



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency, Office of Inspector General, conducts site visits of American Recovery and Reinvestment Act of 2009 (Recovery Act) clean water and drinking water projects. We selected the project in the City of Waleska, Georgia, for review.

Background

The city received loans totaling \$615,000 from the Georgia Environmental Facilities Authority. These loans included \$386,610 of Recovery Act funds distributed through the Drinking Water State Revolving Fund program (\$246,000 for principal forgiveness and a \$140,610 loan).

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

The full report is at:
www.epa.gov/oig/reports/2011/20110329-11-R-0193.pdf

American Recovery and Reinvestment Act Site Visit of Water System Improvement Project, Waleska, Georgia

What We Found

We conducted an unannounced site visit of the water system improvement project in the City of Waleska, Georgia, in March 2010. As part of our visit, we toured the project site; interviewed city representatives, representatives of the city's engineering firm, and prime and subcontractor personnel; and reviewed documentation related to Recovery Act requirements.

We found no ongoing construction activity during our site visit. Prior to our visit, the city and the State of Georgia determined that the prime contractor was violating contract terms and issued a stop-work order. Therefore, we were unable to perform all of the required procedures necessary to determine compliance with the requirements for subrecipients of Recovery Act funds.

During our review, we found the city did not execute written contracts for engineering, inspection, and legal services, and did not prepare a cost or price analysis for its engineering services. However, we found no applicable federal, state, or local requirements that require the city to execute written contracts or prepare a cost or price analysis. Without federal, state, and local cost principles and procurement standards, we do not have reasonable assurance that Recovery Act funds are awarded and distributed in a prompt, fair, and reasonable manner, and that funds are used for purposes of the act. We plan to address this issue in a separate report to the Agency.

Based upon our review, we found no other problems that would require action from the city, the State of Georgia, or the U.S. Environmental Protection Agency.