



INSPECTOR GENERAL'S SEMIANNUAL REPORT TO CONGRESS

Appalachian Regional Commission

April 1, 2019–September 30, 2019

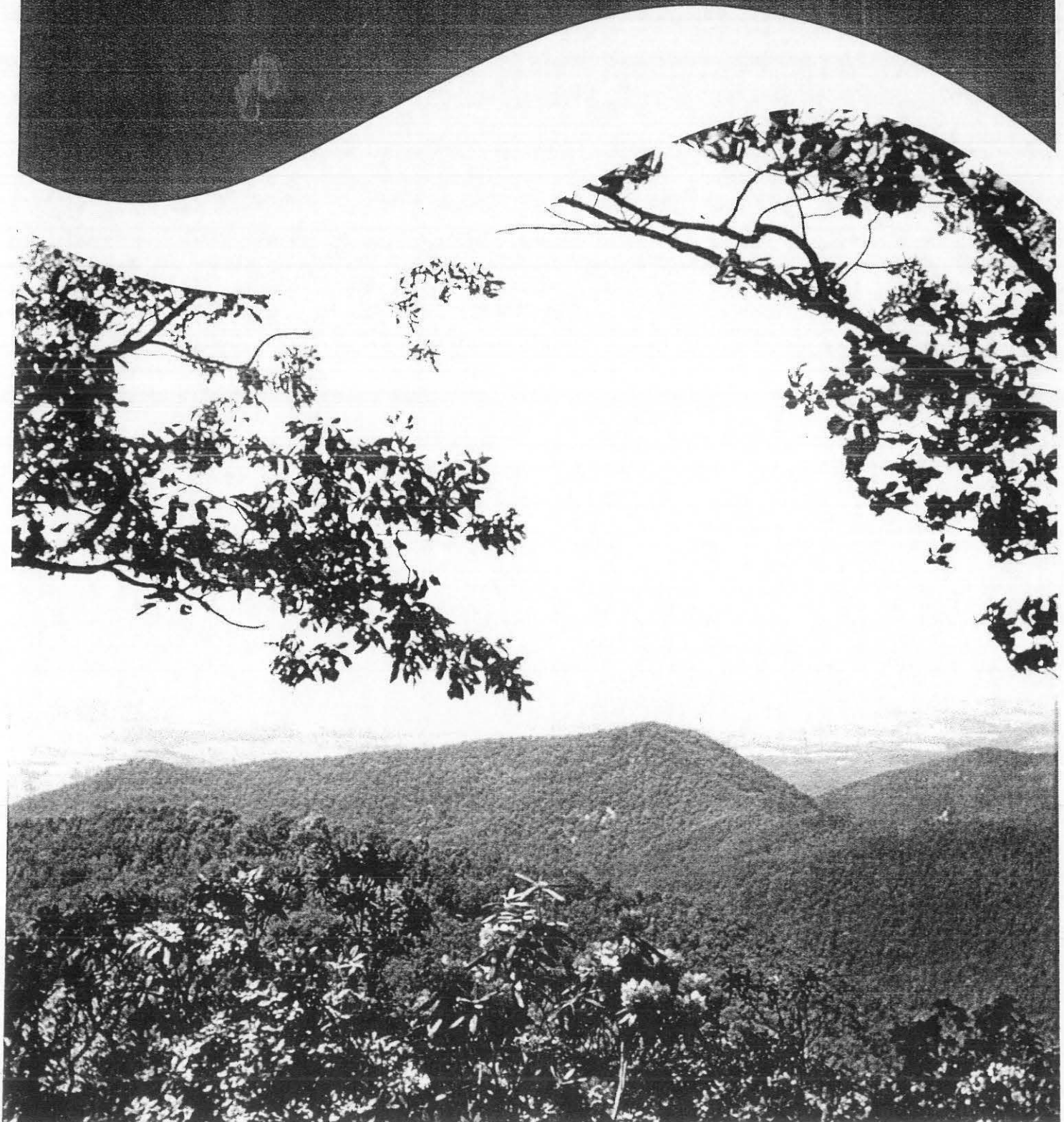


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EXECUTIVE SUMMARY

ARC grant operations, including grant management and grant projects, represent the most significant aspect of ARC programs and OIG reviews. For this reporting period OIG activity included issuance of twenty reports, including sixteen grant audits and four management reports.

Overall there is a high degree of implementation of ARC policies and procedures. However, recommendations were made in grant audit reports that pertained strengthening policies and procedures, improved performance reporting, equipment management, indirect costs, internal controls and supporting documentation for costs claimed. Actions were initiated by grantees to address the recommendations.

