



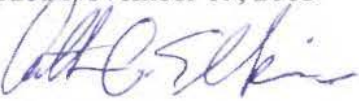
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT - 8 2015

THE INSPECTOR GENERAL

MEMORANDUM

SUBJECT: Close-Out of Report No. 14-R-0032, *The State of Colorado Did Not Fully Assure That Funds Intended to Treat Mining Wastes and Remove Contaminants from Water Were Effectively Spent*, Issued November 19, 2013

FROM: Arthur A. Elkins Jr. 

TO: Shaun McGrath, Regional Administrator
Region 8

We received Region 8's response to the subject report on September 24, 2015. The region concurred with the findings and four of the five recommendations, and has completed its corrective actions. Even though the region stated that it disagreed with Recommendation 1, it has taken the recommended corrective actions. We had recommended that the region recover \$2,593,495 unless the Colorado Department of Public Health and Environment (CDPHE) provides documentation to demonstrate that the prices for the contracts and subcontracts in question are fair and reasonable. In response to our recommendation, Region 8 was able to obtain additional documentation and evidence to determine that the contract and subcontract prices are fair and reasonable. The region is retaining the documentation in its web-based database that can be shared with CDPHE and other potential users. The region also obtained a waiver from the agency's Office of Grants and Debarment for CDPHE's deviation from the documentation and cost analysis requirements at the time of the procurement actions. As a result, the region believes that recovery of the \$2,593,495 is not necessary. We agree with the agency's corrective actions. Although CDPHE did not comply with the federal requirements under 40 CFR 35.6565(d)(2) and 40 CFR 35.6705 at the time of the procurement actions, the additional documentation Region 8 obtained met the intent of the regulations. We will close this report in our tracking system.

If you or your staff have any questions regarding this memorandum, please contact Kevin Christensen, Assistant Inspector General for Audit, at (202) 566-1007 or christensen.kevin@epa.gov; or John Trefry, Director, at (202) 566-2474 or trefry.john@epa.gov.

cc: Howard Corcoran, Director, Office of Grants and Debarment,
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