



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

4-08-14

B-179991

DEC 26 1973

C1 The Honorable Thomas J. McInt
United States Senate



74-0489
095991

Dear Senator McIntyre:

Your October 31, 1973, letter requested us to review certain aspects of a grant entitled "Environmental Inventory Study" between the Department of Housing and Urban Development (HUD) and the State of New Hampshire. Essentially, you wanted to know the current status of the grant, the amount of Federal funds to be paid out, and whether any audits of the grant had been made. ²³ p. 1696

As agreed and as discussed with your office on November 20, 1973, we are providing a brief summary of the information. We reviewed pertinent records maintained by the HUD area office in Manchester, New Hampshire. As you requested, we discussed the above grant with Ms. Mary L. Hancock (former Director, Office of State Planning) and Ms. Frances Shaine (former employee in the Office of State Planning). We also interviewed Mr. Robert Monier, Director of Comprehensive Planning, State of New Hampshire, and several HUD officials.

The State submitted the grant proposal in October 1971, and HUD approved it on January 13, 1972, under the Comprehensive Planning Assistance Grant program--section 701 of the Housing Act of 1954, as amended (40 U.S.C. 461). Work to be done under the grant was estimated to cost \$45,000 and was to be done from January 1, 1972, to December 1, 1972. Of this amount, the Federal Government was to pay \$30,000 and the State was to provide \$15,000.

On January 21, 1972, the State of New Hampshire entered into a contract for \$30,000 with the Institute for Research and Services, St. Anselm's College, Manchester. The Institute was to assemble basic ecological information under this contract for the State's use in regional comprehensive planning. In January 1973, before the Institute completed its work, two of its members--Mr. Monier and Mr. James Minnoch, Project Director--were appointed to the New Hampshire Office of Comprehensive Planning. Because of this staffing change, HUD and State officials in January 1973 agreed to cancel the

701802 / 095991

HUD grant and terminate work under the contract to avoid any possible conflict of interest which might arise if the Institute's former members participated in its completion.

In February and March 1973, HUD reviewed the Institute's work and stated that the value of the work totaled \$27,000. According to a HUD official, an additional \$3,000 would be needed to complete the work under this contract.

In July 1973, Mr. Monier requested HUD to make a financial audit of this contract. On September 28, 1973, in its audit report, HUD stated that the costs incurred were reasonable and eligible under the provisions of the grant contract and applicable HUD policies, rules, and regulations.

As of October 1972, the State had paid the Institute \$27,000 for services rendered under this contract. On October 24, 1973, the State requested from HUD \$18,000, two-thirds of the \$27,000, as reimbursement for amounts paid to the Institute. A HUD official advised us that on November 21, 1973, HUD paid the State \$18,000, less \$425 for project inspection fees. Another HUD official said that no additional Federal funds would be paid to the State to complete the work remaining under this grant.

On November 20, 1973, Mr. Monier told us that the information compiled under this contract would be used, together with other land-use data, in preparing an overall land-use plan for the State of New Hampshire.

As you requested, we presented this report to appropriate HUD officials for their comments. HUD advised us that the report accurately presents the transactions which occurred in this situation.

We do not plan to further distribute this report unless you agree or publicly announce its contents.

Sincerely yours,



[Deputy] Comptroller General
of the United States