Management reports pertained to grant application approvals and obligations, inactive grants, and grants with expired end dates. Recommendations emphasized follow-up on grants with no ARC payments at least two years after approval or obligation to determine potential use of funds on other priority projects and addressing expired grant periods that could result in significant ineligible payments. For inactive grants, Basic Agency Monitoring Reports identified 6 grants totaling approximately \$1.1 million approved ARC funds that are not being implemented timely and could be cancelled and funds reallocated to other projects.

ARC is a Designated Federal Entity (DFE). The IG Act identifies the DFE agency head as the applicable Board or Commission that includes the Federal Co-Chair and the Governors of the 13 Appalachian States.

Legislation provides that the DFE Agency Head can terminate the Inspector General with a two thirds vote. No problems have resulted from the implementation of this provision.

Within the OIG community and the Council of Inspectors General on Integrity and Efficiency (CIGIE) the IG continues to emphasize issues impacting efficiency, effectiveness and credibility of OIG-wide audit operations and actions to address these issues. These issues include identification and support of revised performance auditor qualifications to address performance auditing skills gaps, addressing open and unimplemented recommendations, independent peer reviews of the efficiency and effectiveness of audit operations and reporting of actual monetary rather than potential monetary benefits.

PURPOSE AND REQUIREMENTS OF THE OFFICE OF INSPECTOR GENERAL SEMIANNUAL REPORT

The Inspector General Act of 1978 requires the IG to keep the Federal Co-Chair and Congress fully and currently informed about problems and deficiencies in the Commission's operations and the necessity for corrective action. In addition, the Act specifies that semiannual reports will be provided to the Federal Co-Chair by April 30 and October 31 and to Congress 30 days later.

The Federal Co-Chair may transmit comments to Congress along with the report but may not change any part of the report. The specific requirements prescribed in the Act, as amended (Public Law 100-504), are listed below.

Reporting Requirements

Section 4(a)(2)	Review of legislation and regulations	Page 8
Section 5(a)(1)	Problems, abuses, and deficiencies	Page 8
Section 5(a)(2)	Recommendations with respect to problems, abuses, and deficiencies	Page 8
Section 5(a)(3)	Prior significant recommendations not yet implemented	*
Section 5(a)(4)	Matters referred to prosecutive authorities	*
Section 5(a)(5) and 6(b)(2)	Summary of instances where information was refused	*
Section 5(a)(6)	Listing of audit reports showing number of reports and dollar value of questioned costs	App A
Section 5(a)(8)	Statistical table showing number of reports and dollar value of questioned costs	App B
Section 5(a)(8)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use	App C

* None.

I. INTRODUCTION - OIG

The Inspector General Act Amendments of 1988, (Pub. L. No. 100-504) provides for the establishment of an Office of Inspector General (OIG) at Designated Federal Entities (DFEs), including the ARC. The ARC OIG became operational on October 1, 1989, with the appointment of an IG and provision of budgetary authority for OIG operations including internal or contracted audits, investigations, inspections and evaluation.

II. BACKGROUND - ARC

The Appalachian Regional Development Act of 1965, (Pub.L. No. 89-4) established the Appalachian Regional Commission. The Act authorizes a Federal/State partnership designed to promote long-term economic development on a coordinated regional basis in the 13 Appalachian States. The Commission represents a unique experiment in partnership among the Federal, State, and local levels of Government and between the public and private sectors. It is composed of the Governors of the 13 Appalachian States and a Federal Co-Chair who is appointed by the President. Annually the group of Governors elect one Governor to serve as the States' Co-Chair.

- Through joint planning and development of regional priorities, ARC funds are used to assist and encourage other public and private resources to address Appalachia's unique needs. Program direction and policy are established by the Commission (ARC Code) with the vote of a majority of the State members and the affirmative vote of the Federal Co-Chair. Emphasis has been placed on infrastructure development, business enterprise, energy, human resources, and health and education programs, and highways with emphasis on job creation including coal miner dislocation. Specific priority initiatives to stimulate economic growth and opportunity in the region includes the Partnership for Opportunity and Workforce and Economic Revitalization (POWER), Southern/South Central Appalachia Workforce Training and Central Appalachia Broadband.

- To ensure that funds are used effectively and efficiently, and to strengthen local participation, ARC works with the Appalachian states to support a network of multicounty planning and development organizations, or Local Development Districts (LDDs), throughout the Region. The 73 LDDs cover all 420 counties in Appalachia. The LDDs' role includes identification of priority needs of local communities and assisting with participation in ARC programs.

- Administratively, the Commission currently has a staff of 53 non-Federal employees and six Federal employees responsible for program operations. The Commissions' administrative expenses, including salaries, are jointly funded by Federal and State funds.

