DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

November 5, 2026

OIG-27-021

MEMORANDUM FOR **JEFFREY W. STOUT, ACTING CHIEF PROGRAM OFFICER, OFFICE OF CAPITAL ACCESS, DEPARTMENT OF THE TREASURY**

FROM: Pauletta P. Battle /s/
Assistant Inspector General for Audit

SUBJECT: Desk Review of the Kasigluk Traditional Elders Council's Use of Coronavirus Relief Fund Proceeds

On March 31, 2022, we initiated a desk review of the Kasigluk Traditional Elders Council's (Kasigluk) use of the Coronavirus Relief Fund (CRF) proceeds, authorized under Title VI of the Social Security Act, as amended by Title V Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).[1] This review was initiated in response to Kasigluk's failure to submit quarterly data in the GrantSolutions[2] portal for cycles 1 through 7.[3] In addition, Kasigluk did not submit quarterly data for cycles 8, 9, 11, and 12. The objective of our desk review was to evaluate Kasigluk's documentation supporting its uses of CRF proceeds as reported in GrantSolutions and the alternative format of reporting,[4] and to assess the risk of unallowable use of funds. The scope of our desk review covered Kasigluk's obligation and expenditure data for the period March 1, 2020, through December 31, 2022,[5] as reported in GrantSolutions and the alternative format of reporting.

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1 P.L. 116-136 (March 27, 2020)

2 GrantSolutions, a grant and program management Federal shared service provider under the U.S. Department of Health and Human Services developed a customized and user-friendly reporting solution to capture the use of CRF payments from recipients.

3 Department of the Treasury Office of Inspector General's quarterly reporting timeline for prime recipients included 14 cycles with cycle 1 ending June 30, 2020, and cycle 14 ending September 30, 2023. Tribal government recipients were able to incur eligible costs through December 31, 2022. Recipients were expected to have completed all expenditures of CRF awards by March 31, 2023. Closeout of CRF awards was due in GrantSolutions no later than July 10, 2023.

4 The alternative format of reporting was a means of submitting quarterly reporting in paper form. This allowed recipients that were having connectivity issues with the GrantSolutions portal a means to comply with the quarterly reporting requirements.

5 Kasigluk's final Financial Progress Report was submitted in cycle 13 for the period ending June 30, 2023.

As part of our desk review, we performed the following:

1) reviewed Kasigluk's quarterly Financial Progress Reports (FPRs) submitted in GrantSolutions and alternative format of reporting through December 31, 2022;
2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* (Guidance) as published in the Federal Register on January 15, 2021;[6]
3) reviewed Treasury's Office of Inspector General (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping;*[7]
4) reviewed Treasury OIG's *Coronavirus Relief Fund Reporting and Record Retention Requirements;*
5) reviewed other audit reports issued, such as Single Audit Act reports, and those issued by the Government Accountability Office and other applicable Federal agency OIGs for internal control or other deficiencies that may pose a risk or impact to Kasigluk's use of CRF proceeds;
6) reviewed Treasury OIG Office of Investigations, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Pandemic Response Accountability Committee (PRAC),[8] and Treasury OIG Office of Counsel input on issues that may pose a risk or impact to Kasigluk's use of CRF proceeds;
7) interviewed key personnel responsible for preparing and certifying Kasigluk's quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
8) made a non-statistical selection of Direct Payments greater than or equal to $50,000, Aggregate Direct Payments less than $50,000,[9] and Aggregate Payments to Individuals[10] data identified through GrantSolutions and the alternative format of reporting; and
9) evaluated documentation and records used to support Kasigluk's quarterly FPRs.

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[6] CRF Guidance as published in the Federal Register (January 15, 2021) https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

[7] Treasury OIG, *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*, (OIG-CA-20-028R; March 2, 2021)

[8] Section 15010 of P.L. 116-136 established the PRAC within CIGIE to promote transparency and conduct and support oversight of covered funds (see Footnote 12 for a definition of covered funds) and the coronavirus response to (1) prevent and detect fraud, waste, abuse, and mismanagement; and (2) mitigate major risks that cut across program and agency boundaries.

[9] Prime recipients were required to report CRF transactions greater than or equal to $50,000 in detail in the GrantSolutions portal. Transactions less than $50,000 could be reported as an aggregate lump-sum amount by type (contracts, grants, loans, direct payments, and transfers to other government entities).

[10] Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information.

