



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

JUL 29 2010

The Honorable Darrell E. Issa
Ranking Minority Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515-6143

Dear Representative Issa:

This is in response to your letter of June 24, 2010, to the Honorable Earl Devaney, Chairman, Recovery Accountability and Transparency Board, requesting an investigation relating to the use of funds provided under the American Recovery and Reinvestment Act of 2009 for signs. Based on guidance received from the staff of Chairman Devaney, the Department of Defense Inspector General (DoDIG) is responding directly to you on items 1 through 3 of your letter.

Enclosed is a point paper and referenced supporting documents addressing your request for information. Based on a meeting held with your staff on July 27, 2010, the audit staff of the DoDIG is continuing to gather additional information concerning the reasons why the U.S. Army Corps of Engineers issued modified guidance on construction project signs in the September 2009 timeframe. This information will be provided as soon as possible.

Should you have any questions regarding this matter, please contact me at (703) 604-8324.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Crane".

John R. Crane
Assistant Inspector General
Communications and Congressional Liaison

Enclosure(s): As stated

cc: The Honorable Edolphus Towns
Chairman, Committee on Oversight and Government Reform

The Honorable Earl Devaney
Chairman, Recovery Accountability and Transparency Board

POINT PAPER

TITLE: Review of the Planning and Implementation of the American Recovery and Reinvestment Act of 2009. Recovery Act Signage Review Request From Representative Darrel Issa.

BACKGROUND ON RECOVERY ACT IN DOD:

Under the Recovery Act, Congress appropriated approximately \$7.4 billion to DOD for the following programs:

- Facilities Sustainment, Restoration, and Modernization (FSRM) (\$4.26 billion),
- Military Construction (MILCON) (\$2.18 billion),
- Near Term Energy-Efficient Technologies (NTEET) (\$300 million),
- Energy Conservation Investment (\$120 million), and
- Homeowners Assistance Program (\$555 million).

The United States Army Corps of Engineers (USACE) has planned, is executing, or has completed 1,736 Recovery Act projects valued at approximately \$7.8 billion. USACE is implementing \$1.29 billion of the DOD FSRM program, \$1.09 billion of the MILCON program, \$30.4 million of the NTEET program, and all \$555 million of the Homeowners Assistance Program.

USACE is also executing a \$4.6 billion Recovery Act appropriation for its Civil Works program. USACE also supports \$257 million in Recovery Act work from other (non-DOD) Federal agencies.

RESULTS OF REVIEW:

Question 1: A complete accounting of all guidance issued by any Federal agency to recipients of stimulus funds, including Federal, State, and local agencies, on the posting of signs, logos, or emblems intended to publicly identify the source or expenditure of stimulus funds.

DOD Inspector General (IG) Response: Most DOD components did not have a policy requiring Recovery Act signs. However, USACE did have a policy that initially required signs for all USACE Recovery Act projects. This policy was subsequently revised to only require signs for Civil Works, MILCON, and interagency Recovery Act projects.

Headquarters, USACE guidance was initially issued on May 22, 2009, as Engineer Construction Bulletin (ECB) 2009-14, "USACE Construction Project Signs for American Recovery and Reinvestment Act (ARRA)-Funded Design, Construction, and Rehabilitation Project for Military Programs, Civil Works, and Interagency Projects," (attachment 1) to provide guidance and direction for placement of the recovery emblem on signs for all USACE Recovery Act projects. The ECB was promulgated in "FRAGO [Fragmentary Order] #10 to Operations Order 2009-11 (USACE Execution of the American Recovery & Reinvestment Act 2009)." FRAGO #10 noted that ECB 2009-14 supplemented existing USACE signage policy included in Unified Facilities Guide

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Specifications (UFGS).¹ Applicable UFGS specifications are included by reference in all USACE construction contracts.

ECB 2009-14 expanded the amount of signage in use under the existing policy. USFG, part 1, paragraph 1.4, "Project Signs," states that the requirement is applicable to all MILCON and other significant facility projects.² The USFG notes that signs generally are not required for projects located in remote areas, projects involving all interior work, or parking lot and utilities projects. However, ECB 2009-14 expanded the requirement for Recovery Act signage to all USACE Recovery Act work including MILCON, FSRM, Civil Works, and interagency Recovery Act projects. ECB 2009-14 made it optional to revise USACE signs to include the Recovery Act logo or add a separate Recovery Act sign in addition to USACE signage.

