DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

November 13, 2026

OIG-27-026

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 Los Coyotes Band of Cahuilla and Cupeno Indians' Use of Coronavirus Relief Fund Proceeds

On April 1, 2022, we initiated a desk review of the Los Coyotes Band of Cahuilla and Cupeno Indians' (Los Coyotes, the Tribe) 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 Los Coyotes' failure to submit required quarterly data in the GrantSolutions[2] portal for cycles 1 through 7.[3] The objective of our desk review was to evaluate Los Coyotes' documentation supporting its uses of CRF proceeds as reported in the GrantSolutions portal and the alternative format of reporting,[4] and to assess the risk of unallowable use of funds. The scope of our desk review covered Los Coyotes' obligation and expenditure data for the period March 1, 2020, through March 31, 2023, as reported in GrantSolutions and the alternative format of reporting.

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

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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 tribes that were having connectivity issues with the GrantSolutions portal a means to comply with the quarterly reporting requirements.

1) reviewed Los Coyotes' quarterly Financial Progress Reports (FPRs) submitted in GrantSolutions and alternative format of reporting through March 31, 2023;
2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* (Guidance) as published in the Federal Register on January 15, 2021;[5]
3) reviewed Treasury's Office of Inspector General (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping;*[6]
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 risk or impact to Los Coyotes' 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),[7] and Treasury OIG Office of Counsel input on issues that may pose risk or impact to Los Coyotes' use of CRF proceeds;
7) interviewed key personnel responsible for preparing and certifying Los Coyotes' quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
8) reviewed all transactions and analyzed whether they were eligible uses of CRF; and
9) evaluated documentation and records used to support Los Coyotes' quarterly FPRs.

Based on our review of Los Coyotes' documentation supporting the uses of CRF proceeds, we identified questioned costs totaling $215,325, consisting of $5,610 in unsupported costs and $209,715 in ineligible costs. Accordingly, we determined that Los Coyotes' risk of unallowable use of funds is high. Due to resource constraints, we will not conduct an audit but we recommend that the Acting Chief Program Officer of the Treasury Office of Capital Access seek reimbursement, as appropriate.

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[5] 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

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

[7] 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 9 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.

Transaction Selection Methodology

Treasury issued a total of $319,935 in CRF payments to Los Coyotes. As of December 31, 2022, the Tribe had expended all its CRF proceeds. Los Coyotes had significant difficulty preparing a transaction universe detailing how the CRF proceeds were utilized. After several months, the Tribe submitted its first transaction universe (Universe 1), which did not reconcile to the FPR and included ineligible payroll expenses funded through a separate program. The Tribe then requested to reclassify the ineligible payroll expenses and, after several additional months, provided a revised transaction universe (Universe 2). Upon review, we found that Universe 2 also failed to reconcile to the FPR, as shown in Table 1.

Table 1. Los Coyotes' Cumulative Obligations and Expenditures as of December 31, 2022

Payment Type	Cumulative Obligations	Cumulative Expenditures based on FPR	Cumulative Expenditures based on Universe 1	Cumulative Expenditures based on Universe 2
Aggregate Direct < $50,000	$ 50,141	$ 50,141	$ 80,268	$ 92,997
Aggregate Payments to Individuals (in any amount)	$ 269,794	$ 269,794	$ 239,667	$ 226,938
Totals	**$ 319,935**	**$ 319,935**	**$ 319,935**	**$ 319,935**

Source: Treasury OIG

Based on our review of the replacement transactions in Universe 2, we found that some transactions were for ineligible uses of CRF proceeds, others were funded with non-CRF sources, and some lacked supporting documentation. Because of these deficiencies, we could not develop a reliable sample of transactions for testing. Instead, we analyzed all transactions in Universe 2. These transactions pertained to the six programs listed below:

- Student Distance Learning Laptops
- Student Distance Learning Supplies
- Elders Economic Assistance Payment
- Youth Economic Assistance Payment
- Personal Protective Equipment (PPE) & Testing Assistance Payment
- Mortgage, Rent, Utility Assistance Payment

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 $319,935 in CRF payments to Los Coyotes. 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 the coronavirus disease 2019 (COVID-19);
2) not accounted for in the budget most recently approved as of March 27, 2020; and
3) incurred during the period that began on March 1, 2020, and ended on 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).

