



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue, Suite 900
Seattle, WA 98101-3140

OFFICE OF
MANAGEMENT
PROGRAMS

December 14, 2017

Denise Lofman, Director
Columbia River Estuary Study Taskforce
818 Commercial Street, Suite 203
Astoria, Oregon 97103

RE: Final Actions Related to EPA Audit, "Improved Management of the Brownfields Revolving Loan Fund Program is Required to Maximize Cleanups," Report No. 17-P-0368

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dear Ms. Lofman:

Thank you for your responses of July 7, 2017 and October 30, 2017 addressing concerns raised in the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) audit report cited above. I am writing to follow up on your responses to the OIG's audit and inform you of the final actions necessary to address our findings.

The OIG conducted this audit to determine whether the EPA Brownfields Revolving Loan Fund (RLF) recipients were using post closeout program income to fund eligible brownfield projects. The OIG selected at least one program in each of the ten regions. For Region 10, your program, the Columbia River Estuary Study Taskforce's (CREST) cooperative agreement number BF-97070501, was selected for review. The overarching purpose of the RLF Program is to allow recipients such as CREST to retain program income accrued from loans executed while the RLF agreement was open to be used after closeout to provide grant funds for use at eligible brownfield sites.

OIG Recommendations and EPA Response

The OIG audit report was finalized August 23, 2017. The report made the following two recommendations to the Region 10 Regional Administrator related to the CREST cooperative agreement:

18. Question the unsupported use of \$103,968 in the EPA Brownfields Revolving Loan Fund revenue reported by the Columbia River Estuary Study Taskforce in its profit and loss statements, and recover any remaining program income.
19. Place the Columbia River Estuary Study Taskforce on a reimbursement basis for all EPA grants and agreements.

In response to Recommendation 18, EPA committed to review the questioned costs related to CREST.

In response to Recommendation 19, EPA responded that CREST does not have any other grants or agreements with the EPA. Therefore, it is not possible to place CREST on a reimbursement basis for EPA grants at this time. The OIG accepted this response, and no corrective action is required for Recommendation 19.

CREST Response to Recommendation 18

In email correspondence dated July 7, 2017, and October 30, 2017, CREST provided EPA Region 10 supporting documentation which included bank statements, an EPA-RLF Cooperative Agreement Expense Report and a corrected CREST Profit & Loss Detail Report of income and expense transactions for the period of 2009 through 2016. Additionally, CREST staff traveled to the EPA Region 10 Operations Office in Lacey, WA to meet and discuss CREST's use of the EPA funds. The EPA Region 10 appreciates the time and effort expended by CREST management and staff to address the OIG's concern.

EPA R10 Determination

Based upon iterative review of supporting documentation and meetings with CREST management and staff, EPA determined that CREST appropriately expended the majority of the \$103,968 EPA Brownfields RLF program income, with the exception of \$13,059.67 which is reported as net income on the profit and loss statement dated September 1, 2016.

Please submit a check in the amount of \$13,059.67 payable to the "U.S. Environmental Protection Agency" and mail it to the address below. Please include the cooperative assistance agreement number **BF-97070501** on the check and send it to:

U.S. Environmental Protection Agency
Las Vegas Finance Center
4220 South Maryland Parkway
Building C, Suite 503
Las Vegas, NV 89119

If the \$13,059.67 is not paid within 30 days of the date of this letter, interest will accrue on the debt for each 30-day period the amount remains unpaid. The current interest rate is 1.00%. Only full payment of the debt within 30 days of this decision will prevent the U.S. EPA from charging interest in accordance with 40 CFR §31.52 and applicable federal claims collection standards.

In accordance with 2 CFR§200.341, you may appeal this request for repayment within 30 days of the date of this letter. Your appeal should include a copy of this letter, a description of the issues involved and a concise statement of your objections to repaying the amount. Your appeal should be sent electronically and via certified mail, return receipt requested, to:

U.S. EPA Region 10
1200 Sixth Avenue, Suite 900
Attn: JoAnne Brendle, OMP-173
Seattle, WA 98101

The documentation should be sent electronically to JoAnne Brendle brendle.joanne@epa.gov.

This letter resolves the EPA-OIG Audit Report No. 17-P-0368 (dated August 23, 2017) for Recommendation #18. If you have any questions, please feel free to contact me at (206) 553-6977 or vanHaagen.paula@epa.gov or direct questions to JoAnne Brendle at the email address above or (206) 553-6385.

Sincerely,

A handwritten signature in blue ink that reads "Paula vanHaagen". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Paula vanHaagen
Grants Management Officer
EPA Region 10

cc: Michelle Pirzadeh, EPA Acting Regional Administrator, R10
Susan Morales, EPA Acting Manager, Assessment and Brownfields Unit
Deborah Burgess, EPA Brownfields Project Manager
Carrie Williams, EPA Audit Follow-Up Coordinator
JoAnne Brendle, EPA Senior Grants Specialist