On September 24, 2009, USACE issued ECB 2009-23, "Revised USACE Policy on Construction Project Signs for ARRA-Funded Facilities Sustainment, Restoration, and Modernization (FSRM) Projects," (attachment 2). ECN 2009-23 removed the ECB 2009-14 requirement for Recovery Act signage as it related to FSRM projects for the Army, Air Force, and TRICARE Management Agency organizations (see response to Question 3 for further discussion).

Question 2: Whether any Federal agency requires, or has required, stimulus recipients to post signs, logos, or emblems identifying the source or expenditure of stimulus funds and whether such agency has statutory authority to do so.

DOD IG Response: USACE managers stated to us that they could not identify any statutory authority explicitly authorizing posting of construction project signage.

Question 3: Whether any Federal agency has relaxed a requirement that recipients post signs, logos, or emblems identifying the source or expenditure of stimulus funds and an explanation of the decision to do so.

DOD IG Response: ECB 2009-23 relaxed the initial USACE Recovery Act signage policy by removing the ECB 2009-14 requirements for signage as they related to FSRM projects for the Army, Air Force, and TRICARE Management Agency organizations. ECB 2009-23 noted that Headquarters officials of the U.S. Air Force, U.S. Army Installation Management Command, and TRICARE Management Agency did not agree with a blanket USACE policy to require construction signage on Recovery Act-funded FSRM construction projects for their respective agencies. USACE officials stated to us that the Air Force, Army, and TRICARE comments were made in verbal discussions with the then-USACE Deputy Chief, Military Programs Integration Division. ECB 2009-23 noted that USACE project managers must obtain appropriate Army, Air Force, or TRICARE customer decisions on incorporation of any signage for individual FSRM projects. However, the revised guidance left in place signage requirements for FSRM projects already awarded.

¹ UFGS Section 01 58 00, "Project Identification," contains explicit guidance regarding the specification of signage for identification of Navy, Air Force, and USACE projects. USFG notes that the location of a project sign is to be included on the project drawings and references EP 310-1-6a and 6b (2006), "Sign Standards Manual," VOL 1 & 2, available from the USACE Publications Depot, 2803 52nd Avenue, Hyattsville, MD 20781, 301-394-0081/82/83/84.

² The UFGS defines "Significant projects" as those projects that are greater than \$1,000,000; are located in an area visible to large numbers of people; will provide visual construction activities; will be of sufficient size and scope; or are of high interest to the using activity.

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We are continuing our review of ECB 2009-23 to identify the existence of any documentary support for USACE statements attributed to Air Force, Army, and TRICARE officials. We will report to you the results of this review at a later date.



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ENGINEERING AND CONSTRUCTION BULLETIN

No. 2009-14

Issuing Office: CECW-CE

Issued: 22 May 2009

Subject: USACE Construction Project Signs for American Recovery and Reinvestment Act (ARRA)-Funded Design, Construction, and Rehabilitation Project for Military Programs, Civil Works, and Interagency Projects

Applicability: Directive

1. The purpose of this Engineering and Construction Bulletin (ECB) is to provide direction and guidelines regarding use of a newly-designed ARRA emblem for construction projects funded by the ARRA.
2. USACE policy to include guidelines on fabricating, locating, and mounting construction project signs is provided in Engineer Pamphlet (EP) 310-1-6a (Sign Standards Manual, VOL 1, Section 16), dated 1 June 06. The guidelines for accomplishing ARRA-financed construction projects now include a requirement to add an ARRA emblem to construction project signs for projects financed by ARRA funds. Accordingly, our graphic format guidance on page 16-2 of EP 310-1-6a is modified to incorporate the new ARRA logo on construction project signs for ARRA-financed projects. The proper incorporation of the new ARRA logo in the standard USACE construction project signage is illustrated in the attached construction project sign graphic guideline. Mr. James "Toby" Wilson of the USACE CADD Center is preparing a CADD file that will incorporate this ARRA logo in the standard USACE construction project signage graphic. The CADD file will be released as soon as it is available.
3. Directions. Effective upon receipt of the ECB, all subsequent projects that are financed in whole or in part by ARRA funds will display signage that features the ARRA logo as part of the overall USACE construction project signage. Construction projects may use either a "stand-alone" sign with the ARRA logo, or may incorporate the ARRA logo into the standard construction project identification sign, as shown in the attachments. Engineering and construction project specification writers are responsible to update the construction project signage text of their standard contract specification clause to include incorporation of the ARRA logo, when the project involves financing by ARRA funds.
4. HQUSACE point of contact for this ECB is Jim Lovo, CECW-CE, 202-761-0995. POC for EP 310-1-6 is Rick Magee, USACE National Sign Program Mgr, CEMVP-OP, 651-290-5209.