Based on our review of Kasigluk's documentation supporting the uses of its CRF proceeds as reported in the FPRs, we determined that the expenditures were incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). However, we identified five ineligible expenses that were incurred outside the period that began March 1, 2020, and ended December 31, 2022, as described in the CARES Act and Treasury's Guidance. The five transactions, totaling $488.78, within the Direct Payments greater than or equal to $50,000 were spent before March 1, 2020. In July 2025, Kasigluk returned $488.78 to the Department of the Treasury. This repayment constituted an appropriate corrective action and satisfactorily resolved the concern regarding these ineligible expenditures.

Kasigluk did not have a budget as of March 27, 2020. Because a budget did not exist, we were unable to assess compliance with the CARES Act criterion requiring that costs must not be accounted for in the budget most recently approved as of that date. Despite this limitation, we proceeded with assessing Kasigluk's expenditures against the two CARES Act criteria that could be evaluated: (1) whether the expenditures were necessary due to the COVID-19 public health emergency, and (2) whether the expenditures were incurred during the covered period.

Based on our assessment of their expenditures, we determined that Kasigluk's risk of unallowable use of funds is low. Accordingly, we will not be conducting an audit.

Non-Statistical Transaction Selection Methodology

Treasury issued a total of $2,046,868 in CRF payments to Kasigluk. As of December 31, 2022, Kasigluk expended all its CRF proceeds. We made a non-statistical selection of 60 transactions from the Direct Payments greater than or equal to $50,000, Aggregate Direct Payments less than $50,000, and Aggregate Payments to Individuals payment types. We made selections using auditor judgment based on total CRF award amount, amounts claimed within each payment type, and our overall risk assessment of Kasigluk. Because the transactions tested were non-statistically selected, results could not be extrapolated to the total universe of transactions.

Background

The CARES Act appropriated $150 billion to establish the CRF. Under the CRF, Treasury made payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories including the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa,

and the Commonwealth of the Northern Mariana Islands; and Tribal governments (collectively referred to as "prime recipients"). Treasury issued a total of $2,046,868 in CRF payments to Kasigluk. The CARES Act stipulates that a prime recipient may only use the funds to cover costs that were:

1) necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2) not accounted for in the budget most recently approved as of March 27, 2020; and
3) incurred during the period between March 1, 2020, and December 31, 2021, for states, local governments, and territories. In the case of tribal governments, were incurred during the period that began on March 1, 2020, and ended on December 31, 2022 (covered period).

Kasigluk did not have a budget as of March 27, 2020. As a result, compliance with criterion (2) could not be assessed during our review.

Section 15011 of the CARES Act, required each covered recipient[11] to submit to Treasury and the PRAC, no later than 10 days after the end of each calendar quarter, a report that contained (1) the total amount of large covered funds[12,13] received from Treasury; (2) the amount of large covered funds received that were expended or obligated for each project or activity; (3) a detailed list of all projects or activities for which large covered funds were expended or obligated; and (4) detailed information on any level of subcontracts or subgrants awarded by the covered recipient or its subrecipients.

The CARES Act assigned Treasury OIG the responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF proceeds. Treasury OIG was also assigned the authority to recoup funds in the event it is determined a prime recipient failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)).

Desk Review Results

We reviewed the GrantSolutions portal and found that Kasigluk did not timely file quarterly FPRs as required under Treasury OIG's Guidance, *Coronavirus Relief Fund*

[11] Section 15011 of P.L. 116-136 defined a covered recipient as any entity that received large covered funds and included any State, the District of Columbia, and any territory or possession of the United States.

[12] Section 15010 of P.L. 116-136 defined covered funds as any funds, including loans, that were made available in any form to any non-Federal entity, not including an individual, under Public Laws 116-123, 127, and 136, as well as any other law which primarily made appropriations for Coronavirus response and related activities.

[13] Section 15011 of P.L. 116-136 defined large covered funds as covered funds that amounted to more than $150,000.

Reporting and Record Retention Requirements. Kasigluk failed to file quarterly FPRs in cycles 1 through 9, 11, and 12. Kasigluk submitted quarterly FPRs in cycles 10 and 13, via the alternative format of reporting and marked its cycle 13 FPR submission as final within the GrantSolutions portal.