- The Commission's appropriation for FY 2019 was \$165 million and is \$175 million for FY 2020.

ARC approves about 450 grants annually with funds allocated to the thirteen Appalachian States for area economic development, including special projects such as broad band expansion,

significant funding for distressed counties, local development districts administrative funds, research projects identifying Appalachian issues, and technical assistance funds for State economic and development agencies.

An additional 300 grants totaling about one hundred fifty million dollars were approved since FY 2015 for the POWER program directed at growing the economy in coal impacted communities.

Although Congress changed the funding method for the Appalachian Development Highway System (ADHS) in July 2012, ARC continues to support and participate in completion of the ADHS including fulfilling planning and approval responsibilities.

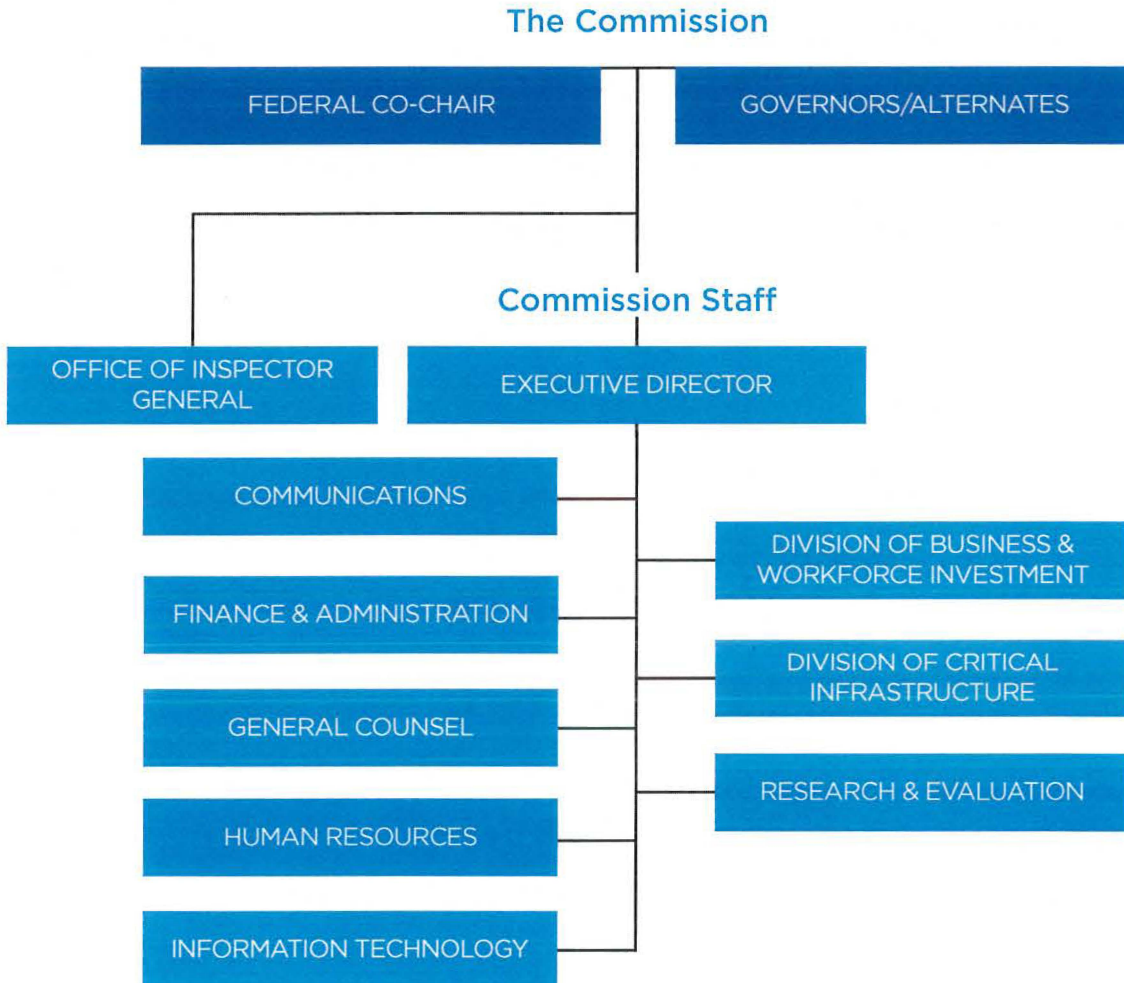
ARC's non-ADHS funds were distributed to state and local entities in accordance with an allocation formula intended to provide fair and reasonable distribution of available resources. ARC staff has responsibilities for program development, policy analysis and review, technical assistance to States, and management and monitoring.

