



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ADMINISTRATIVE LAW JUDGES

APPLICATION OF U.S. VIRGIN

ISLANDS DEPARTMENT OF

EDUCATION,

Applicant.

Docket No. 05-04-R

Recovery of Funds Proceeding

ACN: ED-OIG/A02-C0019

ED-OIG/A02-C0011

Appearances: Vincent F. Frazer, Esq. and Terryln M. Smock, Esq., of the Office of the Attorney General, U.S. Virgin Islands, for the U.S. Virgin Islands Department of Education

Lisa W. Harris, Esq. and Ronald B. Petracca, Esq., of the Office of the General Counsel, United States Department of Education, for the Assistant Secretary for Elementary and Secondary Education and the Assistant Secretary for Special Education and Rehabilitative Services

Before: Chief Administrative Law Judge Allan C. Lewis

INITIAL DECISION

This is an appeal by the U.S. Virgin Islands Department of Education (VIDE) of a preliminary departmental decision issued by the Assistant Secretary, Office of Elementary and Secondary Education and the Acting Deputy Assistant Secretary, Office of Special Education and Rehabilitative Services of the United States Department of Education (ED). The preliminary departmental decision determined that VIDE could not account for approximately 1,400 items of equipment purchased with Federal grant funds and, therefore, sought the recovery of \$1,220,559 which represents the cost of this equipment. During the course of this proceeding, ED reduced its claim to \$748,202. Of this amount, VIDE argues that it can account for more than \$632,000 of items of equipment. Based upon the findings of fact and conclusions of law, *infra*, ED may recover \$660,264.

I. OPINION

A. Statement

As of the late 1990's, VIDE experienced serious and recurring deficiencies in its administration of Federally funded educational programs. Of significance here, was its ineffective property management system for personal property purchased with Federal funds such as computers, calculators, and other electronic equipment. In particular, newly purchased items of equipment were not consistently entered into the property tracking system or, if entered, some of the items of equipment remained in the warehouses undelivered, were delivered to an incorrect location, or were misplaced or stolen. As of 1998, VIDE began to implement the corrective actions necessary to revamp its property management system as well as to correct other deficiencies in its administration of Federal grant programs. Progress was slow. As a result, VIDE was designated as a "high-risk" grantee and special conditions were imposed. Later, ED and VIDE entered into a compliance agreement that permitted VIDE to continue to receive funding while it implemented a structured plan to correct the administrative and programmatic deficiencies.

In May 2001 and while VIDE was restructuring its administrative practices, the United States Department of Education's Office of the Inspector General (OIG) initiated audits of the St. Croix and the St. Thomas/St. John school districts to determine whether VIDE was appropriately managing and accounting for equipment purchased with Federal funds under grants from the Technology Literacy Challenge Fund Program, Title VI Program, and Part B of the IDEA Program. The present proceeding addresses several findings of these audits.

The auditors examined VIDE's property management system by reviewing single audit reports and work papers from 1998 through 2000, equipment purchase requisitions and inventory schedules, as well as interviewing VIDE officials and reconciling individual school inventory schedules with the actual items of equipment located on-site at a number of schools.

Among the matters examined, the auditors focused on whether VIDE complied with 34 C.F.R. § 80.32(d), a regulation that requires a grant recipient to maintain procedures for managing equipment acquired with Federal grant funds. Of particular concern to the auditors was whether VIDE had records that provided a paper trail that began with the acquisition of an asset, tracked its physical location during the period of its usage, and concluded with the date and manner of its disposition.

In order to verify the presence of the paper trail, the auditors focused on assets purchased by VIDE between October 7, 1996, and October 31, 2001. The auditors selected 16 of the 59 locations in the St. Croix school district to conduct on-site visits to verify the presence of the assets assigned to those locations. In a similar fashion, the auditors selected 23 of the 66 locations in the St. Thomas school district to conduct on-site visits. Most of the sites selected were schools that received items of equipment whose total purchased costs were substantial.

The on-site visits were conducted over nine business days between December 3, and December 14, 2001. In an attempt to reconcile the items of equipment assigned to each school

with the actual items of equipment identified at the school, the auditors relied upon the inventory records that were supplied by VIDE for each school. These records were then compared with the actual items of equipment located by the auditors at each site. For each location, the auditors compiled a list of the items of equipment that were found and their associated costs. The auditors compiled a similar list for the items of equipment that were not located.