We found that the transactions tested in the Direct Payments greater than or equal to $50,000, Aggregate Direct Payments less than $50,000, and Aggregate Payments to Individuals payment types were necessary expenditures incurred due to the public health emergency with respect to COVID-19. We also identified five ineligible expenses that were incurred outside the covered period, which began March 1, 2020, and ended December 31, 2022. The five transactions, totaling $488.78, within the Direct Payments greater than or equal to $50,000 were spent before March 1, 2020. Because Kasigluk did not have a budget as of March 27, 2020, we could not assess whether or not these expenditures were accounted for in the budget most recently approved.

Table 1 shows a summary of expenditure totals and the results of our testing.

Table 1. Summary Non-Statistical Testing Results[14]

Payment Type	Cumulative Expenditure Population Amount	Cumulative Expenditure Tested Amount	Number of Transactions Tested	Unsupported Questioned Costs	Ineligible Questioned Costs	Total Questioned Costs
Direct Payments ≥$50,000	$933,415	$105,312	12	$ -	$488.78	$488.78
Aggregate Direct Payments < $50,000	$254,261	$38,007	14	$ -	$ -	$ -
Aggregate Payments to Individuals (in any amount)	$859,191	$128,673	34	$ -	$ -	$ -
Totals	**$2,046,868**	**$271,992**	**60**	**$ -**	**$488.78**	**$488.78**

Source: Treasury OIG

Direct Payments Greater Than or Equal to $50,000

We tested 12 transactions totaling $105,312 without exception. Transactions tested included expenditures associated with utility payment assistance (payments made directly to vendors in the form of tribal member assistance payments) for tribal members during the COVID-19 pandemic lockdown. We also identified five

[14] Amounts in the "Cumulative Expenditure Population Amount and Cumulative Expenditure Tested Amount" columns are rounded to the nearest dollar; therefore, amounts may not sum to the totals shown.

ineligible expenses that were incurred outside the covered period. These five transactions, totaling $488.78, were not selected as part of our sample but were included in Kasigluk's total CRF expenditures of $2,046,868; therefore, we determined these expenses to be ineligible questioned costs.

Aggregate Direct Payments Less Than $50,000

We tested 14 transactions totaling $38,007 without exception. Transactions tested included expenditures associated with utility and rent/mortgage payment assistance (payments made directly to vendors in the form of tribal member assistance payments), the purchase of rubber gloves and a skidoo. The rubber gloves were used for protection and prevention against the spread of COVID-19. The skidoo was used as a transportation vehicle in the village to support response to the COVID-19 pandemic. Specifically, the Tribe used the skidoo for food delivery, medical transport to the runway for a medivac flight, and for COVID-19 law enforcement. We found that the transactions reviewed were eligible expenditures incurred due to the public health emergency with respect to COVID-19 and were incurred during the covered period.

Aggregate Payments to Individuals

We tested 34 transactions totaling $128,673 without exception. The transactions tested consisted of 24 stimulus assistance payments, 9 payroll expenses, and 1 supply transaction. Payroll expenses were for public health and public safety personnel who were substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Stimulus assistance payments consisted of three rounds economic impact payments, which the maximum amount one could receive per round is $(b) (4) per tribal member, totaling $(b) (4). The supplies were for personal protective and safety equipment for the Council office and employees to prevent the spread of the COVID-19 public health emergency.

Conclusion

We determined that Kasigluk's expenditures, as tested, were necessary due to the COVID-19 public health emergency; however, we identified questioned costs totaling $488.78 for five ineligible expenses that were incurred outside the period that began March 1, 2020, and ended December 31, 2022. Kasigluk returned the $488.78 to Treasury in July 2025. This repayment constituted an appropriate corrective action and satisfactorily resolved the questioned costs. Because Kasigluk did not have a budget as of March 27, 2020, we were unable to assess compliance with the CARES Act requirement that costs must not be accounted for in the budget most recently approved as of that date.

Overall, we determined that Kasigluk's risk of unallowable use of funds is low. As a result, we will not be conducting an audit.

Kasigluk's Response

As part of our reporting process, we provided Kasigluk with a draft of this desk review memorandum for review and comment. However, no response was received.

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All work completed complies with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspectors General*, which require that the work adheres to the professional standards of independence, due professional care, and quality assurance to ensure the accuracy of the information presented.[15] We appreciate the courtesy and cooperation provided to our staff during the desk review. If you have any questions or require further information, please contact me (202) 927-5400, or a member of your staff may contact Virginia Shirley, Acting Deputy Assistant Inspector General for Audit, at (202) 246-0362.

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[15] https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf