



At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), conducts site visits of American Recovery and Reinvestment Act of 2009 clean water and drinking water projects. The purpose of this unannounced site visit was to determine whether the recipient of funds complied with selected requirements of the Recovery Act and Drinking Water State Revolving Fund (DWSRF) program.

The Puerto Rico Aqueduct and Sewer Authority (PRASA) received \$19.5 million in Recovery Act funds from the Puerto Rico Infrastructure Finance Authority under the DWSRF program administered by the Puerto Rico Department of Health (PRDOH). The Yauco – La Jurada Community Distribution System project received \$1,385,000 in Recovery Act funds through a DWSRF loan.

This report addresses the following EPA theme:

- *Protecting water: A precious, limited resource.*

For further information, contact our public affairs office at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2013/20130923-13-R-0413.pdf

American Recovery and Reinvestment Act Site Visit of Yauco – La Jurada Community Distribution System, Yauco, Puerto Rico

What We Found

We conducted an unannounced site visit to the Recovery Act-funded project of the Yauco – La Jurada Community Distribution System in Yauco, Puerto Rico, in August 2010. The project consisted of furnishing and installing new water distribution lines, constructing two distribution tanks, and installing house service connections. We toured the project site, interviewed personnel from PRASA and the PRDOH, as well as the prime contractor's manager and employees, and reviewed documentation related to Recovery Act requirements.

Based on our site visit, no issues or concerns came to our attention that would require action from the Commonwealth of Puerto Rico, PRDOH, PRASA or EPA.

The prime contractor did not provide sufficient documentation to confirm payment of wages to its employees. According to PRASA, the prime contractor went out of business before completing the project. The project was ultimately completed by the prime contractor's insurers. PRASA experienced significant delays in acquiring documentation to support the review as a result of the prime contractor's demise.

According to PRASA, having a prime contractor going out of business before it completes a project is a rare and isolated event. With PRASA's assistance, we received adequate documentation to support compliance with the requirements of the Recovery Act.