

**From:** White, Lisa  
**Sent:** Thursday, August 10, 2017 3:41 PM  
**To:** DiPasquale, Nicholas <[dipasquale.nicholas@epa.gov](mailto:dipasquale.nicholas@epa.gov)>  
**Cc:** Bisland, Carin <[bisland.carin@epa.gov](mailto:bisland.carin@epa.gov)>; Edward, James <[edward.james@epa.gov](mailto:edward.james@epa.gov)>  
**Subject:** RE: 96342701-2 CB EPA R3 \$325,000.00 8/1/2017 Bay Journal Media Inc Production of Bay Journal and related products

To put it on hold - I would say yes since we add the following contingent condition in all of our awards – Terminating may be different but hopefully we won't get there.

In the event that additional Federal funds are not made available, the recipient agrees that each of the object class amounts in the approved budget shall be prorated by the ratio of the amount of total Federal funds awarded to the amount of total Federal funds contingently approved. If proration of the budget is not acceptable, the recipient must submit an amendment request for a budget revision. This request must be submitted to the Grants Management Officer (3PM70), at least 60 days before the expiration of the budget period. Pending approval of the revised budget submission, the grant will be amended to reflect the budget at actual funding level.

John responded to me to schedule the call. Who should be on it from your staff? thanks.lw

Lisa White, Acting Chief  
Grants and Audit Management Branch (3PM70)  
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1650 Arch Street  
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**From:** DiPasquale, Nicholas  
**Sent:** Thursday, August 10, 2017 3:03 PM  
**To:** White, Lisa <[WHITE.LISA@EPA.GOV](mailto:WHITE.LISA@EPA.GOV)>  
**Cc:** Bisland, Carin <[bisland.carin@epa.gov](mailto:bisland.carin@epa.gov)>; Edward, James <[edward.james@epa.gov](mailto:edward.james@epa.gov)>  
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Thanks Lisa. Is that legal?

Sent from my iPhone

On Aug 10, 2017, at 12:29 PM, White, Lisa <[WHITE.LISA@EPA.GOV](mailto:WHITE.LISA@EPA.GOV)> wrote:

Hello - This is what I sent, I think I captured your comments. In the meantime, even though the grant was awarded, the funds have not be added to the recipient ASAP account nor have they been notified of the award. It is on hold. Thanks.lw

Lisa White, Acting Chief  
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**From:** White, Lisa

**Sent:** Thursday, August 10, 2017 11:34 AM

**To:** Konkus, John <[konkus.john@epa.gov](mailto:konkus.john@epa.gov)>

**Cc:** Milbourn, Cathy <[Milbourn.Cathy@epa.gov](mailto:Milbourn.Cathy@epa.gov)>; Polk, Denise <[Polk.Denise@epa.gov](mailto:Polk.Denise@epa.gov)>;

Greaves, Holly <[greaves.holly@epa.gov](mailto:greaves.holly@epa.gov)>; D'Andrea, Michael

<[DANDREA.MICHAEL@EPA.GOV](mailto:DANDREA.MICHAEL@EPA.GOV)>; Esher, Diana <[Esher.Diana@epa.gov](mailto:Esher.Diana@epa.gov)>

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Morning John,

I read the OIG report referenced in the post article and the Agency's response and offer the following information. The audit was performed on the previous grant recipient, the Alliance for the Chesapeake Bay, Inc., not the current recipient which is Bay Journal Media, Inc. Also, the audit findings questioned the procurement costs because the Alliance for the Chesapeake Bay, Inc., did not comply with the federal procurement regulations. The audit did not question the quality or value of the *Bay Journal*. After further review and discussion, the EPA and the OIG agreed that \$10K in costs were found to be ineligible.

Following is a summary with links to the report at a glance and the full audit report.

It is important to note that the current grant to the Bay Journal Media, Inc. is awarded competitively in accordance with EPA's competition policy.

[OIG Audit 12-4-0720](#), was issued on August 22, 2012. The scope of the audit was to review five cooperative agreements awarded to the **Alliance for the Chesapeake Bay, Inc.** totaling \$3.6M to promote public education, outreach, and participation in the restoration of the Chesapeake Bay. One of the tasks under the agreements was to produce and publish the *Bay Journal* which is published to inform the public about issues and events that affect the Chesapeake Bay.

The OIG [report at a glance](#) states that the recipient achieved the intended result of producing the *Bay Journal*, but did not comply with the Code of Federal Regulations regarding procurement and financial management requirements. The recipient did not prepare and document a cost or price analysis, nor evaluate the performance of its *Bay Journal* contractor. Also, its federal financial reports are not supported by its accounting records. We questioned project costs totaling \$1,357,035.

The CB program officials would like to have a discussion with you next week regarding going forward with this action. I will be out of town for training, but If you agree, I will setup the call. thanks.lw

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