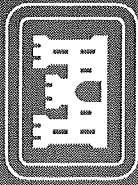
2 Encls

1. USACE construction project sign guideline incorporating ARRA logo
2. ARRA general guidelines for emblem and logo applications

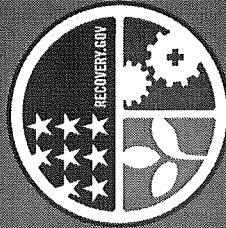
/S/

JAMES C. DALTON, P.E.
Chief, Engineering and Construction
Directorate of Civil Works

Corps relationship to project:



US Army Corps
of Engineers
Division/District (optional)



One to three line project title to describe work

One to two line identification of project or
name of sponsoring department (military)

One to five line
identification of prime
contractors (optional)

One to five line
identification of prime
contractors (optional)



American Recovery and Reinvestment Act General Guidelines for Emblem and Logo Applications

Version 1.0
03 / 20 / 09

Projects funded by the American Recovery and Reinvestment Act (ARRA) will bear a newly-designed emblem. The emblem is a symbol of President Obama's commitment to the American People to invest their tax dollars wisely to put Americans back to work.

The purpose of this document is to provide general guidelines and specifications for using the ARRA emblem and corresponding logomark.

Variations and Usage

There are two approved “marks” associated with the ARRA. To preserve the integrity of the ARRA emblem and logomark, make sure to apply them correctly. Altering, distorting or recreating the “marks” in any way weaken the power of the image and what it represents. Layout and design of signs and communication materials will vary, so care must be taken when applying the emblem or logomark.

Primary Emblem



All projects which are funded by the ARRA should display signage that features the Primary Emblem throughout the construction phase. The signage should be displayed in a prominent location on site. Some exclusions may apply. The Primary Emblem can also be displayed on signs at events or conferences associated with the ARRA or the individual projects funded by the ARRA.

The Primary Emblem should not be displayed at a size less than 6 inches in diameter.

Horizontal Logomark



An alternate variation of the emblem exists for use in press releases and other online or offline communications. It should be used to brand the communications piece, but *not* in reference to the Primary Emblem usage.

Color

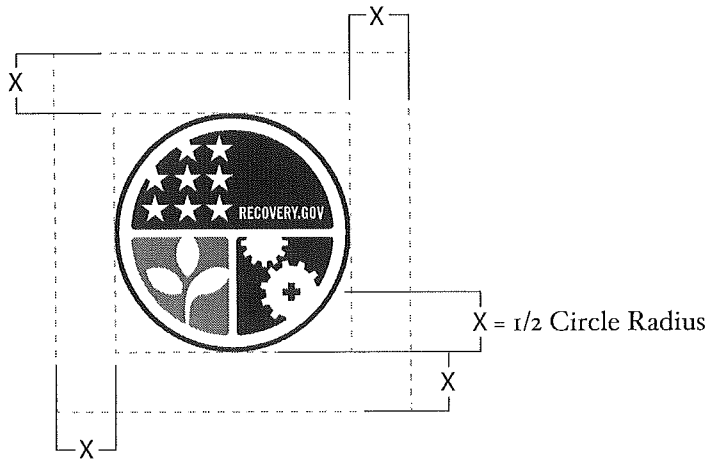
All colors in the ARRA logos have precise color references, shown in the color specifications chart below. Always use the exact color values listed. Do not use screens or tints of any of the colors for any part of the logo. The CMYK values should be used for print applications. The RGB and HEX# values should be used for on-screen applications.