The auditors searched for approximately 4,400 items of equipment. They located approximately 3,000 items of equipment and failed to locate about 1,400 items of equipment. In addition, they discovered items of equipment that were not included in the inventory records as well as requisitions of equipment whose equipment had not been entered into the inventory records. To the extent possible, the auditors reconciled the unrecorded equipment with their requisition.

The Assistant Secretaries reviewed the OIG’s recommendations and issued a preliminary departmental decision on November 19, 2004, in which they found that VIDE violated various aspects of the property management requirements of 34 C.F.R. § 80.32(d). The Assistant Secretaries found that the harm to the Federal interest was an amount equal to the total amount of the purchase price paid for the various items of equipment that were established as missing or went unaccounted. Thus, the total amount of recovery sought by the Assistant Secretaries was \$1,220,559 and was attributable to the grants received by VIDE as follows:

Grant Program	FY 1999 ¹	FY 2000	FY 2001
Tech. Literacy Challenge Fund Title III, ESEA	\$ 78,107	\$ 40,005	\$ 1,472
Title VI, ESEA	501,273	383,327	1,743
Part B, IDEA	<u>33,124</u>	<u>181,508</u>	<u>--</u>
Total	\$ 612,504	\$ 604,840	\$ 3,215

On January 21, 2005, VIDE filed an appeal of the preliminary departmental decision with the Office of Administrative Law Judges. In the current proceeding, VIDE provided ED with additional documentation establishing the location of many items of missing equipment. On January 21, 2010, ED filed a notice of reduction of claim in which it reduced the amount of its claim by \$472,357 from \$1,220,559 to \$748,202. As reason therefore, ED indicated that “[b]ased on the documentation [submitted by VIDE], the Assistant Secretaries have concluded that these disallowed funds – a total of \$472,357 – were spent for equipment whose location VIDE was able to identify and that the Federal interest was therefore not harmed by VIDE’s

¹ The fiscal year for the grants was October 1st through September 30th.

expenditure of these funds.” As a result, ED’s original claim of \$1,220,559 was reduced by \$472,357, leaving \$748,202 in controversy as follows:

Grant Program	FY 1999	FY 2000	FY 2001
Tech. Literacy Challenge Fund Title III, ESEA	\$ 46,025	\$ 20,042	\$ 1,472
Title VI, ESEA	243,075	257,144	1,743
Part B, IDEA	<u>33,124</u>	<u>145,577</u>	<u>--</u>
Total	\$ 322,224	\$ 402,763	\$ 3,215

B. Discussion

The initial controversy is whether VIDE failed to discharge its obligation to maintain adequate inventory and management controls over the equipment acquired with Federal funds for use in its elementary and high schools during the fiscal years 1999 and 2000 and a portion of 2001. In the event VIDE failed to discharge this obligation, the focus of the litigation turns to determining the appropriate measure of recovery.

The rules regarding the use, management, and disposition of personal property or equipment acquired with Federal funds by grantees are set forth by the Secretary in 34 C.F.R. § 80.32 (1999). Subsection (b) addresses such rules as they pertain to states while rules governing other grantees and subgrantees are set forth in subsections (c) through (e). Since the term “state” is defined to include a territory, VIDE is subject to subsection (b) which provides that—

[a] State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures.

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The procedures for dealing with the acquisition, management, and disposition of personal property by the various departments of the Virgin Islands are set forth in its Property Manual—

In accordance with Title 31, Section 201, Virgin Islands Code all Departments will document the receipt of all personal property, whether such property is acquired from commercial sources . . . Property received shall be recorded on a Receiving Report . . . to provide a document of entry to the records and accounts and to substantiate the disbursement voucher. Appropriate receiving documents shall be prepared as soon as possible after the receipt of the property.

