



GREGORY W. SULLIVAN
INSPECTOR GENERAL

The Commonwealth of Massachusetts
Office of the Inspector General

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February 4, 2011

The Honorable Carlo DeMaria, Jr.
Mayor
City of Everett
484 Broadway
Everett, MA 02149

Dear Mayor DeMaria, Jr.:

As you know, the Massachusetts Office of the Inspector General (OIG) reviewed a sample of American Recovery and Reinvestment Act (ARRA) grants issued by the U.S. Department of Energy. The OIG has included the City of Everett (City) in its review sample of Energy Efficiency and Conservation Block Grant (EECBG) recipients. EECBG is a program intended to help deploy energy efficient and conservation technologies across the country. The City received a direct grant from the U.S. Department of Energy in the amount of \$149,300.

The OIG is reviewing ARRA-related grants to identify potential vulnerabilities to fraud, waste, and abuse and other risks that could negatively impact the accountability, transparency, and anti-fraud mandates contained in the statutory language and interpretive guidance of ARRA. Our review of the provided documents should not be construed as an audit, investigation, or a comprehensive programmatic review. The OIG intends these reviews to assist recipients of ARRA funding identify and address risks.

In response to a document request, the City provided the OIG with EECBG grant expenditure information. Based on this information, the City has expended \$149,286.41 in grant funds for the purchase of 41 solar powered trash receptacles from Big Belly Solar Inc.

The OIG confirmed that Big Belly Solar Inc. is on a statewide contract, that the City purchased the trash receptacles from the statewide contract, and that the trash receptacles ordered and the amounts billed to the City met the terms of this statewide

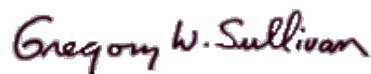
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contract. OIG staff also visually confirmed that the City has 40 of 41 trash receptacles in use at the addresses provided by the City. According to the City, one trash receptacle is under repair by the City because it suffered fire damage.

Although the City used a statewide contract for the purchase, the OIG had previously opined that "...[W]hen using a Statewide or Department contract, a municipality must execute its own contract with the vendor." For the full OIG opinion on this subject, please visit our Procurement Bulletin: <http://www.mass.gov/ig/publ/nldec08.pdf>.

I appreciate your cooperation with this review. Please do not hesitate to contact the OIG with any questions or concerns you may have regarding this review.

Sincerely,

A handwritten signature in black ink that reads "Gregory W. Sullivan". The signature is written in a cursive style with a clear, legible font.

Gregory Sullivan
Inspector General