DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

November 16, 2026

OIG-27-027

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 Native Village of Scammon Bay, Alaska's Use of Coronavirus Relief Fund Proceeds

On March 31, 2022, we initiated a desk review of the Native Village of Scammon Bay, Alaska's (Scammon Bay, 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 Scammon Bay's 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 Scammon Bay's 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 Scammon Bay's 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 Scammon Bay's quarterly Financial Progress Reports (FPRs) submitted in GrantSolutions via the 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 Scammon Bay'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),[7] and Treasury OIG Office of Counsel input on issues that may pose risk or impact to Scammon Bay's use of CRF proceeds;
7) interviewed key personnel responsible for preparing and certifying Scammon Bay's quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
8) made a non-statistical selection of Contracts greater than or equal to $50,000,[8] 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

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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 13 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.

[8] Prime recipients were required to report CRF transactions greater than or equal to $50,000 in detail in the GrantSolutions portal.

[9] 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.

9) evaluated documentation and records used to support Scammon Bay's quarterly FPRs.

Based on our review of Scammon Bay's documentation supporting the uses of CRF proceeds, we identified $1,324,436 in questioned costs. Accordingly, we determined that Scammon Bay's risk of unallowable use of funds is high. Due to resource constraints, we will not conduct an audit but recommend that the Acting Chief Program Officer of the Treasury Office of Capital Access seek recoupment as appropriate.

Non-Statistical Transaction Selection Methodology

Treasury issued a total of $1,800,268 in CRF payments to Scammon Bay. As of December 31, 2022, Scammon Bay expended all its CRF funds. We made a non-statistical selection of 27[11] transactions in the Contracts Greater than or equal to $50,000, Aggregate Direct Payments less than $50,000, and Aggregate Payments to Individuals payment types. Selections were made using auditor judgment based on the total CRF award amount, information and risks identified in reviewing prior audit reports, our review of Scammon Bay's FPR submissions, amounts claimed within each payment type, and our overall risk assessment of Scammon Bay. 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 $1,800,268 in CRF payments to Scammon Bay. 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

[11] After our initial selection of 30 transactions, Scammon Bay disclosed that 3 transactions in the Aggregate Payments to Individuals category were not obligated nor expended with CRF proceeds, but with its own funds, thereby reducing the number of transactions we tested to 27.

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[12] 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[13,14] 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 the 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)).

Desk Review Results

We reviewed the GrantSolutions portal and found that Scammon Bay did not timely submit the required quarterly FPRs in cycles 1 through 10, as required under Treasury OIG's Guidance, *Coronavirus Relief Fund Reporting and Record Retention Requirements*. A representative from Scammon Bay stated that the delays were likely due to unreliable internet access. However, Scammon Bay did submit quarterly FPRs in cycles 11 and 12 via the alternative format of reporting. Scammon Bay fully obligated and expended its total CRF proceeds as of December 31, 2022, and marked its cycle 12 FPR, covering the period ended March 31, 2023, as the final submission in the GrantSolutions portal.

[12] 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.

[13] 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.

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

We found that 22 of the 27 transactions tested were unsupported questioned costs, totaling $1,324,436. Table 1 shows a summary of expenditure totals and the results of our testing.

Table 1. Summary of Non-Statistical Testing

Payment Type	Cumulative Expenditure Population Amount	Cumulative Expenditure Tested Amount	Number of Transactions Tested	Unsupported Questioned Costs	Total Questioned Costs
Contracts ≥$50,000	$ 765,895	$ 763,900	5	$ 763,900	$ 763,900
Aggregate Direct Payments < $50,000	$ 319,092	$ 271,557	15	$ 270,934	$ 270,934
Aggregate Payments to Individuals (in any amount)	$ 715,281	$ 303,579	7	$ 289,602	$ 289,602
Totals	**$ 1,800,268**	**$ 1,339,036**	27	**$ 1,324,436**	**$ 1,324,436**

Source: Treasury OIG

Contracts Greater Than or Equal to $50,000

Scammon Bay had one contract that was greater than or equal to $50,000, and we are questioning $763,900 of the $765,895 expenditures. We tested five transactions and Scammon Bay did not provide adequate supporting documentation to support any of the five transactions. As a result, we were unable to verify eligibility and thus question the costs.