RECEIVING PERSONAL PROPERTY:

1. All Departments and Agencies should appoint an accountable Property Management Officer to identify, mark, and control that Agency's personal property.
2. Upon receiving personal property, the Property Management Officer shall tag (property tag) it permanently as government property by any means that would be most adaptable to the particular type of property.
3. Each item shall be assigned an identification property number and recorded on an electronic Personal Property Data Base Life Version 1.0 irrespective of the source of funding. Any single item of equipment costing more than Two Hundred and Fifty Dollars (\$250.00) shall be recorded.
4. Property Management Officer for each Department and Agency shall conduct a complete physical inventory of all equipment at least once biennially and verify information on the personal property data base not later than July 31 of each fiscal year.
6. The value of non-expendable property acquired and disposed of shall be recorded in the records and accounts as prescribed and determined by the Commissioner of Finance as outline in the Accounting Manual.

Property Manual at 6-8.

Presumably, the personal property data base software referenced in point three above requires the same information concerning a property as the Secretary requires of other grantees and subgrantees under 34 C.F.R. § 80.32(d)(1), that is, a description of the property, its acquisition date and cost, and the location of the property.² It is clear that this information is either

² 34 C.F.R. § 80.32(d) (1999) provides—

(d) *Management requirements.* Procedures for managing equipment . . . whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data, including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

expressly or implicitly required by the procedures set forth in the Virgin Islands' Property Manual. For example, each item of property must be given an identification number before it is entered into the personal property data base. The biennial inventory task requires records that identify each item and reflect its location. The date and acquisition cost of personal property are required data that must be recorded in its records pursuant to point six of the Property Manual.

VIDE does not contest that it maintained poor inventory and management controls over equipment acquired with Federal funds during the fiscal years 1999, 2000, and 2001. The OIG auditors examined for accuracy, *inter alia*, VIDE's inventory records regarding the stated locations of the items of equipment purchased with Federal funds. They discovered significant problems. The auditors found instances of property acquired but not entered into the property management system. For purposes of their audit report, the auditors labeled such situations as "unaccounted for" property. The auditors found other instances in which items of equipment could not be located at the site recorded in the inventory records.³ These properties were designated as "missing" items of equipment in their audit report. In addition, the auditors determined, and VIDE does not dispute, that the latter did not maintain records that reflected the disposition of items of equipment including their date and manner of disposition as required by the Property Manual. Lastly, VIDE concedes that it failed to comply with the mandate to conduct a physical inventory of its personal property biennially.

Based on the above, I find that VIDE failed to discharge its obligation to maintain adequate inventory and management controls over property acquired with Federal funds and failed to dispose of such property in accordance with its laws and procedures as required by 34 C.F.R. § 80.32(b).

In view of VIDE's violation, the next issue concerns the amount of Federal funds ED may recover by virtue of VIDE's poor inventory and management controls in violation of 34 C.F.R. § 80.32(b) and, in particular, its failure to maintain adequate documentation tracking the location of each item of equipment from its acquisition through its disposition. Section 1234b(a)(1) of 20 U.S.C. requires a grant recipient "to return funds in an amount that is proportionate to the extent of the harm its violation caused to an identifiable Federal interest associated with the program under which the recipient received the award. Such amount shall be reduced in whole or in part by an amount that is proportionate to the extent the mitigating circumstances caused the violation."

In ED's view, VIDE's poor inventory and management controls harmed several Federal interests for which it seeks a full recovery of funds. These interests included preserving the integrity of the recordkeeping requirements and maintaining accountability for the use of program funds.⁴ Of particular importance to ED was the absence of documentary evidence to

³ Though VIDE's records were clearly deficient in tracking the location of many items of property, the auditors found that a majority of the records accurately recorded the physical location of the equipment.

⁴ Identifiable Federal interests includes but are not limited to, serving only eligible beneficiaries; providing only authorized services or benefits; complying with expenditure requirements, and

show that items of equipment deemed “missing” or “unaccounted for” were received by the end user schools from the warehouses or were properly disposed of after their receipt and use by the schools. Without this evidence, ED maintains that it cannot conclude that the funds used to acquire these items of equipment were used for allowable purposes. Oral Arg. Tr. at 30-31. Under these circumstances, ED argues that the harm to the Federal interest is equal to the original cost of this equipment and, accordingly, seeks to recover the full amount of Federal funds expended to acquire these items of equipment.⁵

For its part, VIDE argues that the auditors were careless in their survey of VIDE’s equipment as they missed items of equipment that were present at various sites and failed to consult with on-site VIDE personnel as to the location of missing items of equipment during their survey. VIDE asserts that it can account for a significant number of the purportedly missing items of equipment and, therefore, these items must be excluded from any recovery by ED. To support this argument, VIDE relies upon various documents, *i.e.* purchase orders, signed end user property receipt forms, and an affidavit by Mr. Wheatley, its Director of Property, Procurement and Auxiliary Services. Lastly, it urges that, as to any item of equipment that still remains as missing or unaccounted for after considering the evidence, the appropriate measure of the harm to the Federal interest is the depreciated value of that item as of the date of the OIG’s onsite inventory survey.

