



**Older Open Basic (Child) Agency Grants
OIG Report 15-35**

September 30, 2015

Older Open Basic (Child) Agency Grants as of September 30, 2015

OIG Report 15-35
September 30, 2015

Summary

ARC continues emphasis on follow-up on older open grants without ARC disbursements or extended periods between disbursements as evidenced by deobligations of \$1,579,293 for five grants noted in our prior report and implementation of controls to identify grant status and needed follow-up actions. Also, ARC has established standardized controls to identify grants needing follow-up and actions such as cancellations, deobligations and reduction of dormant construction grants.

This report identifies 29 grants with no ARC disbursements that were included in prior OIG report and are recommended for follow-up primarily because available information does not reflect any changed status. Also, 30 additional grant approved prior to 10/1/13 for which no ARC disbursements were noted and follow-up on these grants to obtain updated status and potential for closing and deobligations is also recommended.

Background

This report updates report 15-21 with respect to grants recommended for follow-up. Information in ARC.Net and latest available Basic Agency Monitoring Report (BAMR) was used identify current grant status and grants recommended for continued follow-up and necessary actions, including grant closings and deobligations of funds for use on other needed Appalachia projects.

The annual BAMR provides detailed information about the status of construction related grants administered by other Federal agencies for the Appalachian Regional Commission. BAMR information permits more timely follow-up and emphasis was placed on identification of grants approved prior to October 1, 2013 and no reported ARC expenditures and grants without reported activity for a lengthy period.

While recognizing various factors can delay construction project implementation we used 24 months as a reasonable period for follow-up on grants with significant delays or problem indicators and based on ARC guidance that permits states to cancel projects not started within 18 months of grant approval.

Results

a. OIG Report 15-21 identified 41 grants for follow-up. This follow-up disclosed no changes in status in 29 instances, disbursements in 7 instances and grant closing and deobligations of \$1,579,293 in five instances. The 29 grants with no ARC disbursements and balances of \$ 9,133,282 are identified in table A.

Comments include absence of BAMRs or updated BAMR information, grants with past or near term estimated completion dates, high and unacceptable bids, awaiting needed state or grantee information. In some cases the reported issues have been reported over a multi-year period.

b. Table B identifies 26 additional grants approved prior to October 1, 2013 for which no ARC disbursements were reported as of September 30, 2015 and comments on project status. Although, in most cases these are more recent approvals, comments indicate conditions that, in our opinion, justify follow-up to obtain current grant status.

ARC initiated actions in response to report 15-21 included identification of 222 open basic agency grants and the status of these grants. ARC also identified a new set of standard reports that will allow ARC staff, basic agencies and state Program Managers more efficiently and effectively identify projects/grants subject to cancellation, close out or funds recovery and reduce backlogs of dormant construction projects.

We concur with these actions and recommend responsible parties be notified of the available controls which, in conjunction with the BAMR, should permit timely identification of projects/grants needing follow-up.

Also, we recommend the grants identified in this report that remain open be followed up to obtain current status. Emphasis on grants with delays for various reasons over a multi-year period should be emphasized in the context of closing these grants and using the approved funds for other projects pending resolution of continuing problems.

TABLE A

**Open Child Agency Grants with no Disbursements included in Report 15-21
With no Status Changes as of September 30, 2015**

<u>Grant No.</u>	<u>Approved</u>	<u>ARC Funds</u>	<u>BAMR Date</u>	<u>BAMR Comments</u>	Footnotes from <u>BAMR</u>
HUD					
NY-16270	9/9/2009	\$144,918.00	Not Available		
PA-15612	9/21/2007	\$145,000.00	Not Available		
PA-16868	3/31/2011	\$100,000.00	4/15/2014	Estimated completion 1/1/16	1, 2
PA-16979	8/7/2011	\$200,000.00	Not Available		
RD					
GA-17103	9/1/2011	\$300,000.00	1/5/2015	Need LOC	1, 2
GA-17266	9/26/2012	\$300,000.00	1/5/2015	Being designed	1, 2
GA-17270	9/27/2012	\$300,000.00	1/6/2015	Need LOC. Estimated completion 13/31/16	1, 2
KY-17404	9/6/2012	\$300,000.00	1/6/2015	Anticipate proceeding 2/15	1, 2
MD-7383	8/28/2012	\$275,000.00	1/6/2015	ER not yet approved	1, 2
NC-17013	9/14/2011	\$100,000.00	1/6/2015	Working on lower cost	1
NY-17290	6/22/2012	\$150,000.00	1/6/2015	Waiting for RD application	
OH-6428	9/24/2010	\$250,000.00	1/6/2014	Estimated completion 5/30/14	1, 2, 3
PA-17268	8/31/2012	\$75,000.00	12/30/2014	Funds available by 2015	1, 2
TN-16038	9/28/2008	\$500,000.00	2/12/2015	Estimated completion 9/30/15	1
TN-16654	9/8/2010	\$500,000.00	2/12/2015	Waiting on engineer review	1, 2, 3
TN-17166	9/21/2011	\$135,000.00	2/12/2015	Delayed until funding available	1, 2
TN-17319	7/17/2012	\$500,000.00	2/12/2015	Need more user contracts	
TN-17332	7/23/2012	\$500,000.00	2/9/2015	Over bid. Pursuing additional funds	1, 2
TN-17379	9/6/2012	\$404,500.00	2/12/2015	Need land for project	
VA-15703	9/21/2010	\$400,000.00	1/7/2015	Over bids, redesign awaiting VA DOT approval	1, 2
VA-16720	9/24/2010	\$100,000.00	1/7/2015	Over bids, redesign awaiting VA DOT approval	1, 2
WV-5391	8/29/2006	\$1,000,000.00	1/13/2015	No application to RD as of 1/13/15	1, 2
WV-7399	9/18/2012	\$1,000,000.00	1/13/2015	Estimated completion 12/31/14	1, 2

