



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

MAR 07 2017

THE INSPECTOR GENERAL

MEMORANDUM

SUBJECT: Acceptance of Corrective Action Plan for Office of Inspector General Report No. 16-P-0313, *Oregon Health Authority's Prior Labor-Charging Practices Under EPA Grants Did Not Meet Requirements*, September 12, 2016

FROM: Arthur A. Elkins Jr. 

TO: Michelle L. Pirzadeh, Acting Regional Administrator
Region 10

Thank you for your memorandum of February 24, 2017. In response to the first recommendation, the region agreed the Oregon Health Authority did not follow the requirements of 40 CFR 31.22, 2 CFR Part 225, and Office of Management and Budget (OMB) Circular A-87. Based on review of additional documentation, the region determined that most of the disallowed costs can be substantiated, and the region is requesting approval from the U.S. Environmental Protection Agency's (EPA's) Office of Grants and Debarment for an exception from the requirements of 2 CFR Part 225 and OMB Circular A-87 for the costs. The region has not taken action in response to the second recommendation. However, the region agreed to review a sample of open and closed grants to determine whether additional unsupported labor costs are identified, and will seek an exception for any substantiated costs identified. Region 10 will seek reimbursement for any costs that remain unsubstantiated.

The agency's completed and planned corrective actions meet the intent of the recommendations and the recommendations are resolved. We will close the recommendations in the Office of Inspector General's tracking system as of the date of this memorandum. You should track implementation of EPA corrective actions in the agency's Management Audit Tracking System until all actions are completed.

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, Forensic Audits, at (202) 566-2474 or trefry.john@epa.gov.

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