Section 15011 of the CARES Act, required each covered recipient[8] 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[9,10] 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 if it is determined that a recipient failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)). As part of this authority, if OIG determines that a CRF recipient failed to comply with the use of funds requirements for CRF award funds in 42 U.S.C. 801(d), the amount equal to the amount of funds used in violation shall be booked as a debt of such entity owed to the Federal Government (42 U.S.C. 801(f)(2)).

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[8] 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.

[9] 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.

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

Desk Review Results

We reviewed the GrantSolutions portal and found that Los Coyotes did not submit the required quarterly FPRs in cycles 1 through 8, as required under Treasury OIG's Guidance, *Coronavirus Relief Fund Reporting and Record Retention Requirements*. A representative from Los Coyotes stated that the delays were likely due to unreliable internet access. However, for cycle 9, Los Coyotes did submit its quarterly FPR via the alternative format for reporting. The Tribe failed to submit quarterly FPRs for cycles 10 and 11, and for cycle 12, requested that Treasury OIG, on its behalf, submit the FPR covering the period ended March 21, 2023, and mark the submission as final in the GrantSolutions portal.

We reviewed all transactions in Universe 2, which totaled $319,935. Of this amount, we identified questioned costs of $215,325, consisting of $5,610 in unsupported costs and $209,715 in ineligible costs. Table 2 shows a summary of expenditure totals and the results of our testing.

Table 2. Summary of Expenditures Reviewed and Results

Program	Cumulative Expenditure Population Amount (based on Universe 2)	Unsupported Questioned Costs	Ineligible Questioned Costs	Total Questioned Costs
Student Distance Learning Laptops	$ (b) (4)	$ -	$ -	$ -
Student Distance Learning Supplies	$ (b) (4)	$ (b) (4)	$ (b) (4)	$ (b) (4)
Elders Economic Assistance Payment	$ (b) (4)	$ -	$ -	$ -
Youth Economic Assistance Payment	$ (b) (4)	$ -	$ (b) (4)	$ (b) (4)
PPE & Testing Assistance Payment	$ (b) (4)	$ (b) (4)	$ (b) (4)	$ (b) (4)
Mortgage, Rent, Utility Assistance Payment	$ (b) (4)	$ (b) (4)	$ (b) (4)	$ (b) (4)
Totals	**$ 319,935**	**$ 5,610**	**$ 209,715**	**$ 215,325**

Source: Treasury OIG

Student Distance Learning Laptops

We did not question any costs in this program. We reviewed 8 transactions totaling $(b) (4) and determined that the costs were supported and eligible.

Student Distance Learning Supplies

We identified $(b) (4) in questioned costs. Of the 14 transactions, 9 transactions totaling $(b) (4) were ineligible because they were for tuition assistance, which is not an eligible CRF use. One transaction totaling $(b) (4) lacked supporting documentation and was classified as an unsupported questioned cost.

Elders Economic Assistance Payment

We did not question any costs in this program. We reviewed 16 transactions totaling $(b) (4) and determined that the costs were supported and eligible.

Youth Economic Assistance Payment

We found $(b) (4) in questioned costs within this program. There were 292 transactions within this category totaling $(b) (4) Of this, 289 transactions totaling $(b) (4) were ineligible questioned costs. All of these transactions were COVID-19 stipends, which were given out uniformly to all tribal members, which was not an eligible use of funds.

PPE & Testing Assistance Payment

We found $(b) (4) in questioned costs within this program. There were 239 transactions within this category totaling $(b) (4) Of this, 214 transactions totaling $(b) (4) were ineligible questioned costs and 2 transactions totaling $(b) (4) were unsupported questioned costs. The ineligible questioned costs were for transactions for COVID-19 stipends given uniformly to all tribal members, which was not an eligible use of funds. The two unsupported questioned costs were for replacement transactions with no supporting documentation provided, as was required.

