



**Open Basic (Child) Agency Grants
OIG Report 19-23**

March 31, 2019

grantee requests or BAMR reports and very limited use of the ARC Code provision that States can recommend revocation of grants not started within 18 months of approval

The review was conducted in accordance with Quality Standards for Inspections and Evaluations.

Results

Table A identifies 26 grants for which no ARC or other agency payments were reported on ARC.Net as of March 31, 2017. Balances of these grants totaled \$31,126,388 including a \$15 million-dollar broadband expansion grant approved August 31, 2015 and \$8 million approved December 9, 2016. This includes grants in prior reports and grants for which multiple BAMRs indicate little progress in resolving issues delaying project implementation. ARC follow-up on 36 grants with no payments in the prior report consisted primarily of extending performance periods payments identifications of reused construction starts or completion and deobligations or intended deobligations totaling \$407,193.

In many instances the BAMR identifies project status such as in design phase or revised project completion dates but provides no comments about the reasons for project delay or estimates of time frames for correction of issues delaying project construction. Also, the same problem issue is repeated multiple times in some BAMRs.

Of particular significance are the seven grants totaling \$1,219,989 for which prior BAMR recommended closings, deobligations, or reallocation of funds. We recognize ARC has attempted to obtain Basic Agency information needed to close these grant and use the funds for other projects.

Table B identifies 15 grants with expired performance periods and ARC balances over \$50,000 and \$2,945,757. Based on ARC policy direct project expenditures made after the performance period are ineligible and these funds are at risk based on current identified end dates and absence of supportable grant extensions. For example, ARC.Net notes that grant WV-18373 had end date of June 10, 2017 and a payment of \$220,331 was made January 31, 2018. Similar type actions were noted for additional grants.

Table C identifies 9 grants with smaller balances totaling \$69,494 for which the last payment was at least six months previous. These grants were included in prior reports.

Extensions made by the Basic Agency were generally in accord with ARC guidelines that did not require supporting documentation about the need for extensions.

58 Open Basic Agency grants had zero balances and although these grants do not impact grant management operations closing of these grants to the degree possible provides more realistic information about ARC workload and extent of active grants. We recognize closing is based on information from Basic Agencies that is not always received on a timely basis.

Recommendations

- Follow-up actions with respect to grants noted without any ARC disbursements should be continued with emphasis on grants approved several years previous for which limited activity was noted including grants recommended for deobligation.

- Expired performance dates should be addressed based on grantee requests and support for needed extensions.

- Grants with zero balances should be closed as soon as practical.

Table A

**Open Basic Agency Grants Approved Prior to April 1, 2017
and No Reported Payments as of March 31, 2019**

<u>Agency</u>	<u>Grant #</u>	<u>ARC approval</u>	<u>Basic agency obligation</u>	<u>ARC funds</u>	<u>BAMR comment</u>	<u>Last BAMR</u>	
EDA	GA-18427	9/15/2016		\$300,000.00	Deobligate	4/30/2018	1/ 2/ 3/
	PW-18611	8/24/2016		\$1,500,000.00	No BAMR		1/ 3/
	PW-18620	8/24/2016		\$622,500.00	No BAMR		1/ 3/
	MD-18747	1/30/2017		\$500,000.00	Design	3/29/2019	
HUD	PA-15612	9/21/2007	8/23/2007	\$145,000.00	Deobligate	6/26/2017	1/ 2/
	PA-16868	3/3/2011	9/30/2012	\$100,000.00	Reallocate	6/26/2017	1/ 2/ 3/
	PA-17254	6/22/2012		\$100,000.00	Cancelled - 2014	6/26/2017	1/ 2/
RD	GA-17266	9/26/2012		\$300,000.00	Assesments	2/16/2019	1/ 3/
	GA-17590	9/18/2013	7/25/2014	\$125,000.00	Tank site issues	5/15/2018	1/
	KY-18225	8/31/2015	9/30/2015	\$15,000,000.00	Rights of way	2/8/2019	1/
	KY-18257	9/24/2015	9/30/2015	\$500,000.00	Rights of way	2/8/2019	1/
	KY-18276	9/21/2015	9/30/2015	\$250,149.00	Historical Pres.	2/8/2019	1/
	KY-18293	9/24/2015	9/30/2015	\$350,000.00	Need funding	2/8/2019	1/
	KY-18731	12/9/2016		\$8,000,000.00	Rights of way	2/8/2019	
	MD-17383	8/28/2012	9/30/2012	\$275,000.00	Deobligate	10/16/2018	1/ 2/ 3/
	NC-18025	9/24/2015	9/30/2015	\$300,000.00	Est. Compl.	2/3/2017	1/
	NC-18722	1/8/2007		\$300,000.00	Bid by 12/18	11/28/2018	
	NC-18334	9/30/2016		\$300,000.00	Easements	2/5/2019	1/
	NY-17290	6/22/2012		\$150,000.00	Withdrawn	3/6/2018	1/ 2/ 3/
	NY-17520	7/19/2013		\$149,989.00	Withdrawn	3/6/2018	1/ 2/ 3/
	NY-17743	9/15/2014		\$200,000.00	Not moving	10/25/2017	1/ 3/
	OH-18589	9/16/2016		\$164,250.00	Planning	2/15/2018	1/
	TN-17379	9/26/2012		\$404,500.00	Easements	11/2/2018	1/
	TN-18238	9/29/2015	9/30/2015	\$160,000.00	To be bid	1/29/2019	1/ 3/
	TN-18553	8/2/2016		\$500,000.00	Environment	11/2/2018	
	<u>WV-18760</u>	1/30/2017		<u>\$430,000.00</u>	Engineer delay	2/4/2019	1/ 3/
		<u>26</u>			<u>\$31,126,388.00</u>		

