



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) conducted a review of earmarked grants known as Special Appropriation Act Projects issued to local and tribal governments. We selected the City of Bad Axe, Michigan, for review.

Background

The City of Bad Axe received an EPA Special Appropriation Act Project grant, XP98578301. The purpose of the grant was to provide Federal assistance for engineering, planning, and constructing a 17-mile drinking water pipeline from Port Austin, Michigan, to the City of Bad Axe.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2008/20080227-08-2-0095.pdf

City of Bad Axe, Michigan – Unallowable Costs Claimed Under EPA Grant XP98578301

What We Found

The City of Bad Axe (grantee) purchased two parcels of land totaling \$51,297 without obtaining prior approval as required by Federal regulations. The grantee also paid an engineering firm \$211,143 to design a water treatment facility but did not use the design. As a result, EPA needs to recover \$262,440 under Grant XP98578301.

What We Recommend

We recommend that the Regional Administrator, EPA Region 5, recover the unallowable land purchase and design costs totaling \$262,440.