In order to avail itself of federal agency expertise, administrative capability, and funding opportunities in certain areas ARC often relies on other departments and agencies, especially with respect to highways and infrastructure projects. For example, the Appalachian Regional Development Act authorizes the Secretary of Transportation to administer the Commission's highway programs. ARC also has successfully assisted State Departments of Transportation (State DOTs) in securing United States Department of Transportation (USDOT) discretionary grant funding, exemplified most recently in 2019 with USDOT's award of \$100 Million to West Virginia for ADHS Corridor H (Nationally Significant Federal Lands and Tribal Projects program) and \$52.4 Million to Mississippi DOT for ADHS Corridor V (Infrastructure for Rebuilding America program). Working with State DOTs, ARC continues to actively monitor the status of ADHS construction and look for innovative approaches to make progress toward completion.

In FY 2019, ARC worked closely with the Federal Highway Administration and State DOTs to finalize a Strategic Plan to Complete the ADHS. The goal of the plan is to define ADHS completion, identify completion priorities, and highlight key completion strategies to guide future ARC, FHWA and State DOT activities. Key completion strategies include greater pursuit of innovative funding sources, development and periodic update of an ADHS Completion Plan which includes costs to complete unfinished segments, and streamlining status classification, reporting, and approval of modifications.

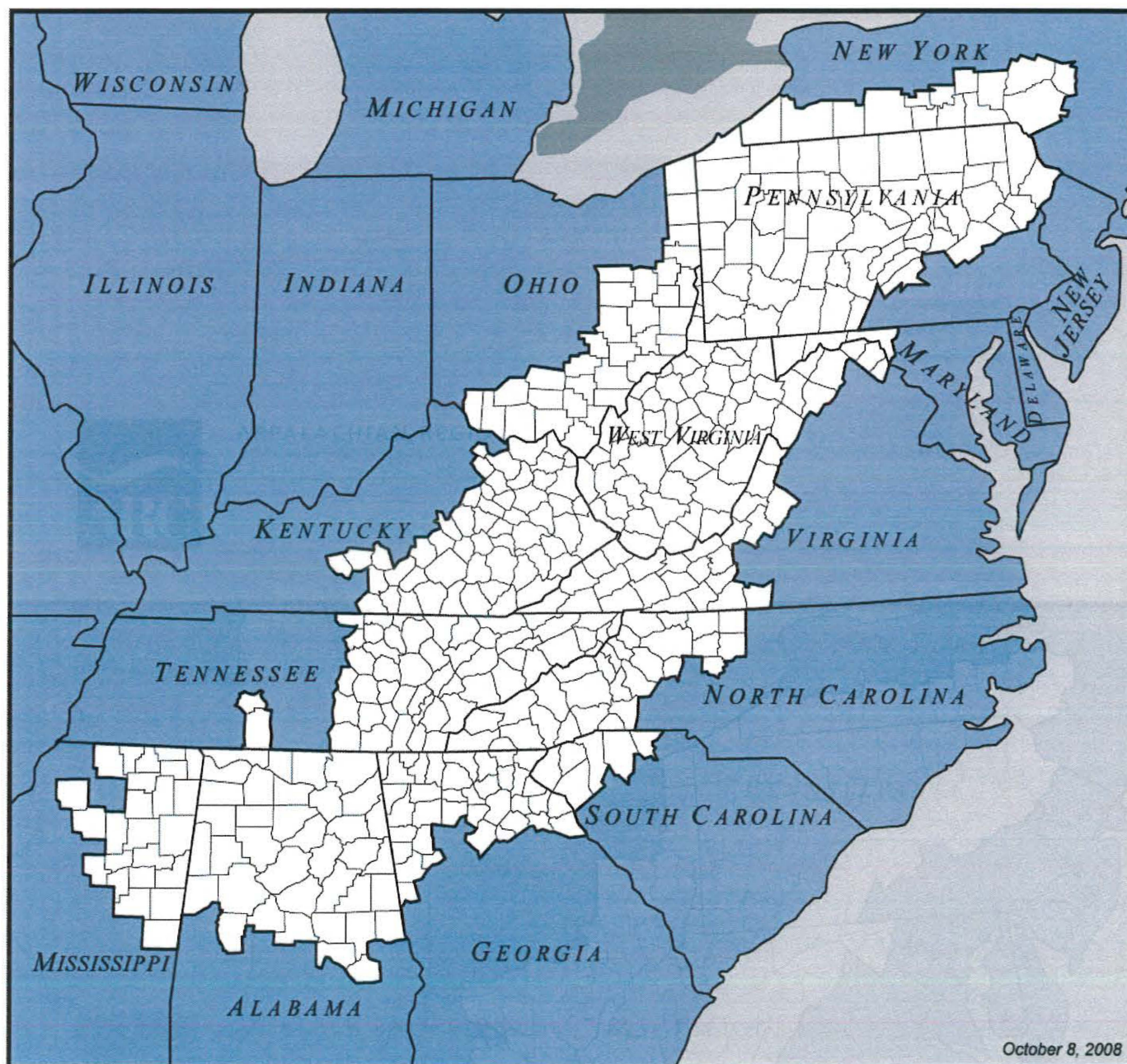
ARC relies on Child Agencies (Basic Agencies), including the Departments of Agriculture (USDA), Housing and Urban Development (HUD), and the Economic Development Administration (EDA) to administer construction related grants to oversee non-highway infrastructure grants. Currently the use of State agencies to administer construction related grants is being emphasized.