Upon review of the record, I conclude that, with one exception, VIDE failed to satisfy its burden of proof to establish that the items of equipment currently at issue and declared missing or unaccounted for by the auditors during their December 2001 inventory survey were, in fact, present at those sites at the time of the survey.⁶ The purchase orders establish that items of

conditions (such as set-aside, excess cost, maintenance of effort, comparability, supplement-not-supplant, and matching requirements); preserving the integrity of planning, application, recordkeeping, and reporting requirements; and maintaining accountability for the use of funds. 20 U.S.C. § 1234b(a)(2).

⁵ Earlier in this proceeding, ED reduced its proposed recovery by \$422,000 as it conceded that VIDE had accounted for more than 300 items of equipment previously designated by the auditors as missing or unaccounted for. Thus, the arguments of both parties, *infra*, pertain to those items of equipment that remain in controversy.

⁶ One item designated as wireless equipment was overlooked by the auditors during their audit. The purchase and installation of the wireless equipment was a joint venture between VIDE and the Department of Finance. It was installed by December 30, 1999 and VIDE’s share of the \$50,000 cost was \$44,625. This equipment was used to provide critical telecommunication services to school system such as email, internet, video conferencing, access to school programs, etc. These services were essential to the operation of the school system and, as such, leads the tribunal to conclude that this equipment was installed when acquired and was in use at the time of the OIG’s audit. It is also understandable that the auditors missed this equipment. VIDE’s description of this equipment was vague. Its records did not contain any means of identifying the equipment such as VIDE’s identifying tag numbers or serial numbers. VIDE Exs. X, Xa, and Xb; VIDE Wheatley Affid. Attachment at 14. Inasmuch as this equipment was present at the

equipment were acquired. The signed end user property receipt forms establish that these items of equipment were placed in service at the school sites. While the affidavit by Mr. Wheatley memorializes various items of equipment located by Mr. Wheatley or his assistant, it does not indicate specifically when these items were located. It appears that Mr. Wheatley conducted this investigation sometime after VIDE initiated the present action in January, 2005. VIDE Wheatley Affid. at para. 2. Hence, this affidavit does not provide any information relevant to the period of the OIG's on-site inventory survey, *i.e.* December 2001, that would warrant eliminating any of these items of equipment from ED's claim.

In determining the amount of ED's recovery, the recovery must take into account "the value of the program services actually obtained in a determination of harm to the Federal interest." 20 U.S.C. § 1234a(a)(2). In this case, ED's recovery is limited to the fair market value of the items of equipment that were missing or unaccounted for. This requires a method to determine value as well as an appropriate date of valuation. In the instant case, the majority of the items in question were personal computers, monitors, and related equipment. Other items included calculators, video cameras, and scanners. The acquisition cost per item was generally no more than \$2,000 and, in many instances, was between \$300 and \$500. These items were subject to wear and tear and technological obsolescence, all of which caused these items to lose substantial value over time.⁷

In many contested cases involving valuations of assets, it is common to have a battle of experts whose opinions of fair market value may vary significantly. In these situations, the determination of value becomes quite costly in time and resources. An alternative but widely accepted tool for assessing value is the concept of depreciation. I believe that depreciation is fair, just, and appropriate in dealing where, as here, with assets of minimal value.

