Also, use of State agencies to administer construction related grants is being emphasized.

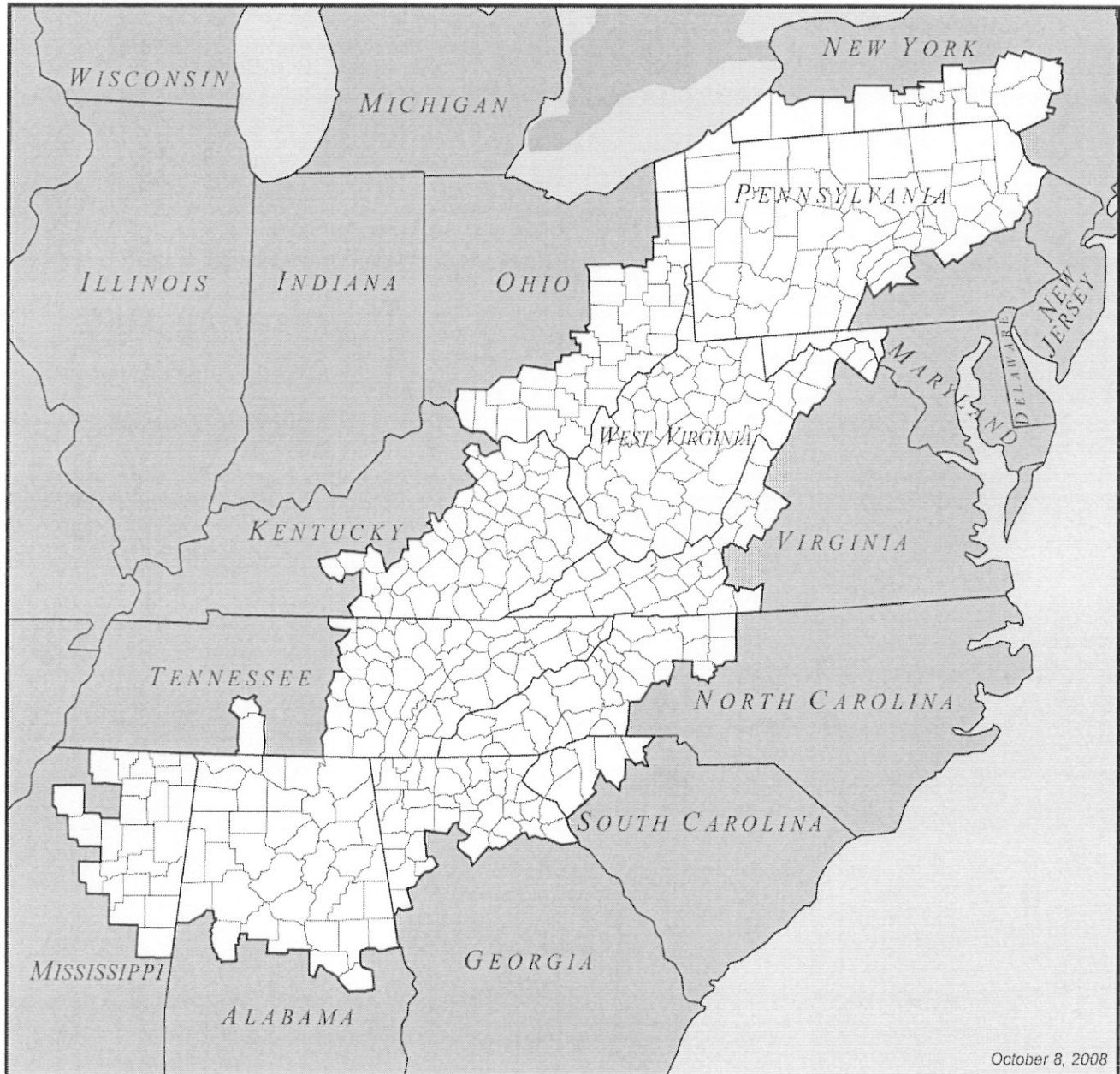
# ARC ORGANIZATION CHART







APPALACHIAN REGION



Appalachia, as defined in the legislation from which the Appalachian Regional Commission derives its authority, is a 205,000-square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia.

