



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 27, 1999

OIG REPORT 00-04

MEMORANDUM FOR: DONALD R. RYCHNOWSKI, EXECUTIVE DIRECTOR
SOUTHERN TIER WEST REGIONAL PLANNING &
DEVELOPMENT BOARD

OBJECT: Memorandum Survey Report
Review of Southern Tier Rail Line Development Project
NY-12073

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, 1995 through October 30, 1997. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Salamanca, New York, on September 28 and 29, 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-12073 was awarded to the Southern Tier West Regional Planning and Development Board to provide funds to obtain professional advice and assistance to retain rail service in the region.

The grant was for \$15,000 (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 \$15,000 in cash, contributed services, or in-kind contributions.

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.


The grantee claimed total project costs of \$30,000, of which included grant costs of \$15,000 (50%) and matching costs of \$15,000. Although all expenses related to this project have been paid by Southern Tier West, there is a balance of \$1,500 ARC funds available, due upon completion of a Final Report.

Program Review

The grant has been completed but the Final Report has not been submitted.

RECOMMENDATION

We recommend that the grantee submit their Final Report and request final payment in order for ARC to close out the grant.


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



APPALACHIAN
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A New Vision*

Office of the Inspector General

September 1, 1999

Mr. Donald Rychnowski, Executive Director
Southern Tier West Regional
Planning and Development Board
465 Broad Street
Salamanca, NY 14779


re: ARC Grants NY-11474-94 and NY-12073-95

Dear Mr. Rychnowski:

As discussed, these are two small and old grants for rail line development and preservation that remain in an open status with small balances. Since we plan to be in southern New York reviewing other grants and compliance with the J-1 Visa Waiver program for foreign physicians in late September, we will take this opportunity to do a quick review of the expenditures pertaining to these grants.

In the interim, we will followup with ARC regarding the open status of these grants. The auditor, Dorothy Cupp, of my office will contact you directly for a specific date.

Sincerely,


Hubert N. Sparks
Inspector General

cc: New York ARC State Alternate

Project Payment Record**As of 06/29/2000****Project Number: 12073 Suffix: 0 Phase: I State: NY FY: 1995****Project Title: Southern Tier Rail Line Development****Grantee: Southern Tier West Regional Planning Development Board****Effective Date: 06/01/1995****Expiration Date: 05/31/1996****Project Coordinator: KingH****Retention:****Status: Closed**

Item #	Date	Transaction	Notes	Amount (\$)	Balance
	10/05/1995	OBLIG		75,000.00	
	03/12/1997	DEOBLIG	AMEND #1	-60,000.00	
1	04/07/1997	ADVANCE		-13,500.00	
2	02/10/2000	FINAL		-1,500.00	
				Balance:	\$0.00