



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General is examining Special Appropriation Act Project (SAAP) grants. We selected the SAAP grant awarded to the City of Blackfoot, Idaho (grantee) for one of these examinations.

Background

EPA awarded grant number XP98069201 to the grantee on December 16, 1999. The purpose of the grant was to provide federal assistance of \$3,716,525 for wastewater and clean water system improvements. The City of Blackfoot was required to provide local matching funds equal to 47 percent of the EPA-awarded funds.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2010/20100329-10-4-0086.pdf

Examination of Costs Claimed under EPA Grant XP98069201 Awarded to the City of Blackfoot, Idaho

What We Found

The grantee did not meet financial management requirements specified by Title 2 Code of Federal Regulations Part 225 and Title 40 Code of Federal Regulations Part 31. In particular, the grantee claimed:

- Contract costs of \$1,713,009 that were claimed under two other federal grants.
- Supply and labor costs of \$24,836 that were not supported by source documents.
- Supply and administration costs of \$6,684 that were not eligible because they did not meet cost principles.

As a result of these issues, we determined that, based on payments made and the federal share being 53 percent, EPA should recover \$1,045,926 in questioned costs under the grant. The grantee also should be designated as “high-risk” in the Integrated Grants Management System, and special oversight conditions should be imposed on all future awards of EPA funds to the grantee.

What We Recommend

We recommend that EPA Region 10’s Regional Administrator disallow and recover \$1,045,926 in questioned costs. We also recommend that the Regional Administrator for all future awards to the grantee designate the grantee as “high-risk” and establish special conditions that require additional controls over payments.