## **B. OFFICE OF INSPECTOR GENERAL**

The ARC OIG is an independent Federal audit and investigative unit that reports directly to the Agency Head.

### **Role and Authority**

The Inspector General Act of 1978, (Pub.L. No. 95-452), as amended in 1988, states that the IG is responsible for (1) audits and investigations; (2) review of legislation; and (3) recommendation of policies for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in the program and operations of the establishment. In this regard, the IG is responsible for keeping the Agency Head and Congress fully informed about the problems and deficiencies in ARC programs and operations and the need for corrective action. The IG has authority to inquire into all ARC programs and activities that are federally funded. The inquiries may be in the form of audits, surveys, investigations, inspections, evaluations, personnel security checks, or other appropriate methods. The two primary purposes of these inquiries are (1) to assist all levels of ARC management by identifying and reporting problem areas, weaknesses, or deficiencies in procedures, policies, program implementation, and employee conduct and (2) to recommend appropriate corrective actions.

### **Relationship to Other Principal ARC Offices**

The States' and Federal Co-Chairs, acting together as the Commission, establish policies for ARC's programs and its administration. These policies are provided under the ARC Code and implemented by the Commission staff, which is responsible for monitoring project performance and providing technical assistance as needed. The Federal Co-Chair is responsible for the proper use and protection of Federal funds, for ensuring compliance with applicable Federal laws and regulations, and for taking appropriate action on conditions needing improvement, including those reported by the OIG. The operation of the OIG neither replaces established lines of operating authority nor eliminates the need for the Commission offices to take reasonable measures to protect and enhance the integrity and effectiveness of their operations. All Commission offices are responsible for monitoring and evaluating the programs entrusted to them and reporting information or incidences needing further audit and/or investigation to the OIG.

### **Funding and Staffing**

The OIG funding level for FY 2018 was \$710,000. Staffing consists of the Inspector General, an Assistant Inspector General for Audit, and a Confidential Assistant. Grant review activities continue to emphasize use of contracted services (e.g., independent public accounting firms or other OIG offices) supplemented by programmatic and performance reviews conducted by OIG staff.

In order to comply with Pub.L. No. 110-409, the Inspector General Reform Act of 2008, the OIG contracts with other IGs for counsel and investigative services to the degree needed.

### III. OIG ACTIVITY

#### A. Audits, Inspections, Evaluations and Reviews

Grant reviews focused on grant implementation and administration in line with ARC and OMB policies and procedures. Management reviews focused on headquarters program and grant management activities. During the reporting period nineteen grants audits and three management reports were issued.

Audits of nineteen grants with total ARC funding of \$10,611,342 million reported overall implementation of grants in accordance with policies, procedures and regulations.

Recommendations in grant audit reports pertained to policies and procedures, performance reporting, indirect costs, and supporting information. Actions were generally initiated by grantees to address the recommendations.

Management reports addressed issues with respect to inactive grants not started within two years of ARC approval or State obligations and expired end dates with large ARC balances.

No payments were noted for 36 basic agency administered grants totaling \$26,822,138 and approved at least two years prior to ARC approval or State obligations. Basic Agency Monitoring Reports (BAMR) identified reasons for delays. This included 23 grants in prior reports, grants for which multiple BAMRs cite the same issue delaying grant implementation, and 10 grants with no reported payments over four years since approval. Seven grants with balances of \$1.2 million were noted by BAMRs as subject to cancellation and deobligations because of factors or reasons restricting grant implementation. Cited reasons included grant withdrawn by applicant, basic agency concerns, and no application to the basic agency.

For State and ARC administered grants 34 instances of no payments within two years of ARC approval or State obligation and balances totaling \$9,154,456 were identified.

In 58 instances the identified performance end dates for grants with larger (over \$50,000) ARC fund balances of approximately \$11.5 million had expired subjecting these grants to possible ineligible expenditures in accordance with ARC policy restricting payments after the end dates.

