



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

The U.S. Environmental Protection Agency, Office of Inspector General, conducts site visits of American Recovery and Reinvestment Act of 2009 (Recovery Act) clean water and drinking water projects. The purpose of the visits is to confirm compliance with selected Recovery Act requirements. We selected the wastewater treatment plant project in the City of Ottawa, Illinois, for review.

## Background

The city received a \$7,720,293 loan from the State of Illinois under the Water Pollution Control Loan Program. The loan included \$3,860,147 in Recovery Act funds. The city will use these funds to rehabilitate and improve the city's wastewater treatment plant.

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

The full report is at:  
[www.epa.gov/oig/reports/2011/20110923-11-R-0700.pdf](http://www.epa.gov/oig/reports/2011/20110923-11-R-0700.pdf)

## ***American Recovery and Reinvestment Act Site Visit of Wastewater Treatment Plant—Phase II Improvements Project, City of Ottawa, Illinois***

### **What We Found**

We conducted an unannounced site visit of the wastewater treatment plant project in the City of Ottawa, Illinois. As part of our site visit, we toured the project, interviewed city representatives and engineering and contractor personnel, and reviewed documentation related to Recovery Act requirements.

The city could not provide sufficient documentation to support that some manufactured goods used on the project met the Buy American requirements of Section 1605 of the Recovery Act. In these instances, the documentation did not demonstrate clearly that items were either manufactured in the United States or substantially transformed in the United States. As a result, the state's use of over \$3.8 million of Recovery Act funds on the Ottawa project is prohibited by Section 1605 of the Recovery Act, unless a regulatory option is exercised.

### **What We Recommend**

We recommend the Regional Administrator, Region 5, employ the procedures set out in Title 2 of the Code of Federal Regulations (CFR) to resolve the noncompliance on the Ottawa project. In the event that the region decides to retain foreign-manufactured goods in the Ottawa project under 2 CFR §176.130 (c)(3), the region should either “reduce the amount of the award by the cost of the steel, iron, or manufactured goods that are used in the project or . . . take enforcement or termination action in accordance with the agency's grants management regulations.”

Neither the region nor the city agreed with our conclusion that the documentation was not sufficient to support Buy American compliance for some items. Based on additional documentation provided by the city, we agree that some items are now sufficiently supported, and we have revised the report accordingly. However, documentation is still insufficient in four instances.