APPALACHIAN REGIONAL COMMISSION ORGANIZATION





APPALACHIAN REGION



Appalachia, as defined in the legislation from which the Appalachian Regional Commission derives its authority, is a 205,000-square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia.

B. OFFICE OF INSPECTOR GENERAL

The ARC OIG is an independent audit and investigative unit that reports directly to the Agency Head.

Role and Authority

The Inspector General Act of 1978, (Pub.L. No. 95-452), as amended in 1988, states that the IG is responsible for (1) audits, investigations, inspections and evaluations; (2) review of legislation; and (3) recommendation for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in the program and operations of the establishment. In this regard, the IG is responsible for keeping the Agency Head and Congress fully informed about the problems and deficiencies in ARC programs and operations and the need for corrective action. The IG has authority to inquire into all ARC programs and activities that are federally funded. The inquiries may be in the form of audits, surveys, investigations, inspections, evaluations, personnel security checks, or other appropriate methods. The two primary purposes of these inquiries are (1) to assist all levels of ARC management by identifying and reporting problem areas, weaknesses, or deficiencies in procedures, policies, program implementation, and employee conduct and (2) to recommend appropriate corrective actions.

Relationship to Other Principal ARC Offices

The full Commission, acting together, establishes policies for ARC's programs and its administration. These policies are provided under the ARC Code and implemented by the Commission staff, which is responsible for monitoring project performance and providing technical assistance as needed. The Federal Co-Chair is responsible for the proper use and protection of Federal funds, for ensuring compliance with applicable Federal laws and regulations, and for taking appropriate action on conditions needing improvement, including those reported by the OIG. The operation of the OIG neither replaces established lines of operating authority nor eliminates the need for the Commission offices to take reasonable measures to protect and enhance the integrity and effectiveness of their operations. All Commission offices are responsible for monitoring and evaluating the programs entrusted to them and reporting information or incidences needing further audit, inspections, evaluation and investigations to the OIG.

Funding and Staffing

The OIG funding level for FY 2020 is \$710,000. Staffing consists of the Inspector General, an Assistant Inspector General for Audit, and a Confidential Assistant. Grant review activities continue to emphasize use of contracted services (e.g., independent public accounting firms or other OIG offices) supplemented by programmatic and performance reviews conducted by OIG staff.

In order to comply with Pub.L. No. 110-409, the Inspector General Reform Act of 2008, the OIG contracts with other IGs for counsel and investigative services to the degree needed.

III. OIG ACTIVITY

A. Audits, Inspections and Management Reviews

Grant reviews focused on grant implementation and administration in line with ARC and OMB policies and procedures. Management reviews focused on headquarters program and grant management activities. During the reporting period sixteen grants audits and four management reports were issued.

Of the sixteen grant audits, with total ARC funding of \$25,334,986 million, and matching costs of \$34,406,643, we determined there was overall implementation of grants in accordance with policies, procedures and regulations. Questioned or unsupported costs and funds to better use totaled \$1,275,310.

Recommendations in grant audit reports pertained to internal controls, policies and procedures, performance measures and reporting, indirect costs, payment procedures, supporting documentation of costs, equipment management, and progress reporting. Actions were generally initiated by grantees to address the recommendations.

Management reports addressed issues with respect to inactive grants not started within two years of ARC approval or obligations, expired end dates with large ARC balances, grants with small balances and no recent payments and a review of the timelines of 2018 grant approvals and obligations.

We noted 79 grants with no payments within two years of grant approval and obligations totaling \$47,970,533. This included 29 basic agency administered grants totaling \$35,066,299. 26 RSBA grants totaling \$9,575,004 and 14 ARC administered grants totaling \$3,329,190. This also included 6 grants totaling \$1,070,000 for which Basic Agency Monitoring Reports (BAMR) recommended action to deobligate the grants.

A contributing factor with respect to grant closeouts and deobligations for Basic Agency and State administered grants is the difficulty ARC has in obtaining necessary information from the grant administering agencies.