Recommendations emphasized timely follow-up on grants with no reported payments at least two years after approval or obligation to determine the potential to use funds on other priority projects and addressing expired performance periods that could result in significant ineligible payments.

Follow-up on prior reports identified \$1,906,550 for which funds became available for use on other projects.

ARC generally agreed with recommendations noted.

## **Peer Review**

Offices of the Inspectors General (OIGs) are required to perform (and undergo) reviews of other OIG offices every three years to ensure audit policies and/or procedural systems are in place that provide reasonable assurance of compliance with government auditing standards (GAS). The OIG peer review conducted in FY 2017 by the Commodity Futures Trading Commission OIG disclosed no findings and the next peer review of ARC is scheduled for FY 2019.

Also, peer reviews of Inspections and Evaluations have been initiated and the first review of ARC OIG is scheduled for 2020.

## **B. INVESTIGATIONS**

The Inspector General Act of 1978, as amended, provides that the IG may receive and investigate complaints or information concerning the possible existence of an activity constituting a violation of law, rules, or regulations; mismanagement; gross waste of funds; or abuse of authority. The OIG does not employ criminal investigators and utilizes other OIGs to perform needed investigations. Also, the results of investigations may be referred to the appropriate Federal, State, or local prosecutor authorities for action.

## **C. OTHER**

### **OIG Working Groups**

Smaller OIG offices have some significantly different operational concerns than larger OIG offices in trying to maintain effective and efficient oversight of agency programs. One challenge involves the significant human and capital resources being allocated to mandated reviews. The IG is an active member of the group that meets periodically to discuss such issues and recommends actions/best practices to facilitate smaller OIG operations.

### **Requests for Information**

Each year we receive and comply with requests for information from various governmental entities compiling statistics on OIG offices or their audited agencies. CIGIE requests information for its annual OIG profile update and compilation of OIG statistics. The yearly compilation summarizes the results of audit and inspection activities for of all federal OIG offices.

### **Implementation of OIG Reform Act**

The OIG has implemented the requirements of Pub.L. No. 110-409 the Inspector General Reform Act of 2008.

## **IV. REPORTING FRAUD, WASTE, AND ABUSE**

A region wide toll-free hotline is maintained to enable direct and confidential contact with the ARC OIG, in line with governmental and longstanding OIG initiatives as identified in the IG Act

of 1978; to afford opportunities for identification of areas subject to fraud, waste, or abuse. Also, in accordance with the Inspector General Reform Act of 2008, the ARC OIG implemented another communication channel allowing anonymous reporting of fraud, waste or abuse via a link on our website's home page. The web link is, <http://ig.arc.gov/>.

## V. LEGISLATIVE AND REGULATORY REVIEW

The OIG reviews legislation germane to ARC, OIG and the OIG community. Our comments are provided, as appropriate to agency officials, and/or to the CIGIE for incorporation with comments from all other OIGs.

## VI. DODD-FRANK LEGISLATION – Reporting to Full Commission

OMB issued an updated list of Designated Federal Entity (DFE) Agency Head in December 2013 that confirmed legislation identifying the 13 Appalachian Governors as part of the Appalachian Regional Commission (ARC) Agency Head (Commissioners) designations. No problems have been experienced with respect to implementation of the legislation.

## VII. OIGs Audit Community Wide Issues

OIG audit units have provided very valuable services to the taxpayers including significant monetary benefits and major program improvements. However, as with any organization, improvements are possible and within the OIG community there are areas where OIG-wide audit performance and credibility can be significantly improved by addressing the following issues.

The noted issues do not involve Appalachian Regional Commission operations.

### Performance Audit Skills Gaps

There is a continued significant need to address audit critical skills gap with respect to OIG performance auditing that constitute the large majority of OIG audit work conducted by OIG audit organizations. In 2012 the Office of Personnel Management (OPM) and OIGs identified an audit skills gap pertaining to performance auditing and OPM and OIG's noted that the OPM 0511 auditor series that requires 24 credit hours of accounting or an equivalent level of accounting experience was outdated and did not attract individuals with the core competencies to conduct performance audits. An ongoing OPM study, including focus groups involving OIG staff, has overwhelmingly identified primary performance audit skills as oral and written communications, problems solving, data analytics, interpersonal communications and critical thinking.