Aggregate Direct Payments Less Than $50,000

We tested 15 aggregate direct payments less than $50,000, and we are questioning $270,934 of $271,557 of these expenditures because Scammon Bay did not provide adequate supporting documentation. As a result, we were unable to verify the eligibility of these transactions. We determined that 1 of the 15 transactions, amounting to $(b) (4) was supported as a necessary expenditure due to the COVID–19 public health emergency and incurred during the covered period. This transaction was for contract labor associated with Scammon Bay's modular COVID-19 shelters.

Aggregate Payments to Individuals

We tested 7 aggregate payments to individuals and are questioning $289,602 of the $303,579 because Scammon Bay did not provide adequate supporting documentation for 3 of 7 transactions. As a result, we were unable to verify the

eligibility of these three transactions. The other four transactions tested in this category were supported as a necessary expenditure due to the COVID-19 public health emergency and incurred during the covered period. These four transactions were for tribal members need of COVID-19 relief.

Follow-up Facts and Analysis

Treasury OIG communicated the results of our review with Scammon Bay as follows:

- On May 29, 2026, we emailed the Tribal Administrator to notify them that the tribe had not provided adequate supporting documentation for 22 CRF expenditures, totaling $1,324,436 in unsupported questioned costs. We requested that this documentation be submitted by June 12, 2026.
- On June 1, 2026, the Tribal Administrator responded and sent us the previously submitted documentation.
- On June 18, 2026, we sent a follow-up email extending the deadline to June 26, 2026 to allow more time.
- On June 27, 2026, the Tribal Administrator again submitted the same documentation as before.
- As of this writing, Treasury OIG has not received correspondence from Scammon Bay regarding the supporting documentation sufficient to demonstrate the eligibility of identified costs of $1,324,436.

Conclusion

Based on our review of Scammon Bay's documentation supporting the uses of CRF proceeds, we could not determine whether 22 of the 27 sampled transactions complied with the CARES Act and Treasury's Guidance because the Tribe did not provide adequate supporting documentation. Treasury OIG interprets Scammon Bay's failure to provide adequate supporting documentation as acknowledgement that it cannot demonstrate that $1,324,436 was used for eligible CRF purposes. Accordingly, we determined that Scammon Bay's risk of unallowable use of funds is high. Due to resource constraints, we will not conduct an audit, but the $1,324,436 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 of questioned costs, as appropriate.

Scammon Bay's Response

As part of our reporting process, we provided a draft of this desk review memorandum to Scammon Bay to obtain management's views and comments. Scammon Bay submitted a management response outlining its communications with our office and expressing disagreement with the questioned costs identified in this memorandum and our recommendation that the Office of Capital Access seek recoupment.

OIG Comment

We reviewed and analyzed all documentation provided by Scammon Bay throughout the desk review and identified $1,324,436 in questioned costs. The information provided in Scammon Bay's management response does not alter our findings or recommendation that the Office of Capital Access seek recoupment of the questioned costs, as appropriate.

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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 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: Angelo Uttereyuk, Tribal Administrator, Native Village of Scammon Bay
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. Lowery, Supervisory Grants Management Specialist, Department of Treasury

[15] 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,[16] 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.[17] 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	$1,324,436

The questioned costs represent amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, $1,324,436 reflects the Native Village of Scammon Bay's total Coronavirus Relief Fund expenditures reported in the GrantSolutions portal and via the alternative format of reporting that lacked supporting documentation.

[16] 2 CFR § 200.84 – Questioned Cost

[17] The Joint Audit Management Enterprise System is Treasury's audit recommendation tracking system.