



At a Glance

Why We Did This Audit

The Brownfields Revitalization and Environmental Restoration Act of 2001 authorized the awarding of grants to eligible entities for the capitalization of revolving loan funds to assist communities in the remediation of Brownfields sites.

As part of our review of Brownfields grants, we selected Cooperative Agreement BF00E93501 awarded by EPA Region 5 to the Downriver Community Conference (DCC) for audit. DCC is a non-profit organization that is a partnership of 20 communities in Wayne County, Michigan. The objectives of our audit were to determine whether DCC was achieving the environmental results under the agreement, and expending funds in accordance with federal regulations.

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

- *Cleaning up communities and advancing sustainable development.*

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Downriver Community Conference Achieved Results and Expended Funds Under Brownfields Agreement, but Unallowable Costs Were Claimed

What We Found

DCC is achieving the environmental results intended under its Brownfields agreement, but it did not always expend funds in accordance with federal regulations. DCC successfully remediated the three sites selected for review.

By claiming unallowable costs totaling \$26,901, DCC reduced the amount of funds available for Brownfields restorations.

However, of the \$200,000 in costs claimed by DCC between January 11, 2016, and July 27, 2016, we identified \$25,523 in indirect costs that, while allowed by DCC's accounting procedures, were not allowable under law and the terms and conditions of the agreement. Further, after we brought this matter to DCC's attention, it stopped billing the indirect costs, and began charging a portion of its indirect salaries, totaling \$1,378, as direct costs. We believe these costs are indirect expenses and should not be directly charged to the grant.

Recommendations and Recipient's Response

We recommend that the Regional Administrator, EPA Region 5, determine the allowability of the \$25,523 in claimed indirect costs and \$1,378 in claimed direct costs charged by DCC for Cooperative Agreement No. BF00E93501, and recover funds as appropriate. DCC agreed with the findings and recommendations.