



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 20, 1999

OIG REPORT 00-01

MEMORANDUM FOR:     CRAIG R. CLARK, DEAN  
   VOCATIONAL TECHNOLOGY CAMPUS  
   ALFRED STATE COLLEGE

OBJECT:                     Memorandum Survey Report  
   Review of Welding Laboratory/Classroom Project  
   NY-12709-97

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 was May 1, 1997 through October 31, 1998. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Wellsville, New York, on October 4, 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-12709-97 was awarded to the Research Foundation for SUNY College of Technology to provide funds for a welding laboratory and classroom, and the development of a training program for certified welders. The new program will train approximately 15 to 20 students per year.

The grant was for \$149,809 (62%) of actual, reasonable and eligible costs of the project. The grantee was to pay or cause to be paid the non-federal share of \$92,702 in cash, contributed services, or in-kind contributions. The grantee claimed total project costs of \$256,755, which included grant costs of \$149,659 (58%) and matching costs of \$107,096 (42%). ARC deobligated \$150 and closed the grant May 26, 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 completed the work required by the grant agreement. This included the start-up of a new facility for welding classes and the development of a training program for certified welders. The program has a 92% placement rate for graduates. ARC's funding was used for start-up costs and is not ongoing.

  
Hubert N. Sparks  
Inspector General



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*Office of the 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



October 20, 1999

Mr. Craig Clark  
Project Director  
Research Foundation for SUNY  
College of Technology at Alfred  
PO Box 9  
Albany, New York 12201

Re: OIG Report 00-01  
Grant NY-12709-97


Dear Mr. Clark:

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