TVA

AL-17227	7/23/2012	\$69,264.00	1/14/2015	Estimate completion 7/15/15	1, 2
GA-16793	9/8/2010	\$245,500.00	1/27/2015	Need GA to move power lines	1, 2
GA-17033	9/1/2011	\$39,100.00	2/1/2015	Waiting for GA DOT approval	1, 2
GA-17305	9/24/2012	\$300,000.00	2/1/2015	Need ER approval	1, 2
NC-16314	2/16/2011	\$300,000.00	2/5/2015	In bid process	1, 2
<u>TN-16657</u>	9/23/2010	<u>\$500,000.00</u>	7/7/2015	No comment	1, 2
<u>29</u>		<u>\$9,133,282.00</u>			

Notes:

1/ Environmental review completed**2/ Design started****3/ Construction started**

Table B

**Additional Grant Approved Prior to 10/1/13
With no ARC Disbursements**

<u>Grant No</u>	<u>Approved</u>	<u>ARC Funds</u>	<u>BAMR Date</u>	<u>BAMR Comments</u>	Footnotes from <u>BAMR</u>
<u>EDA</u>					
NY-17685	9/12/2013	\$150,000.00		No BAMR, no activity noted	
SC-17689	9/23/2013	\$500,000.00		No BAMR, no activity noted	
<u>HUD</u>					
KY-17644	9/10/2013	\$439,587.00	6/16/2015	High bids. Hope to start 8/15	1, 2
PA-17254	6/22/2012	\$100,000.00		No BAMR, no noted activity	
PA-17660	9/12/2013	\$150,000.00		No BAMR, no noted activity	
PA-17661	9/4/2013	\$125,000.00		No BAMR, no noted activity	
<u>RD</u>					
GA-15748	9/25/2007	\$300,000.00	1/5/2015	Significant delays, construction started, to be completed by 9/30/15	1, 2, 3
GA-17584	8/23/2013	\$93,933.00	1/5/2015	Pending LOC	1
GA-17587	9/19/2013	\$300,000.00	1/5/2015	limited BAMR information	
GA-17590	9/18/2013	\$125,000.00	1/5/2015	No recent activity	
GA-17591	9/13/2013	\$370,000.00	12/24/2014	Various documentation problems, no activity Engineer to submit bids by 1/15	1, 2
GA-17618	8/23/2013	\$300,000.00	1/6/2015	Possibly in design stage	
GA-17671	9/26/2013	\$225,750.00	1/5/2015	Under construction, no estimated completion date	1, 2
KY-16731	8/11/2011	\$500,000.00	12/29/2014	On hold, needs another building for renovation	
KY-17650	9/3/2013	\$296,615.00	12/24/2014		
MD-17116- C1	8/5/2013	\$200,000.00	1/6/2015	Needs state approval	1
MD-17383	8/28/2012	\$275,000.00		ER not yet approved	1, 2, 2
MS-17609	7/31/2013	\$300,000.00		No BAMR, no noted activity	
NC-17471	6/7/2013	\$300,000.00	1/13/2015	No estimated completion date, no activity	1, 2, 3

NY-17520	7/19/2013	\$149,989.00	1/6/2015	Need RD application, no activity	
				Estimated completion	
NY-17686	9/23/2013	\$150,000.00	1/6/2015	6/1/15	1, 2, 3
OH-17524	6/3/2013	\$237,000.00		No BAMR, no noted activity	
PA-17704	9/23/2013	\$150,000.00	1/2/2015	Delay engineering issues	1, 2
TN-17672	9/23/2013	\$500,000.00	7/24/2015	Expected bid 10/15	1, 2
				Estimated completion	
WV-17399	9/18/2012	\$1,000,000.00		12/30/14	1, 2
				ER complete, no other activity	
WV-17656	9/3/2013	\$1,500,000.00	1/31/2015		1

TVA

GA-17614	8/15/2013	\$299,600.00	2/5/2015	Need final easement	1, 2
TN-17330	2/25/2012	\$486,794.00	2/8/2015	Design in process	1, 2
TN-17630	9/25/2013	\$500,000.00	2/9/2015		2
TN-17663	9/11/2013	\$421,279.00	2/9/2015	In design	1, 2