February 16, 2010

TO: Federal Co-Chair
ARC Executive Director

FROM: Clifford Jennings
ARC Inspector General

SUBJECT: Reports on Telecommunication Projects, STeP UP
OIG Reports Nos., 10-01, 10-02, 10-03, & 10-04

GRANTEE: Mission West Virginia, Inc.

The OIG engaged Tichenor & Associates, LLP, Certified Public Accountants, to conduct reviews of four separate ARC grants made to Mission West Virginia, Inc. to support that entity's Striving for Technological Empowerment while Providing Unlimited Potential program. This transmittal addresses the following grants: WV-14468-03 (September 1, 2003 through August 31, 2004); WV-14468-C1-04 (September 1, 2004 through August 31, 2005); WV-14468-C2-05 (September 1, 2005 through August 31, 2006); and WV-14468-C3-06 (September 1, 2006 through December 31, 2007).

Tichenor & Associates has issued separate reports covering its review of each grant and recommended disallowing $194,243 of the amounts previously disbursed to Mission West Virginia, Inc. As noted in Tichenor's reports, these recommendations were based on two principal concerns: the grantee's placement of computer labs in non-distressed counties and inadequate documentation of some payroll charges.

In connection with the four reviews of Mission West Virginia, Inc., conducted by Tichenor & Associates, LLP, the OIG does not express an opinion on Mission West Virginia's activities, internal controls, or conclusions on compliance with laws and regulations. The OIG had no involvement in the review of Mission West Virginia's grant program. The OIG's involvement was with Tichenor & Associates, who was contracted to review and report on grant compliance and other matters as outlined in the reports' scope section. Tichenor & Associates is responsible for the attached auditor's reports and the opinions, conclusions, and recommendations expressed in those reports. The OIG plans to issue a separate memorandum related to this matter.

Clifford H. Jennings
Inspector General
Attachment