



**Department of Energy**  
**Environmental Management**  
**Consolidated Business Center**  
**550 Main Street, Rm 7-010**  
**Cincinnati, Ohio 45202**  
**(513) 246-0500**

June 30, 2020

EMCBC-00518-20

Regional Coalition of LANL Communities  
Eric Vasquez, Executive Director  
518 Old Santa Fe Trail #456  
Santa Fe, NM 87505

Dear Mr. Vasquez:

**FINANCIAL ASSISTANCE AGREEMENT NO. DE-EM0003780, REGIONAL COALITION OF LANL COMMUNITIES, REQUEST FOR REIMBURSEMENT**

**REFERENCES:**

- (1) Financial Assistance Agreement No. DE-EM0003780, Regional Coalition of LANL Communities, Boyd to Vasquez, EMCBC-00514-20, June 25, 2020
- (2) Financial Assistance Agreement No. DE-EM0003780, Regional Coalition of LANL Communities, Boyd to Vasquez, EMCBC-00276-20, May 1, 2020
- (3) Financial Assistance Agreement No. DE-EM0003780, Regional Coalition of LANL Communities, Request for Segregation of Funds, Boyd to Vasquez, EMCBC-00582-19, August 15, 2019
- (4) U.S. Department of Energy Office of the Inspector General, Inspection Report No. DOE-OIG-19-53, "The Use of Grant DE-EM0003780 by the Regional Coalition of LANL Communities," September 27, 2019
- (5) State of New Mexico Office of the State Auditor Special Audit for the Period of July 1, 2014 through June 30, 2018

As a follow-up to the communication dated May 1, 2020 from the U.S. Department of Energy (DOE) to the Regional Coalition of Los Alamos National Laboratory (LANL) Communities (RCLC) and referenced at no 2 above, the purpose of this letter is to set forth the terms to resolve the cost allowability issues raised in the State of New Mexico Office of the State Auditor (OSA) Special Audit for the Period of July 1, 2014 through June 30, 2018 (referenced at no. 4 above) and the U.S. Department of Energy (DOE) Office of the Inspector General (OIG or IG) Inspection Report No. DOE-OIG-19-53 (referenced at no. 4 above).

The DOE awarded a grant to RCLC for a 5-year project period, from July 1, 2015 to June 30, 2020. The approved budget for the grant was \$100,000.00 per year, for a total of \$500,000.00. The DOE obligated a total of \$300,000.00 to the grant (\$100,000.00 each year for FY2015, FY2016 and FY2017). In addition to receiving funding from the DOE, RCLC also received \$97,000 per year from member entities of RCLC. RCLC's budgeted expenditures for FY2015, FY2016, FY2017 and FY2018 was approximately \$189,500.00 per year.

The OIG Inspection Report DOE-OIG-19-53 found that RCLC did not properly account for DOE grant funds or use the funds in accordance with Federal requirements and the terms of the grant. The OIG found that RCLC comingled Department funds with funds received from other sources and engaged in activities prohibited by the U.S. Code and the terms of the grant agreement. The OIG concluded that RCLC was not able to demonstrate how Department funds were used nor determine the extent to which RCLC spent Department funds on unallowable activities. Accordingly, the OIG questioned \$300,000 of Department funding provided to RCLC and recommended that the Acting Director of the EMCBC seek appropriate reimbursement.

After thoroughly reviewing documentation submitted by RCLC to DOE, and the OIG and OSA reports, the DOE determined that the documentation provided by RCLC was sufficient to demonstrate that of the \$300,000 in questioned costs, DOE reimbursed RCLC \$15,767.32 for unallowable activities.

Accordingly, DOE is hereby directing RCLC to repay \$15,767.32 to the DOE within 30 calendar days of the date of this letter. The DOE funding was originally obligated to the agreement as follows:

MOD NO	FUND	APPR YEAR	ALLOTTEE	REPORTING ENTITY	OBJECT CLASS	PROGRAM	PROJECT	WFO	LOCAL USE	AMOUNT	DATE
A000	01259	2015	33	490820	41999	1111643	0002157	0000000	0000000	\$100,000.00	09/30/15
0001	01259	2016	33	490820	41999	1111643	0002157	0000000	0000000	\$100,000.00	08/04/16
0002	01259	2017	33	490820	41999	1111643	0002157	0000000	0000000	\$100,000.00	09/20/17

The payment shall be made payable to the U.S. Treasury and sent to the following address:

U.S. Department of Energy  
 Environmental Management Consolidated Business Center  
 ATTN: Mr. Roscoe Harris  
 550 Main Street, Room 7-010  
 Cincinnati, Ohio 45202

If you have any questions, please contact the undersigned at 513-246-0570.

Sincerely,

Carin P. Boyd  
 Contracting Officer

cc electronically:  
 Jack Zimmerman, EMCBC  
 David Arvin, EMCBC  
 Tamara Miles, EMCBC  
 Karen Bahan, EMCBC  
 Josephine Brownlee, EMCBC  
 Roscoe Harris, EMCBC  
 Paul Sian, EMCBC  
 Thomas Johnson, EM-LA  
 Stephen Hoffman, EM-LA  
 Ben Underwood, EM-LA  
 Selena Fox, EM-LA  
 Miquela Vargas, EM-LA