



September 30, 2015

To: Federal Co-Chair
ARC Executive Director
ARC General Counsel
ARC Program Director

From: Hubert Sparks, Inspector General

Subject: Memorandum Report 15-36, Older ARC Administered Grants and State Administered Grants

Our periodic assessment of ARC administered older open grants determined that ARC continued to administer these grants in an effective manner. Generally, timely follow-up action is initiated on older inactive grants to determine the potential for closing and deobligations. Also, significant actions were initiated to address active grants with expired end dates included in report 15-20. The status of State administered grants that are now emphasized for construction projects was also assessed as part of this review.

Follow-up actions on 26 of 32 older grants identified in Report 15-20 included deobligations totaling \$731,001 in 15 cases. Actions on 51 of 72 grants previously identified as having expired end dates included 8 extensions and closings of 45 grants with deobligations totaling \$1,372,119 in 29 cases.

Table A identifies 11 ARC administered grants approved prior to October 1, 2013 for which no ARC funds totaling \$848,683 have been expended.

ARC emphasized use of State administered grants for construction projects. Thus, the number of State administered projects has increased substantially in recent years.

A review of ARC Grant Management Financial Information and Basic Agency Monitoring Reports that are used in conjunction with these grants identified eight grants (table B) approved prior to October 1, 2013 for which follow-up is also recommended to obtain current grant status. Five of the eight grants approved prior to October 1, 2013 have no ARC disbursements totaling \$873,634.

Report 15-20 identified 72 open ARC administered grants with balances and expired end dates. Actions on these grant included 29 cases of grant closing and deobligations totaling \$1,372,119, 8 cases of end date extensions 22 cases of no changes although balances remain, and 13 cases of grant closings based on payments without deobligations. We concur with the positive actions initiated and recommend actions on the 21 grants with balances and expired end dates noted in table C to better preclude identification of ineligible

payment due to grantee expenditures subsequent to identified end dates. Also, similar action should be initiated on other open ARC administered grants with ARC balances and expired end dates.

Follow-up on grants identified in tables A and B to obtain updated status with emphasis on identifying reasons for no activity and potential for near term project completion is also recommended.

TABLE A

**Older Open ARC Administered Grants Approved Prior to October 1, 2013
and no Reported ARC Disbursement**

<u>Grant No.</u>	<u>Date Approved</u>	<u>ARC funds</u>	
AL-17225	2/23/2012	\$30,000.00	1
AL-17566	9/3/2013	\$12,877.00	
CO-17083-1	9/16/2011	\$100,000.00	1
GA-17581	9/12/2013	\$12,500.00	
KY-17604	9/25/2013	\$47,200.00	
MS-17652	9/13/2013	\$200,000.00	
NY-17532	6/26/2013	\$112,183.00	
PA-17639	8/15/2013	\$50,000.00	
PA-17645	8/23/2013	\$50,000.00	
PA-17659	9/11/2013	\$33,923.00	
<u>TN-17695</u>	9/19/2013	<u>\$200,000.00</u>	
<u>11</u>		<u>\$848,683.00</u>	

1. included in prior OIG report

TABLE B

**Open State Administered Grants
Approved Prior to October 1, 2013**

<u>Grant No.</u>	<u>Date</u> <u>Approved</u>	<u>ARC funds</u>	<u>BAMR Comments</u>	
GA-17588	8/1/2013	\$200,000.00	No activity	1
OH-16799	9/8/2010	\$16,963.00		2
OH-17483	3/25/2013	\$250,000.00	No activity	1
OH-17586	9/26/2013	\$300,000.00	No activity	1
SC-17317	9/9/2012	\$50,000.00		2
VA-16946	6/3/2011	\$768.00		2
VA-17105	9/2/2011	\$76,983.00	Design started	1
<u>VA-17582</u>	9/16/2013	<u>\$46,651.00</u>	Design started, bid soon	1
<u>8</u>		<u>\$941,365.00</u>		

1. No ARC reported disbursement

2. Remaining balances

TABLE C

Grants with Expired End Dates

<u>Grant No.</u>	<u>End Dates</u>	<u>ARC funds</u>	<u>9/25/15 Balance</u>	
AL-15573-C2	5/31/2010	\$150,400.00	\$80.00	2
AL-17225	12/31/2012	\$30,000.00	\$30,000.00	1
KY-16718	12/31/2011	\$85,000.00	\$39,262.00	2
AL-17566	3/31/2015	\$12,877.00	\$12,877.00	
KY-16080-C4	3/31/2015	\$571,350.00	\$34,835.00	
KY-17604	9/31/14	\$47,200.00	\$47,200.00	1
KY-7779-C33	9/30/2014	\$151,723.00	\$72,560.00	2
MS-17697	10/1/2014	\$22,316.00	\$2,232.00	
NY-16592	3/31/2013	\$77,460.00	\$28,500.00	
NY-17302	7/31/2013	\$6,100.00	\$1,600.00	2
NY-17450	12/31/2013	\$39,416.00	\$21,727.00	
NY-17533	2/28/2015	\$97,500.00	\$12,884.00	2
OH-17677	3/30/2015	\$119,500.00	\$33,865.00	
PA-17196	6/30/2013	\$29,088.00	\$29,088.00	1
PA-17698	3/31/2015	\$70,000.00	\$5,104.00	
TN-17691	3/31/2015	\$40,000.00	\$18,722.00	
VA-17382	3/31/2014	\$500,000.00	\$32,209.00	2
CO-13956				
C4-A	3/31/2015	\$263,177.00	\$26,318.00	
CO-17070	3/31/2015	\$99,100.00	\$14,110.00	
CO-17077	12/31/2014	\$100,000.00	\$50,875.00	
CO-17083	7/31/2014	\$100,000.00	\$100,000.00	1
<u>CO-17085</u>	8/31/2014	\$100,000.00	\$17,580.00	

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- 1. No disbursements
- 2. Disbursements after end dates