There were 102 grants identified where performance end dates for grants with over \$50,000 balances totaling \$20,563,856, had expired subjecting these grants to possible ineligible expenditures. This includes 38 ARC administered grants totaling \$4,569,316; 35 Basic Agency administered grants totaling \$8,672,218 and 29 State administered grants totaling \$7,322,322.

This is considered a significant issue based on policy that project expenditures identified after the performance period are ineligible for reimbursement. The absence of supporting extensions results in expenditures being at risk. ARC policies provide a process for grantees to request and support an extension prior to expiration of the performance period. There were no changes to 13 grants with expired end dates and large balances included in prior reports.

Recommendations emphasized timely follow-up on grants with no reported payments at least two years after approval or obligation to determine the potential to use funds on other priority projects, and addressing expired performance periods that could result in significant ineligible payments and timely use of advances.

There was \$149,989 deobligated this period and became available for use on other projects.

The review of FY 2018 grant application approvals and obligations determined that 64 percent of applications were approved in the last quarter of the fiscal year. This resulted in an unbalanced workload and 73 percent of the FY obligations occurring in the last quarter.

Although ARC approves grant applications in a timely manner the process does not significantly address an approval process that better assures a more balanced distribution of applications, approvals and the unbalanced workload.

There are various factors that contributes to late applications, approvals and obligations. It has been generally agreed by ARC and State representatives that more timely submissions of applications would be beneficial for improving the grant approval process.

Continued follow-up with State partners to identify and address actions to reduce the imbalance of applications, approvals, obligations and the unbalanced workload. The OIG has identified this and similar issues in past reports.

ARC generally agreed with the recommendations noted above.

Peer Review

Offices of the Inspectors General (OIGs) are required to perform (and undergo) reviews of other OIG offices every three years to ensure audit policies and/or procedural systems are in place that provide reasonable assurance of compliance with government auditing standards (GAS). The OIG peer review conducted in FY 2017 by the Commodity Futures Trading Commission OIG disclosed no findings and the next peer review of ARC is scheduled for FY 2020.

Also, peer reviews of Inspections and evaluations have been initiated by CIGIE and the first review of ARC OIG is scheduled for FY 2020.

B. INVESTIGATIONS

The Inspector General Act of 1978, as amended, provides that the IG may receive and investigate complaints or information concerning the possible existence of an activity constituting a violation of law, rules, or regulations; mismanagement; gross waste of funds; or abuse of authority. The ARC OIG does not employ criminal investigators and utilizes other OIGs to perform needed investigations. Also, if appropriate, the results of investigations may be referred to Federal, State, or local prosecutor authorities for action.

C. OTHER

OIG Working Groups

Smaller OIG offices have some significantly different operational concerns than larger OIG offices in trying to maintain effective and efficient oversight of agency programs. One challenge involves the significant human and capital resources required to mandated reviews. The IG is an active member of the group that meets periodically to discuss such issues and recommends actions/best practices to facilitate smaller OIG operations.

Requests for Information

Each year we receive and comply with requests for information from various governmental entities compiling statistics on OIG offices or their audited agencies. CIGIE requests information for its annual OIG profile update and compilation of OIG statistics. The yearly compilation summarizes the results of audit and inspection activities for all federal OIG offices.

Implementation of OIG Reform Act

The OIG has implemented the requirements of Pub.L. No. 110-409 the Inspector General Reform Act of 2008.

IV. REPORTING FRAUD, WASTE, AND ABUSE

A region wide toll-free hotline is maintained to enable direct and confidential contact with the ARC OIG, in line with governmental and longstanding OIG initiatives as identified in the IG Act of 1978; to afford opportunities for identification of areas subject to fraud, waste, or abuse. Also, in accordance with the Inspector General Reform Act of 2008, the ARC OIG implemented another communication channel allowing anonymous reporting of fraud, waste or abuse via a link on our website's home page. The web link is, <http://ig.arc.gov/>.

V. LEGISLATIVE AND REGULATORY REVIEW

The OIG reviews legislation germane to ARC, OIG and the OIG community. Our comments are provided, as appropriate to agency officials, and/or to the CIGIE for incorporation with comments from all other OIGs.

VI. DODD-FRANK LEGISLATION – Reporting to Full Commission

The OMB list of Designated Federal Entities (DFE) includes ARC and conforms legislation identifying the 13 Appalachian Governors and Federal Co-Chair as the ARC Agency Head. No problems have been experienced with respect to implementation of the legislation.

VII. OIGs AUDIT COMMUNITY WIDE ISSUES

OIG audit units have provided very valuable services to the taxpayers including significant monetary benefits and major program improvements. However, as with any organization, improvements are possible and within the OIG community there are areas where OIG-wide audit performance and credibility can be significantly improved by addressing the following issues.