1/In prior report

2/Deobligation, reallocation or cancellation recommended

3/Expired end dates

TABLE B

Basic Agency grants with expired end dates and balances over \$50,000

<u>Agency</u>	<u>Grant no.</u>	<u>ARC balance</u>	<u>End Date</u>	
EDA	PW-18609	\$703,344.00	3/30/2019	1/
HUD	PA-15612	\$145,000.00	No end date	1/
	PA-16868	\$100,000.00	5/1/2014	1/
	PA-17254	\$100,000.00	No end date	1/
	PA-17661	\$50,873.00	6/30/2016	1/
	PA-18627	\$150,000.00	6/1/2018	1/
	WV-18271	\$89,657.00	3/31/2019	1/
RD	KY-18258	\$204,072.00	3/1/2019	1/
	KY-18752	\$62,674.00	2/28/2019	1/
	MD-17383	\$275,000.00	12/31/2017	1/
	NC-18025	\$300,000.00	11/1/2015	1/
	NY-17290	\$150,000.00	3/6/2018	1/
	NY-17743	\$200,000.00	7/20/2017	1/
	OH-17880	\$250,000.00	5/30/2018	1/
TVA	<u>GA-17306</u>	<u>\$165,137.00</u>	3/15/2019	1/
	15	<u>\$2,945,757.00</u>		

1/In prior report

Open Basic Agency Grants with Smaller Balances

<u>Agency</u>	<u>Grant No.</u>	<u>ARC funds</u>	Balance as of <u>3/31/19</u>	<u>Last Payment</u>	
HUD	KY-17482	\$500,000.00	\$4,248.00	8/31/2015	1/
	KY-17792	\$298,028.00	\$3.00	5/31/2015	1/
	MS-17610	\$333,000.00	\$17,946.00	1/31/2016	1/
	OH-16258	\$185,520.00	\$3,532.00	9/30/2015	1/
	OH-16371	\$136,800.00	\$300.00	9/30/2015	1/
	OH-17543	\$250,000.00	\$7,115.00	12/31/2014	1/
	OH-17951	\$250,000.00	\$19,727.00	7/31/2016	1/
	OH-18076	\$250,000.00	\$8,262.00	1/31/2017	1/
	<u>OH-18140</u>	\$250,000.00	<u>\$8,361.00</u>	9/30/2017	1/
	9		<u>\$69,494.00</u>		

1/In prior report

TABLE D

Open Basic Agency Grants as of March 31, 2018 with Expired Performance
Periods and Balances over \$50,000 as of March 31, 2019

<u>Agency</u>	<u>Grant no.</u>	<u>ARC funds</u>	<u>End Dates</u>	<u>ARC balance</u>	
EDA	CO-18311	\$95,000.00	8/31/2017	\$68,978.00	1/
	WV-18273	\$1,000,000.00	6/10/2017	\$402,864.00	1/
HUD	PA-16868	\$100,000.00	5/1/2014	\$100,000.00	1/
	PA-17660	\$150,000.00	11/1/2017	\$150,000.00	
	PA-17661	\$125,000.00	6/30/2014	\$50,872.00	1/
	PA-18627	\$150,000.00	12/31/2017	\$150,000.00	
RD	GA-17671	\$225,750.00	9/27/2017	\$225,750.00	1/
	NC-18025	\$300,000.00	11/1/2015	\$300,000.00	
	NY-17290	\$150,000.00	12/31/2017	\$150,000.00	
	NY-17520	\$149,989.00	12/31/2017	\$149,989.00	
	NY-17743	\$200,000.00	7/20/2017	\$200,000.00	1/
	PA-18733	\$141,000.00	9/30/2017	\$141,000.00	1/
	SC-18115	\$500,000.00	4/1/2017	\$500,000.00	1/
TVA	GA-17306	\$171,137.00	3/15/2018	\$165,137.00	1/
	NC-16314	\$300,000.00	2/15/2018	\$81,722.00	
	<u>15</u>			<u>\$2,836,312.00</u>	

1/In prior report