



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General conducted reviews of earmarked grants known as Special Appropriation Act Projects issued to local and tribal governments. We selected the Village of Wellsville, Ohio, for one of these reviews.

Background

The Village of Wellsville received an EPA Special Appropriation Act Project grant, XP97582801. The purpose of the grant was to provide federal assistance of \$2,419,665 to improve and upgrade the wastewater treatment plant and the combined sewer collection system. The Village of Wellsville was required to provide local matching funds equal to 45 percent of all eligible project costs.

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/2008/20080721-08-2-0204.pdf

Village of Wellsville, Ohio – Ineligible Costs Claimed Under EPA Grant XP97582801

What We Found

The Village of Wellsville (grantee) did not meet the Title 40 Code of Federal Regulations Part 31 requirements for financial management. In particular, the grantee did not have support for required matching costs and received grant funds it never expended. As a result, EPA will need to recover \$1,241,591 under Grant XP97582801. The grantee also made two improper procurements for engineering services, and did not maintain acceptable procurement or contract administration systems. Further, the grantee did not conform to the terms and conditions of its grant. Therefore, EPA should classify the Village of Wellsville as a high risk grantee.

What We Recommend

We recommend that the Regional Administrator, EPA Region 5:

1. Recover the \$1,241,591 in questioned costs.
2. Require the grantee to re-bid both engineering contracts with Dallis Dawson and Associates in accordance with federal regulations.
3. Require the grantee to strengthen its accounting and procurement systems to meet the requirements of Title 40 Code of Federal Regulations Part 31.
4. Classify the Village of Wellsville as a high risk grantee, and apply special conditions to this and future awards until improvements are made to the accounting and procurement systems.