The current 0343 management analyst series is not used to a significant degree in relation to the audit workload and does not include educational requirements.

A 2016 internal OIG survey highlighted the need to address this issue. 54 OIG respondents reported that 88.8 percent or 3825 of the 4307 performance or financial auditors were considered

performance auditors. Also, the survey noted that 90.1 percent of the 609 vacant or anticipated vacant performance and financial audit positions were considered performance auditor positions.

Other government audit organizations including the Government Accounting Office (GAO) have recognized and addressed this issue.

Recommendations and actions to increase auditor qualification flexibility with emphasis on the primary performance audit competencies are not intended and would not interfere with continued use of the 0511 auditor series for financial related audit work. However, action to correct the identified audit skills gaps would facilitate employment of staff best suited for the large majority of OIG audit work at most OIG's and, over a period of time, significantly increase audit effectiveness and reduce wasted use of OIG resources.

### **Implementation of Recommendations**

Report OIG disagreement with management decisions not to implement very significant programmatic recommendation. A prior Congressional report noted 15,222 open recommendations with potential monetary savings of \$87 billion dollars. The IG Act provision 5(a)(12) that provides for including in the semi-annual report information concerning any significant management decision with which the IG is in disagreement is seldom, if ever, used to highlight disagreement with management decisions on significant programmatic or potential large monetary benefit recommendations.

### **Audit Peer Reviews**

- Develop and implement peer review guides to independently assess OIG audit efficiency and effectiveness that highlights key operational elements, such as planning, field work, report timeliness, staff utilization and training, supervision, audit follow-up and actual results. The required peer review of compliance with audit standards does not address these key operational elements that determine OIG efficiency and effectiveness. Such reviews should contribute to increased OIG audit efficiency and effectiveness such as addressing timely reporting that often surfaces as a criticism.

Some OIGs conduct internal assessments of key operational elements. These reviews are considered independent since they are conducted by staff from other units within the OIG. This reasoning conflicts with a major reason for establishment of OIGs being that agency internal audit units were not considered sufficiently independent even though audits were conducted by units not connected with the audited unit.

### **Actual Versus Potential Monetary Results**

- Identify outcome based performance measures that, over a multi-year period, provide for reporting of actual savings in relation to the multi billions of potential audit related savings reported annually based primarily on questioned and undocumented costs. OIG recommendations result in saving in excess of OIG operational costs. However, actual savings are not included in the OIG Annual Report to the President or in most OIG Semi-annual reports.

A primary argument presented against including some actual rather than only potential monetary benefits over a multi-year period in OIG Semi-annual reports (SAR) and the CIGIE Annual Report to the President is the difficulty in obtaining this information. However, the IG Act and OMB Circular A-50, Audit Follow-up specifically require the agency head to identify actual monetary related benefits resulting from OIG reports when transmitting the OIG SAR to Congress. Section 5(b)(2)(c)(i) & (ii) of the IG Act specifies that the agency head will include the disallowed costs that were recovered by management through collection, offset, property in lieu of cash or otherwise and the dollar of disallowed costs that were written off by management as part of the agency head transmittal of the OIG SAR to Congress. OMB circular A-50 states that the Agency follow-up official Semi-annually provide the head of the agency the amount of collections, offsets, write-offs, demands for payment and other monetary benefits resulting from audits.

Based on this available information and OIG Semi-annual reports that identify agreed with disallowances tracking of some actual savings over a multi-year period appears reasonable and would better support OIG credibility. Such reporting would also be in conformance with the intent of the Government Performance and Results Act (GPRA) that emphasizes reporting projected and actual results.