Depreciation is an accounting concept that measures the loss in value over time to assets that are employed in a trade or business due to usage and technological obsolescence. It produces a reasonable valuation of assets that have been used for several years. In the present case, it is appropriate to consult the depreciation guidelines established by the Internal Revenue Service. This agency has decades of experience in establishing depreciation guidelines that are used by businesses, small and large. The Internal Revenue Service assigns a useful life of five years to personal computers and monitors and similar type of equipment. Internal Revenue Service Instructions for Form 4562, Part III MACRS, Depreciation, Section B (2009 Tax Year) at 7. Thus, over the course of five years, personal computers, etc. would diminish in usefulness and value. At the end of five years, these items would be deemed obsolete for accounting purposes and have a market value of zero. Using a straight line method of depreciation and a five year useful life, I find that the value of the items of equipment in issue lose 20% of their value each year.

time of the on-site inventory survey, ED cannot recover any funds used to acquire it.

⁷ For example, it is fair to say that a personal computer purchased in 2000 became technologically obsolete within two to three years or less after its purchase. Accordingly, its value, as time passes, became significantly less and less.

The concept of depreciation also addresses a narrow question of importance here, namely, the amount of depreciation assigned an asset for the year in which it was acquired and the amount of depreciation assigned an asset for the year in which it was removed from service. In each situation, an asset is allowed a half-year of depreciation. As applied in the instant case, the annual loss in value for the items of equipment is 20 percent and, therefore, the loss in value attributable to a half-year is ten percent. Thus, the fair market value of an item of equipment placed in service in fiscal year 1999 and missing from service as of the OIG audit during fiscal year 2001 is 60 percent of its acquisition cost. This reflects a diminishment in value of ten percent in fiscal year 1999, the year of acquisition; 20 percent in fiscal year 2000; and ten percent in fiscal year 2001, the year of removal from service.

For an item of equipment placed in service in fiscal year 2000 and missing from service in fiscal year 2001, its fair market value is 80 percent of its acquisition cost. This reflects a ten percent reduction in value for the year in which the item was placed in service and another ten percent reduction in value for the year in which it was removed from service. The fair market value of an item placed in service in fiscal year 2001 and found missing in the same fiscal year is 90 percent of its acquisition cost as it was placed in service and removed from service in the same fiscal year.

Lastly, each missing or unaccounted for item of equipment must be valued as of a certain date or event. There are two potential valuation events in the present case. The first event is the date of the acquisition of an item. The other event is the OIG's on-site inventory survey in December, 2001. This later event is significant in that various items of equipment used in the grant programs were first identified as missing and, therefore, are considered as removed from service on this date.

The items of equipment in controversy were assigned a valuation event based upon the evidence in the record and, more specifically, the presence or absence in the record of a property transfer form for that item of equipment. The presence of a property transfer form signed by an end user school official leads me to conclude that the item of equipment was delivered to the end user school and was subsequently placed in service as part of a grant program.⁸ If the record contained a property transfer form for an item of equipment, I assigned December, 2001 as its

⁸ This conclusion is drawn from the evidence in the record and reasonable inferences therefrom. Under VIDE's property management system, the acquisition of an item of equipment began with a request, continued through an approval process, and ultimately resulted in a purchase order issued by the procurement department. The vendor filled the order and sent the item to VIDE's warehouse or similar facility. Thereafter, the item was delivered to the custodian of the item at the end user school. Once delivered, this designated school official signed a property transfer form acknowledging the receipt of the item of equipment from the Property and Procurement officer. It is a fair inference, based on the perceived need for the item, the signed property transfer form, and the respective duties of the deliveryman and the designated school official, that the designated school official had the item delivered to the appropriate classroom and that it was then used in a manner consistent with the grant program. There is no evidence in the record that suggests that items of equipment, once delivered to the end user schools, were not used in the programs and ED has not contended otherwise. Oral Arg. Tr. 30-31.

date of valuation. Accordingly, for an item of equipment in this category, its fair market value is its cost as adjusted for depreciation reflecting some use of the equipment by the school. The amount of depreciation, as discussed above, is determined based on the fiscal year of its acquisition. Hence, an item of equipment acquired in the fiscal year 1999 has a fair market value of 60 percent of its cost. The value of an item of equipment acquired in fiscal years 2000 or 2001 is 80 percent or 90 percent of its cost, respectively.

If the property transfer form was not in the record, the evidence was insufficient to conclude that the item was, in fact, used in a grant program. In this case, the valuation event is its date of acquisition. This, in turn, establishes its cost as its fair market value for purposes of determining the amount of ED's recovery.