COLOR	CMYK	RGB	HEX#
■ Navy	00 / 00 / 00 / 00	0 / 51 / 102	003366
■ Red	30 / 100 / 100 / 50	102 / 0 / 0	660000
■ Green	65 / 25 / 100 / 7	103 / 144 / 62	67903E
■ Light Blue	67 / 37 / 6 / 00	89 / 141 / 192	598DC0

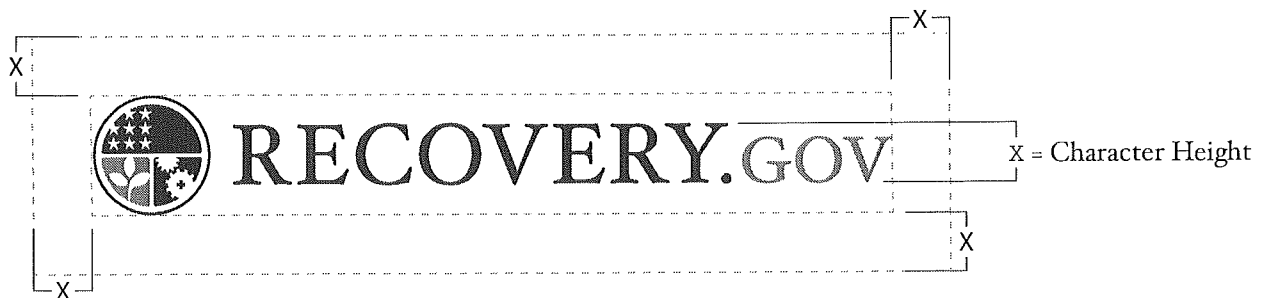
Clear Space

The clear space is shown as the value “X” in this exhibit. The minimum clear space must always be at least “X” on all sides of the logo. Whenever possible, increase the amount of clear space.

Primary Emblem



Horizontal Logomark





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ENGINEERING AND CONSTRUCTION BULLETIN

No. 2009-23

Issuing Office: CECW-CE

Issued: 24 September 2009

Subject: Revised USACE Policy on Construction Project Signs for ARRA-Funded Facilities Sustainment, Restoration, and Modernization (FSRM) Projects

Applicability: Directive

1. The purpose of this Engineering and Construction Bulletin (ECB) is to provide updated USACE direction regarding the inclusion of construction project signage for ARRA-funded FSRM projects for Army, Air Force, and TRICARE Management Agency organizations.
2. Reference
 - a. FRAGO #10 to OPERATIONS ORDER 2009-11 (USACE Execution of the ARRA 2009), dated 261500R May 2009.
 - b. ECB 2009-14, Subject: USACE Construction Project Signs for ARRA-Funded Design, Construction, and Rehabilitation Projects for Military Programs, Civil Works, and Interagency Projects, dated 22 May 2009.
3. HQUSACE Military Programs managers have determined that there is not a firm requirement to include construction project signage and therefore no firm requirement to display an ARRA logo on ARRA-funded FSRM projects accomplished by USACE. Moreover, Headquarters officials of the U.S. Air Force, U.S. Army Installation Management Command, and TRICARE Management Agency do not agree with a blanket policy to require any construction signage on ARRA-funded FSRM construction projects for their respective agencies.
4. Directions. Effective upon receipt of this ECB, all Army, Air Force, and TMA FSRM projects financed in whole or in part by ARRA funds will not automatically include construction project signage or ARRA logo signage. USACE project managers must obtain appropriate Army, Air Force, or TMA customer decisions on incorporation of any construction project signage for each of their individual FSRM projects. For ARRA projects already awarded, proceed as per the contract. Project managers should consider recommending provision of construction project signage with the ARRA logo for large, highly visible project undertakings.
5. HQUSACE contact for this ECB is Jim Lovo, CECW-CE, (202)761-0995. HQUSACE contact for USACE ARRA FSRM policies is Jack Kons, CEMP-CI-I, (202)761-0031.

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JAMES C. DALTON, P.E.
Chief, Engineering and Construction
Directorate of Civil Works



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