APPENDIX A

**SCHEDULE OF AUDIT, INSPECTION, EVALUATION & REVIEW REPORTS**  
**ISSUED APRIL 1, 2018 TO SEPTEMBER 30, 2018**

Report No.	Report Title/Description	Program Dollars or Contract/Grant Amount*	Questioned/Unsupported Costs**	Funds to Better Use***
18-19	WV Regional Technology Park Corporation	\$1,870,000	\$63,612	
18-20	Coalfield Development Corporation WV	\$1,774,923	\$82,831	
18-21	NE PA Alliance LDD grant	\$102,055	\$2,751	
18-22	NE PA Alliance PREP	\$400,000	\$178,221	
18-23	SE Educational, Inc.	\$500,000		
18-24	Board of Garrett County Commissioners MD	\$500,000		
18-25	Jefferson State Community College	\$510,000		
18-26	New Build Appalachia Service Project, Inc.	\$300,000		
18-27	Erwin Utilities	\$400,000		
18-28	Town of St. Paul	\$500,000		
18-29	Edward Via College of Osteopathic Medicine	\$247,940		
18-30	Shelton State Community College	\$368,266	\$13,338	
18-31	Bevell State Community College	\$529,607	\$7,621	
18-32	Master's Degree/National Board Certification Project	\$370,000		
18-33	Spartanburg Community College	\$642,496	\$64,250	
18-34	Anderson School District Five	\$460,290	\$3,570	
18-35	Wallace State Community College	\$748,965		
18-36	North Central Regional Planning & Development Commission	\$102,000		
18-37	North Central Regional Planning & Development Commission PREP	\$285,000		
18-38	ARC Administered Grants 1/			
18-39	State Administered Grants 1/			
18-40	Basic Agency Administered Grants 1/2/			\$919,989
Total		\$10,611,342	\$416,194	

1/Evaluations assessed grant management actions with respect to about \$30 million in programs expenditures.

2/Includes grants identified for de-obligation.



SCHEDULE OF AUDIT, INSPECTION AND EVALUATION REPORTS  
WITH QUESTIONED OR UNSUPPORTED COSTS (THOUSANDS)

	<u>No. of Reports</u>	<u>Questioned Costs</u>	<u>Unsupported Costs</u>
A. For which no management decision was made by the commencement of the reporting period	0		
B. Which were issued during the reporting period	8		\$ 416
Subtotals (A + B)	1		\$ 416
C. For which a management decision was made during the reporting period			
(i) dollar value of disallowed costs			\$10
(ii) dollar value of costs not disallowed			
D. For which no management decision has been made by the end of the reporting period	3		
E. Reports for which no management decision was made within 6 months of issuance			

SCHEDULE OF AUDIT, INSPECTION AND EVALUATION REPORTS WITH  
RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE AND SUMMARY OF  
MANAGEMENT DECISIONS (THOUSANDS)

	<u>No. of Reports</u>	<u>Dollar Value</u>
A. For which no management decision was made by the commencement of the reporting period		
B. Which were issued during the reporting period	3	\$919
Subtotals (A + B)	3	
C. For which a management decision was made during the reporting period		
(i) dollar value of recommendations that were agreed to by management		
--based on proposed management action	3 1/	\$919
--based on proposed legislative action		
(ii) dollar value of recommendations that were not agreed to by management		
D. For which no management decision has been made by the end of the reporting period	0	
E. Reports for which no final management decision was made within 6 months of issuance	0	0

1/ Based on value of grants recommended for follow-up in prior report. Management agrees to follow-up on identified grant and the value noted is actual deobligations during the reporting period.

**THE OFFICE OF INSPECTOR GENERAL  
APPALACHIAN REGIONAL COMMISSION**

**serves American taxpayers  
by investigating reports of waste, fraud, or abuse  
involving Federal funds.**

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wasteful, fraudulent, or abusive of Federal funds,  
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**Office of Inspector General  
Appalachian Regional Commission  
1666 Connecticut Avenue, NW, Suite 700  
Washington, DC 20009-1068**

**Information can be provided anonymously.  
Federal Government employees are protected from reprisal,  
and anyone may have his or her identity held in confidence.**