I reviewed the items of equipment in controversy, assigned the items to either the acquisition cost category or the December 2001 depreciated value category, and performed the necessary calculations to determine the appropriate fair market values. A detailed computation of the amount of recovery is set forth in Appendix A, *infra*. I conclude that ED may recover damages in the amount of \$660,264 as follows:

	FY 1999	FY 2000	FY 2001
TLCF	840	17,984	1,472
IDEA	30,241	144,577	--
TITLE VI	228,575	246,575	--

II. ORDER

On the basis of the foregoing findings of fact and conclusions of law and the proceeding herein, it is HEREBY ORDERED that the United States Virgin Islands Department of Education immediately and in the manner provided by law pay to the United States Department of Education the sum of \$660,264.

Allan C. Lewis
Chief Administrative Law Judge

Issued: January 24, 2011
Washington, D.C.

St. Thomas -- TLCG Program

1999 Year			Recovery by ED			Conceded by VIDE
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	
1. M	40-0803-99	1,400		840		
2. U	40-0029-99	44,625			0 ⁹	
	Total			840	0	
Grand Total		840				

IDEA Program

1999 Year			Recovery by ED			Conceded by VIDE
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	
1. M	TP-0461-99	2,300	2,300			
2. U	40-0811-99 ¹⁰	7,056	7,056			
		6,099		3,659		
		433			0	
	Total		9,356	3,659	0	
Grand Total		13,015				

⁹ The category "Other" contains various adjustments that are related to the designated requisition. This adjustment was addressed in the opinion.

¹⁰ Of the \$13,598 attributable to this requisition, there are 17 printers whose total cost was \$6,099. They are depreciable items of equipment. Several items whose total cost was \$433 are not subject to any recovery because their acquisition cost was less than ED's minimum recovery amount of \$250.

St. Thomas -- Title VI Program

1999 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	40-0570-99	8,230	8,230			
		6,584		3,950		
2. M	40-0417-99	970				970
		1,998		1,199		
3. M	40-0204-99 ¹¹	520	520			
4. M	1-1027-PP-99	330				330
5. M	40-0482-99 ¹²	1,440			0	
6. M	40-0418-99	2,100				2,100
7. M	40-0336-99	1,333	1,333			
8. M	40-0543-99	9,156		5,494		
9. M	40-0611-99	349				349
10. M	40-0715-99	2,753		1,658		
11. M	40-0722-99	3,576		2,146		
12. U	40-0412-99	8,935		5,361		
13. U	40-0110-99	4,230				4,230
14. U	40-0850-99	14,965				14,965
15. U	40-0630-99	24,768	24,768			
16. U	40-0631-99	7,083	7,083			
Total			41,934	19,808	0	21,974

Grand Total 83,716

¹¹ In the PDL, ED requested repayment of \$4,228 based upon 7 items in the requisition. These items were numbered Items 31 through 37 in the audit attachment D. VIDE purchased, however, only Item 34, a work station, at a cost of \$520. VIDE Exs. V and Va. VIDE did not produce a property transfer form for Item 34. Hence, ED may recover its acquisition cost of \$520.

¹² In the PDL, ED requested repayment of \$1,440 based upon 4 items with a per unit cost of \$360 purportedly acquired by this requisition. This requisition did not order any items whose unit cost was approximately \$360. The requisition did order five items at a unit cost of \$72 or a total cost of \$360. ED's auditors obviously made an error. Under ED's guidelines, it excluded from recovery any item under \$250 for St. Thomas. Accordingly, ED may not recover any amount related to this requisition.

St. Thomas -- TLCF Program

2000 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	40-0620-99	10,290		8,232		
		2,058	<u>2,058</u>	<u>8,232</u>		
	Total		2,058	8,232		
	Grand Total	10,290				

IDEA Program

2000 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	TP-0247-00	608	608			
2. U	40-0418-00	38,622				38,622
3. U	40-0880-00	23,115				<u>23,115</u>
	Total		<u>608</u>			<u>61,737</u>
	Grand Total	62,345				

St. Thomas – Title VI Program

2000 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	TP-0174-00	1,100	1,100			
2. M	40-0288-00	679	679			
3. M	40-0395-00 ¹³	1,465		1,465		
		1,148		918		
4. M	40-0880-00	679				679
5. M	40-0624-00	1,499				1,499
6. M	40-0106-00	1,470		1,176		
7. M	40-0764-00	630	630			
8. M	40-0466-00	549				549
9. M	TP-0415-00	275	275			
10. M	40-0620-00	2,991				2,991
11. U	40-0184-00	10,978		8,782		
12. U	40-0354-00	12,150		9,720		
13. U	TP-0214-00	1,336	1,336			
		1,336		1,069		
14. U	TP-0375-00	2,212		1,770		
15. U	40-0290-00	474				474
16. U	TP-0453-00	2,096				2,096
	Total		5,485	23,435		8,288
	Grand Total	37,208				

¹³ There are only 3 items at issue -- 2 CPUs and a monitor. Only one CPU can be associated with a property transfer form. Hence, two items are valued at cost and the third item at its depreciated value.

St. Croix -- IDEA Program

1999 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. U	40-20692-99	17,226				<u>17,226</u>
	Total					17,226
	Grand Total	17,226				

St. Croix – Title VI Program

Recovery by ED

1999 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	40-2034-99	676				676
2. M	40-20036-99	2,330				2,330
3. M	40-20036-99	14,475				14,475
4. M	40-20199-99	18,050				18,050
5. M	40-20200-99	1,270				1,270
6. M	40-20330-99	4,035				4,035
7. M	40-20343-99	2,910				2,910
8. M	40-20450-99	2,045				2,045
9. M	40-20544-99	9,900	9,900			
10. M	40-20619-99	1,395				1,395
11. M	40-20624-99	570				570
12. M	40-20629-99	2,790	2,790			
13. M	40-20643-99	42,158				42,458
14. M	40-20646-99	1,290	1,290			
15. M	40-20667-99	11,113				11,113
16. M	40-20699-99	2,536				2,536
17. M	CP-0664-99	2,800				2,800
18. U	40-20622-99	24,126				24,126
Total			<u>14,070</u>			<u>130,789</u>
Grand Total		144,859				

St. Croix -- TLCF Program

2000 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	40-20732-00	2,190				2,190
2. U	40-20753-00	5,504				<u>5,504</u>
	Total					7,694
Grand Total		7,694				

IDEA Program

2000 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	40-20723-00	1,690				1,690
2. M	40-20725-00	21,588				21,588
3. M	40-20751-00	12,990				12,990
4. U	Various	45,964				<u>45,964</u>
	Total					82,232
Grand Total		82,232				

St. Croix – Title VI Program

2000 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. M	2-1004-PP-00	14,975				14,975
2. M	40-20045-00	1,127	1,127			
3. M	40-20101-00	6,175				6,175
4. M	40-20102-00	1,979				1,979
5. M	40-20102-00	5,914				5,914
6. M	40-20395-00	575				575
7. M	40-20397-00	2,990				2,990
8. M	40-20731-00	22,350	22,350			
9. M	40-20808-00	2,322				2,322
10. U	Various	150,960				150,960
	Total		<u>23,477</u>			<u>185,890</u>
Grand Total		209,367				

St. Croix – TLCF Program

2001 Year			Recovery by ED			
M/U	Requisition No.	Cost	Cost Value	Dep Value	Other	Conceded by VIDE
1. U	40-20297-01	1,472				<u>1,472</u>
	Total					1,472
	Grand Total	1,472				

SERVICE

On January 24, 2011, a copy of this Initial Decision was sent by departmental mail or by hand to--

The Honorable Arne Duncan
Secretary of Education
United States Department of Education
400 Maryland Avenue, S.W., Room 7 W 311
Washington, D.C. 20202

On January 24, 2011, a copy of this Initial Decision was sent by certified mail, return receipt requested, by the Office of Administrative Law Judges to—

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Douglas Juergens, Esq.
Assistant Attorney General
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34-38 Kronprindsens Gade
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United States Department of Education
LBJ Building Room 6E220
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Washington, D.C. 20202-2110

On January 24, 2011, a copy of this Initial Decision was also sent by departmental mail as a courtesy to--

Nancy I. Hoglund, Supervisor
Accounts Receivable Group
Financial Management Operations
Office of the Chief Financial Officer
United States Department of Education
400 Maryland Avenue, S.W.
UCP, Room 22 C 7
Washington, D.C. 20202-4330