



August 19, 1998

MEMORANDUM FOR ARC EXECUTIVE DIRECTOR

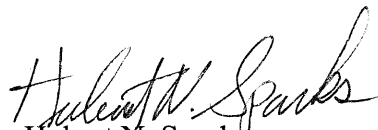
SUBJECT: OIG Reports 98-27(H), 98-37(H), 98-48(H), 98-51(H), and 98-52(H);
Pikeville College of Osteopathic Medicine, University of Pittsburgh
Manufacturing Assistance Center, Ohio Consolidated Technical
Assistance, Ross County Interagency Child Care Center, and Ohio J-1
Visa Waiver Program

Enclosed are the reports dealing with the subject grants.

The review of the grant to assist with the development of a fully accredited college of osteopathic medicine identified the need to establish internal controls to improve accountability, especially if additional grants are approved for this project.

The review of the grant to support the University of Pittsburgh's Manufacturing Assistance Center identified an overcharge of \$1,300 that should be returned to ARC.

Although the compliance visits in connection with the J-1 Visa Waiver program did not identify any instances of noncompliance, we noted that the notice identifying patient charges was not posted at any of the five locations visited. This is consistent with observations during recent visits to J-1 physician locations in other states. Therefore, we have recommended that active sponsors and participating physicians be reminded of ARC requirements with respect to the posting of information regarding patient charges.


Hubert N. Sparks
Inspector General

Enclosures

cc: Mr. Charles Howard
 Ms. Judy Rae



AUGUST 7, 1998

OIG REPORT 98-48(H)

MEMORANDUM FOR: MR. RANDALL C. HUNT, DIRECTOR, GOVERNOR'S OFFICE OF APPALACHIA, OHIO DEPARTMENT OF DEVELOPMENT

SUBJECT: Memorandum Survey Report--Review of Consolidated Technical Assistance Program, OH-7781-96

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 was October 1, 1996 through September 30, 1997. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Columbus, OH, July 16-17, 1998. 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 OH-7781-96 was awarded to the Ohio Department of Development, Governor's Office of Appalachia to continue its consolidated technical assistance program. According to the grant agreement, the grantee was to perform the following specific tasks:

- A. Skill/Training: Continue to provide assistance for the Fund for Appalachian Industrial Retraining (FAIR) program;
- B. Physical Infrastructure: Continue to promote the development of physical infrastructure needed for significant economic growth in Appalachian Ohio;
- C. Local Capacity Building: Continue to focus on efforts that will diversify the region's economic base;
- D. Access to Financial and Technical Resources: Continue to work with a vast array of local, regional and state agencies and organizations to provide services to Appalachian Ohio; and
- E. Health Care: Assist in the development and continuation of human services resources necessary to provide an improved quality of life for the residents of Appalachian Ohio.

The grant was for 50 percent of the total actual and reasonable costs of work accomplished under the agreement, not to exceed \$100,000 of area development funds. At the time of our review, the grantee had claimed and been paid for grant costs totaling \$68,293.26 (50 percent) based on total project expenditures of \$136,976.74. ARC deobligated \$31,706.74 on March 3, 1998 and closed the account.

RESULTS

During our on-site visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for grant and matching costs totaling \$136,976.74. We noted that there was no approved budget category for "other," however, the grantee claimed about \$7,500 in grant and matching costs for that category. Our review indicated that the grantee included expenditures for postage, printing and telephones in the "other" category. They are the types of expenditures that are routinely incurred on technical assistance projects and the current project director indicated he did not know why a separate line item was not included in the budget to cover them. He agreed that an "other" category will be included in their budget for future consolidated technical assistance projects. No other matters were noted regarding the allowability of the expenses or the adequacy of the documentation.

The Ohio Governor's Office of Appalachia (GOA) administered the ARC program in Ohio and completed the requirements specified by the grant agreement. During the grant period, the grantee:

- promoted and provided assistance for job training and telecommunications networks in the Appalachian region;
- worked to identify and fund projects for access roads, leadership, and educational and training facilities improvements;
- provided funding for infrastructure development that lead to job creation and developed distressed county infrastructure projects;
- administered and monitored the states's Appalachian Local Development District grant program and the Mini-Grants program;
- worked with the Ohio Department of Development to promote and implement the First Frontier Fund marketing program;
- provided assistance for a variety of other projects including agri-business development, export assistance, tourism, J-1 visa waivers, the preservation of rail lines in Appalachian Ohio, and mental health and drug/alcohol rehabilitation.

The grantee was awarded a subsequent grant from ARC to continue its technical assistance efforts in Appalachian Ohio.


Hubert N. Sparks
Inspector General



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A New Vision*

Office of the Inspector General

August 19, 1998

Mr. Randall C. Hunt, Director
Governor's Office of Appalachia
P. O. Box 1001
Columbus, OH 43266-1001

re: OIG Reports 98-51(H) and 98-52(H), Ross County Interagency Child
 Care Center and Ohio J-1 Visa Waiver Program

Dear Mr. Hunt:

Enclosed is a copy of our reports dealing with the Ross County Interagency Child Care Center and compliance visits to five locations employing J-1 physicians.

Sincerely,

A handwritten signature in cursive script that reads "Hubert N. Sparks".

Hubert N. Sparks
Inspector General

Enclosures