



**U.S. Environmental Protection Agency
Office of Inspector General**

15-4-0072
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At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), conducted this examination to determine whether the costs claimed under a Brownfields Revolving Loan Fund Cooperative Agreement BF97119201 (the agreement), awarded to the Pioneer Valley Planning Commission (PVPC), are reasonable, allowable and allocable in accordance with the applicable laws, regulations and agreement conditions. The OIG also sought to determine whether the objectives of the award were met.

PVPC is the regional planning body for the Pioneer Valley Region, which encompasses 43 cities and towns in the Hampden and Hampshire county areas of Massachusetts.

This report addresses the following EPA goal or cross-agency strategy:

- *Cleaning up communities and advancing sustainable development.*

Send all inquiries to our public affairs office at (202) 566 2391 or visit www.epa.gov/oig.

**The full report is at:
www.epa.gov/oig/reports/2015/20150202-15-4-0072.pdf**

Costs of \$1.2 Million for Brownfields Cooperative Agreement to Pioneer Valley Planning Commission in Massachusetts Questioned

What We Found

PVPC did not follow federal requirements when administering the agreement. Also, PVPC's accounting system cannot provide an accurate, current and complete disclosure of the financial results. Of the \$1,261,665 in funds drawn, PVPC acknowledged that \$94,891 involved duplicate invoices, unverified costs, costs associated with another federal assistance agreement, and ineligible indirect costs, and agreed to repay \$94,891. We consider the remaining \$1,166,774 to also be questionable due to the other accounting deficiencies. PVPC's accounting reports for the agreement do not reconcile, PVPC did not implement a corrective action from a previous Single Audit report, and PVPC is applying the wrong administrative requirements in its internal policies and procedures because those procedures apply to non-profit organizations and not governmental units such as PVPC.

We found all of the \$1,261,665 drawn by PVPC to be questionable, and PVPC has already agreed to repay \$94,891 of that amount.

PVPC achieved the intent of the agreement in that four brownfields were remediated. Two of the four sites were also reused, while the other two sites remained vacant due to market conditions and other factors.

Recommendations and Planned Corrective Actions

We recommend that the Regional Administrator, EPA Region 1:

- Place PVPC on a reimbursement basis for all EPA grants and agreements.
- Issue a stop work order for this agreement until PVPC is able to provide accurate information on costs incurred for the agreement.
- Require PVPC to transfer \$19,277 program income back to the Revolving Loan Fund.
- Verify that PVPC has a financial management system that meets federal standards prior to any future awards.
- Question and recover \$1,261,665 of federal funds drawn at the time we began our review.

EPA Region 1 agreed to all recommendations and provided corrective actions and completion dates that meet the intent of the recommendations. Further, PVPC has already agreed to repay \$94,891 in questionable costs and transfer \$19,277 back to the Revolving Loan Fund.