Mortgage, Rent, Utility Assistance Payment

We found $(b) (4) in questioned costs within this program. There were 137 transactions within this category totaling $(b) (4) Of this, 9 transactions totaling $(b) (4) were ineligible questioned costs and 11 transactions totaling $(b) (4) were unsupported questioned costs. Most of the ineligible questioned costs in this category were categorized as American Rescue Plan transactions by the Tribe and as such are not eligible transactions. A few other transactions were for hurricane lodging, which also does not meet the requirement for there to be a COVID-19

nexus. The 11 transactions that were unsupported questioned costs were replacement transactions with no supporting documentation or inadequate supporting documentation.

Follow-up Facts and Analysis

Treasury OIG communicated the results of our review with Los Coyotes as follows:

- On June 1, 2026, we emailed the Tribal Administrator to notify them that the Tribe had not provided adequate supporting documentation for 535 CRF expenditures, totaling $215,325, consisting of $5,610 in unsupported questioned costs and $209,715 in ineligible costs. We requested that this documentation be submitted by June 15, 2026.
- On June 1, 2026, the Tribal Administrator requested a meeting.
- On June 3, 2026, Treasury OIG met with the Tribal Administrator and discussed preliminary findings and associated questioned costs.
- On June 18, 2026, Treasury OIG extended the deadline to June 26, 2026, to allow more time.
- As of this writing, Treasury OIG has not received correspondence from Los Coyotes regarding the supporting documentation sufficient to demonstrate the eligibility of identified costs of $215,325.

Conclusion

Based on our review of Los Coyotes' documentation supporting the uses of CRF proceeds, we identified questioned costs totaling $215,325, consisting of $5,610 in unsupported costs and $209,715 in ineligible costs. Treasury OIG interprets Los Coyotes' failure to provide adequate supporting documentation for the identified expenditures as acknowledgement that it cannot demonstrate that the funds were used for eligible CRF purposes. Accordingly, we determined that Los Coyotes' risk of unallowable use of funds is high. Due to resource constraints, we will not conduct an audit, but the $215,325 remains unsubstantiated and subject to recoupment.

Resources appropriated to Treasury OIG for the purposes of recoupment for this program are no longer available. The Deputy Inspector General, exercising the delegated authorities of the Inspector General, therefore recommends that the Office of Capital Access, in its role as the program office and on behalf of the Treasury, book the identified amount as a debt of the entity and recoup the amounts as mandated in 42 U.S.C. 801(f)(2).

Recommendation

We recommend that the Acting Chief Program Officer of the Treasury Office of Capital Access seek recoupment, as appropriate.

Los Coyotes' Response

As part of our reporting process, we provided Los Coyotes 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.[11] We appreciate the courtesies and cooperation provided to our staff during the desk review. If you have any questions or require further information, please contact me at (202) 927-5400, or a member of your staff may contact Virginia Shirley, Acting Deputy Assistant Inspector General for Audit, at (202) 246-0362.

cc: Ray Chapparosa, Tribal Chairman, Los Coyotes Band of Cahuilla and Cupeno Indians
Olga Rodriguez, Tribal Administrator, Los Coyotes Band of Cahuilla and Cupeno Indians
Michelle A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Thao P. Tran, Acting Chief Operating Officer, Office of Capital Access Department of the Treasury
Lilian R. Lowrey, Supervisory Grants Management Specialist, Department of Treasury

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

Attachment

Schedule of Monetary Benefits

According to the Code of Federal Regulations,[12] a questioned cost is a cost that is questioned due to a finding:

> (a) which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
>
> (b) where the costs, at the time of the review, are not supported by adequate documentation; or
>
> (c) where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Questioned costs are to be recorded in the Department of the Treasury's (Treasury) Joint Audit Management Enterprise System. The amount will also be included in the Office of Inspector General (OIG) Semiannual Report to Congress. It is Treasury management's responsibility to report to Congress on the status of the agreed to recommendations with monetary benefits in accordance with 5 USC 405.

Recommendation	Questioned Costs
Recommendation No. 1	$215,325

The questioned cost represents amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, there was a total of $215,325 in questioned costs, consisting of $5,610 in unsupported costs and $209,715 in ineligible costs.

[12] 2 CFR § 200.84 – Questioned Cost