



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) conducted a review of earmarked grants known as Special Appropriation Act Projects issued to State and tribal Governments. The City of Huron, South Dakota, was selected for a site review.

Background

The City of Huron received an EPA Special Appropriation Act Project grant, XP98838901. The purpose of the grant was to provide Federal assistance of \$3,871,500 for the upgrade of a water treatment plant. The City of Huron is required to provide local matching funds equal to 55 percent of the EPA-awarded funds.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2007/20070801-2007-2-00030.pdf

Excess Federal Funds Drawn on EPA Grant No. XP98838901 Awarded to the City of Huron, South Dakota

What We Found

The City of Huron did not reduce the total grant costs by \$947,586 for amounts received from local water agencies. These local agencies provided funds to the City of Huron to offset project costs. Under Office of Management and Budget Circular A-87, Attachment A, the City of Huron needs to reduce the total project costs by the reimbursements received. The reduction in project costs resulted in the City of Huron having drawn \$68,203 of excess Federal funds. The City of Huron is also anticipating receiving additional reimbursements upon completion of the project, which should result in the repayment of additional funds.

What We Recommend

We recommend that the EPA Region 8 Regional Administrator require the City of Huron to:

1. Repay \$68,203 for excess Federal funds drawn.
2. Advise EPA of all future reimbursements.
3. Repay 55 percent of all future reimbursements.