The noted issues do not involve Appalachian Regional Commission operations.

Performance Audit Skills Gaps

There is a continued significant need to address the audit critical skills gap with respect to OIG performance auditing that constitute the large majority of OIG audit work conducted by OIG audit organizations. In 2012 the Office of Personnel Management (OPM) and OIGs identified an audit skills gap pertaining to performance auditing and OPM and OIG's noted that the OPM 0511 auditor series that requires 24 credit hours of accounting or an equivalent level of accounting experience was outdated and did not attract individuals with the core competencies to conduct performance audits. An ongoing OPM study, including focus groups involving OIG staff, has overwhelmingly identified primary performance audit skills as oral and written communications, problems solving, data analytics, interpersonal communications and critical thinking.

The current 0343 management analyst series is not used to a significant degree in relation to the audit workload and does not include educational requirements.

A 2016 internal OIG survey highlighted the need to address this issue. 54 OIG respondents reported that 88.8 percent or 3825 of the 4307 performance or financial auditors were considered performance auditors. Also, the survey noted that 90.1 percent of the 609 vacant or anticipated vacant performance and financial audit positions were considered performance auditor positions.

Other government audit organizations including the Government Accounting Office (GAO) have recognized and addressed this issue.

Recommendations and actions to increase auditor qualification flexibility with emphasis on the primary performance audit competencies are not intended and would not interfere with continued use of the 0511 auditor series for financial related audit work. However, action to correct the identified audit skills gaps would facilitate employment of staff best suited for the large majority of OIG audit work at most OIG's and, over a period of time, significantly increase audit effectiveness and reduce wasted use of OIG resources.

Implementation of Recommendations

Report OIG disagreement with management decisions not to implement very significant programmatic recommendation. A prior Congressional report noted 15,222 open recommendations with potential monetary savings of \$87 billion dollars. The IG Act provision 5(a)(12) that provides for including in the semi-annual report information concerning any

significant management decision with which the IG is in disagreement is seldom, if ever, used to highlight disagreement with management decisions on significant programmatic or potential large monetary benefit recommendations.

Audit Peer Reviews

- Develop and implement peer review guides to independently assess OIG audit efficiency and effectiveness that highlights key operational elements, such as planning, field work, report timeliness, staff utilization and training, supervision, audit follow-up and actual results. The required peer review of compliance with audit standards does not address these key operational elements that determine OIG efficiency and effectiveness. Such reviews should contribute to increased OIG audit efficiency and effectiveness such as addressing timely reporting that often surfaces as a criticism.

Some OIGs conduct internal assessments of key operational elements. These reviews are considered independent since they are conducted by staff from other units within the OIG. This reasoning conflicts with a major reason for establishment of OIGs being that agency internal audit units were not considered sufficiently independent even though audits were conducted by units not connected with the audited unit.

Actual Versus Potential Monetary Results

- Identify outcome based performance measures that, over a multi-year period, provide for reporting of actual savings in relation to the multi billions of potential audit related savings reported annually based primarily on questioned and undocumented costs. OIG recommendations result in savings in excess of OIG operational costs. However, actual savings are not included in the OIG Annual Report to the President or in most OIG Semi-annual reports.

A primary argument presented against including some actual rather than only potential monetary benefits over a multi-year period in OIG Semi-annual reports (SAR) and the CIGIE Annual Report to the President is the difficulty in obtaining this information. However, the IG Act and OMB Circular A-50, Audit Follow-up specifically require the agency head to identify actual monetary related benefits resulting from OIG reports when transmitting the OIG SAR to Congress. Section 5(b)(2)(c)(i) & (ii) of the IG Act specifies that the agency head will include the disallowed costs that were recovered by management through collection, offset, property in lieu of cash or otherwise and the dollars of disallowed costs that were written off by management as part of the agency head transmittal of the OIG SAR to Congress. OMB circular A-50 states that the Agency follow-up official is to Semi-annually provide the head of the agency the amount of collections, offsets, write-offs, demands for payment and other monetary benefits resulting from audits.

Based on this available information and OIG Semi-annual reports that identify agreed with disallowances tracking of some actual savings over a multi-year period appears reasonable and would better support OIG credibility.

Such reporting would also be in conformance with the intent of the Government Performance and Results Act (GPRA) that emphasizes reporting projected and actual results.

