



GREGORY W. SULLIVAN
INSPECTOR GENERAL

The Commonwealth of Massachusetts
Office of the Inspector General

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January 12, 2010

Secretary Paul Reville
Executive Office of Education
One Ashburton Place, Room 1403
Boston, MA 02108

Dear Secretary Reville:

This office is reviewing the use of American Recovery and Reinvestment Act ("Recovery Act") funds in Massachusetts. We have reviewed the December 2009 report by the Government Accountability Office (GAO) on Massachusetts's Recovery Act activities. The report notes that the Executive Office of Education intends to utilize the Single Audit only to monitor State Fiscal Stabilization Fund (SFSF) expenditures, and lacks an ongoing monitoring plan for these funds. The report further indicates that officials in your agency believe this approach satisfies federal requirements. GAO indicated in its report that the use of the Single Audit alone, without a monitoring plan, leaves these funds "more susceptible to misuse."¹

Recent discussions between our office and the federal Department of Education have confirmed the GAO's analysis that your agency's approach will not meet federal requirements. It is unclear when the Department of Education will issue guidance to your office on this issue, but we strongly urge you not to wait for such guidance. If your department has not already developed a monitoring plan, it should do so immediately in anticipation of federal guidance requiring such a plan.

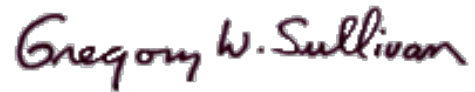
As you know, Massachusetts is one of sixteen states subject to heightened oversight by the federal government in our use of Recovery Act funds. It would be wise to address this deficiency to avoid possibly jeopardizing future grants for education due to a failure to put in place adequate monitoring measures to prevent waste, fraud and abuse.

¹ "Recovery Act – Status of States' and Localities' Use of Funds and Efforts to Ensure Accountability, Appendix IX: Massachusetts," Report 10-232SP, Government Accountability Office, December 2009, at page MA-16.

Secretary Paul Reville
January 12, 2010
Page 2 of 2

Thank you for your prompt attention to this issue. Please do not hesitate to contact me to discuss this matter further.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The script is cursive and fluid, with the first name "Gregory" being more prominent than the last name "Sullivan".

Gregory W. Sullivan
Inspector General