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COMMISSION

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*Office of the Inspector General*

November 9, 1999

MEMORANDUM FOR: FEDERAL CO-CHAIRMAN AND  
ARC EXECUTIVE DIRECTOR

FROM: HUBERT N. SPARKS  
INSPECTOR GENERAL, ARC

SUBJECT: OIG Reports 00-01 through 00-05  
Grant Nos. NY-12709, 13106, 11474 and 12073  
and a NY J-1 Visa Waiver Program compliance report

The subject reports deal with grants for rail preservation, day care services, and a welding training program and compliance visits to J-1 physicians in western New York state.

The grant reviews did not disclose any significant weaknesses. With respect to the J-1 program we noted that one employer had inserted a restrictive covenant in a contract and ARC notified the employer that such a clause was not permitted.

Enclosures

cc: Judy Rae



October 22, 1999

OIG REPORT 00-02

**MEMORANDUM FOR:** ELLEN WOHL, WRAP AROUND CHILD CARE  
ECONOMIC OPPORTUNITES PROGRAM, INC. OF  
CHEMUNG AND SCHUYLER COUNTIES

**OBJECT:** Memorandum Survey Report  
Review of Wrap Around Child Care Project  
NY-13106

**PURPOSE**

The purposes of our review were (1) to determine the allowability of the costs claimed under the ARC grant, (2) to determine if the grant objectives were met and (3) to determine the current status of the project.

**SCOPE**

Our survey included procedures to review costs incurred and claimed for reimbursement under the grant, as well as costs claimed as matching funds. The period of performance for the grant is June 1, 1998 through December 31, 1999. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Elmira, New York, on September 29 and 30, 1999. As a basis for determining allowable costs and compliance requirements, we used the provisions of the grant agreement, Office of Management and Budget (OMB) Circulars A-87 and A-102, and the ARC Code.

**BACKGROUND**

ARC Grant NY-13106 was awarded to the Economic Opportunities Program, Inc. of Chemung and Schuyler Counties to provide funds for full day care services in the Eastside Community Center in Elmira, NY for infants to pre-school children. The new program will provide child care services for 10 infants/toddlers and 50 pre-school children.

The grant was for \$133,776 (50%) of actual, reasonable and eligible costs of the project. The grantee was to pay or cause to be paid the non-ARC share of \$133,665 (including \$60,596 in other Federal funds) in cash, contributed services, or in-kind contributions. As of June 1, 1999 the grantee claimed total project costs of \$177,612 which included grant costs of \$76,644 (43%) and matching costs of \$100,968 (57%). The project got off to a late start and the grantee expects all funds to be expended by December 31, 1999.


## RESULTS

### Financial Review

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for a sample of grant and matching costs charged to the project. Total claimed costs were supported by the grantee's accounting records and no deficiencies were noted as to the allowability of the expenses or the adequacy of the documentation for the expenditures we reviewed.

### Program Review

The grantee is continuing work on the project as required by the grant agreement and appears to have a successful program. ARC's funding was used for start-up costs and will not be ongoing as other sources of funds have been secured.



Hubert N. Sparks  
Inspector General



November 8, 1999


Mr. Keith W. Stack  
Assistant Secretary of State  
Department of State  
41 State Street  
Albany, New York 12231

Re: OIG Reports 00-01, 00-02, 00-03, 00-04 and 00-05  
Grant Nos. NY-12709, NY-13106, NY 11474 and NY-12073

Dear Mr. Stack:

Enclosed are four reports dealing with projects performed with the assistance of ARC grants and a summary report dealing with J-1 Visa Waiver Program compliance visits.

Sincerely yours,

  
Hubert N. Sparks  
Inspector General

Enclosures



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October 22, 1999

Ms. Ellen Wohl  
Project Director  
Economic Opportunities Program, Inc. of  
Chemung and Schuyler Counties  
318 Madison Avenue  
Elmira, New York 14901

Re: OIG Report 00-02  
Grant NY-13106

Dear Ms. Wohl:

Enclosed is a copy of our report on the subject grant. As noted, no recommendations were warranted and no response is requested.

A copy of the report is being provided to the Federal Co-Chairman and ARC Executive Director.

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,

Hubert N. Sparks  
Inspector General

Enclosure



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September 1, 1999

Ms. Ellen Wohl, Project Director  
Economic Opportunities Program, Inc. of  
Chemung and Schuyler Counties  
318 Madison Avenue  
Elmira, NY 14901

re: ARC Grant NY-13106-98, Wrap Around  
Child Care

Dear Ms. Wohl:


As discussed, this letter provides notice about scheduling our review of the subject grant. We plan to be performing the review in late September 1999, but we will contact you directly to finalize plans.

The review will include testing of the grantee's accounting and internal control systems effecting the grant, a comparison of available accounting records to financial status reports and other reports submitted to ARC, compliance with programmatic requirements of the contract, and results of the project. The auditor will review and utilize other available audit reports to the maximum extent deemed possible in order to avoid duplication of efforts. Essentially, the work will review available information on the status of the grant and the use of grant funds in line with ARC grant requirements.

We have included an internal control questionnaire and request that you have it completed and available for our review. Although it contains numerous questions, some of which may not apply to your organization, it will provide us with needed background information about your controls, policies, and accounting system.

Please call me if you have any questions.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosure

cc: New York ARC State Alternate

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