APPENDIX A

SCHEDULE OF AUDIT, INSPECTION, EVALUATION & REVIEW REPORTS
ISSUED APRIL 1, 2018 TO SEPTEMBER 30, 2019

Report No.	Report Title/Description	Program Dollars or Contract/Grant Amount*	Questioned/Unsupported Costs**	Funds to Better Use***
19-25	SW PA Corporation PA	\$662,567		
19-26	Jobs for MS Graduates, Inc.	\$600,000	\$123,124	
19-27	Trenholm State Community College	\$1,714,640	\$42,275	
19-28	Itawamba Community College	\$1,200,000		
19-29	Approvals & Obligations			
19-30	Hagerstown Community College	\$500,000		
19-31	Isothermal Community College	\$987,940	\$39,911	
19-32	MS Department of education	\$540,000		
19-33	East MS Community College	\$10,769,271		
19-34	Baptist Memorial Hospital	\$552,779		
19-35	Consortium for Entrepreneurship Education	\$2,196,450		
19-36	Marshall University Research Corporation	\$1,502,939		
19-37	Fayette County Community Action Agency	\$1,750,000		
19-38	Washington Greene County Job Training	\$653,400		
19-39	Southern Alleghenies Planning & Community Development Commission (LDD)	\$304,000		
19-40	Southern Alleghenies Planning & Community Development Commission (PREP)	\$1,200,000		
19-41	Ohio Mid-Eastern Regional Education Services	\$200,000		
19-42	ARC Administered Grants			
19-43	State Administered Grants			
19-44	Basic Agency Administered Grants			\$1,070,000
Total		\$25,333,986	\$205,310	\$1,070,000

1/Evaluations assessed grant management actions with respect to about \$30 million in programs expenditures.

SCHEDULE OF AUDIT, INSPECTION AND EVALUATION REPORTS
WITH QUESTIONED OR UNSUPPORTED COSTS (THOUSANDS)

	<u>No. of Reports</u>	<u>Questioned Costs</u>	<u>Unsupported Costs</u>
A. For which no management decision was made by the commencement of the reporting period	0		
B. Which were issued during the reporting period	4		\$ 275
Subtotals (A + B)	1		\$ 275
C. For which a management decision was made during the reporting period			
(i) dollar value of disallowed costs			\$10
(ii) dollar value of costs not disallowed			
D. For which no management decision has been made by the end of the reporting period	4		
E. Reports for which no management decision was made within 6 months of issuance			

SCHEDULE OF AUDIT, INSPECTION AND EVALUATION REPORTS WITH
RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE AND SUMMARY OF
MANAGEMENT DECISIONS (THOUSANDS)

	<u>No. of Reports</u>	<u>Dollar Value</u>
A. For which no management decision was made by the commencement of the reporting period		
B. Which were issued during the reporting period	4	\$1,200
Subtotals (A + B)	4	
C. For which a management decision was made during the reporting period		
(i) dollar value of recommendations that were agreed to by management		
--based on proposed management action	4 1/	\$1,200
--based on proposed legislative action		
(ii) dollar value of recommendations that were not agreed to by management		
D. For which no management decision has been made by the end of the reporting period	0	
E. Reports for which no final management decision was made within 6 months of issuance	0	0

1/ Based on value of grants recommended for follow-up in prior report. Management agrees to follow-up on identified grant and the value noted is actual deobligations during the reporting period.

DEFINITIONS OF TERMS USED

The following definitions apply to terms used in reporting audit statistics:

Questioned Cost	A cost which the Office of Inspector General (OIG) questioned because of an alleged violation of a provision of a law, regulation, contract, or other agreement or document governing the expenditure of funds; such cost is not supported by adequate documentation; or the expenditure of funds for the intended purpose is unnecessary or unreasonable.
Unsupported Cost	A cost which the OIG questioned because the cost was not supported by adequate documentation at the time of the audit.
Disallowed Cost	A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Commission.
Funds Be Put To Better Use	A recommendation made by the OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation.
Management Decision	Management's evaluation of the findings and recommendations included in the audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary. Interim decisions and actions are not considered final management decisions for the purpose of the tables in this report.
Final Action	The completion of all management actions that are described in a management decision with respect to audit findings and recommendations. If management concluded that no actions were necessary, final action occurs when a management decision is issued.

**THE OFFICE OF INSPECTOR GENERAL
APPALACHIAN REGIONAL COMMISSION**

**serves American taxpayers
by investigating reports of waste, fraud, or abuse
involving Federal funds.**

**If you believe an activity is
wasteful, fraudulent, or abusive of Federal funds,
please call
toll free 1-800-532-4611
or (202) 884-7667 in the Washington metropolitan area**

or write to:

**Office of Inspector General
Appalachian Regional Commission
1666 Connecticut Avenue, NW, Suite 700
Washington, DC 20009-1068**

**Information can be provided anonymously.
Federal Government employees are protected from reprisal,
and anyone may have his or her identity held in confidence.**