



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

March 28, 2023

**MEMORANDUM FOR MR. JACOB LEIBENLUFT, CHIEF RECOVERY OFFICER**

**FROM:** Deborah L. Harker /s/  
Assistant Inspector General for Audit

**SUBJECT:** Desk Review of Fort McDermitt Paiute-Shoshone Tribe's  
Use of Coronavirus Relief Fund Proceeds  
(OIG-CA-23-011)

Please find the attached desk review memorandum<sup>1</sup> on Fort McDermitt Paiute-Shoshone Tribe's (FMPST) use of Coronavirus Relief Fund (CRF) proceeds. The CRF is 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). Under a contract monitored by our office, Castro & Company, LLC (Castro), a certified independent public accounting firm, performed the desk review. Castro performed the desk review in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Federal Offices of Inspector General*.

In its desk review of FMPST, Castro found that FMPST personnel were late in filing, or missed filing, required quarterly grant reports. In addition, in some cases, documentation provided to Castro for expenditures did not agree with amounts reported in the quarterly reports. Specifically, documentation for allowable expenditures was provided, but the costs had not been entered into the grants reporting portal. Castro and Treasury Office of Inspector General (OIG) met with FMPST management to discuss quarterly reporting requirements.

Based on these issues, Castro determined that the risk of unallowable use of funds was moderate. With that said, Castro reviewed documentation for a sample of 21 transactions reported in the quarterly reports and found that the transactions were adequately supported and the use of CRF proceeds complied with the CARES Act and Treasury Guidance. Castro is not recommending Treasury OIG perform an audit of the FMPST. However, Castro recommends that Treasury OIG

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<sup>1</sup> The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) assigned the Department of the Treasury Office of Inspector General with responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of Coronavirus Relief Fund (CRF) payments. The purpose of the desk review is to perform monitoring procedures of the prime recipient's receipt, disbursement, and use of CRF proceeds as reported in the GrantSolutions portal on a quarterly basis.

follow up with FMPST personnel to ensure that FMPST resolves the issues with unrecorded transactions in future reporting cycles.

In addition to the work performed by Castro, Treasury OIG reviewed the status of FMPST's Single Audit Reports included in the Federal Audit Clearinghouse and found that FMPST personnel had not filed Single Audit Reports for FY 2020 and FY 2021 as required<sup>2</sup> of non-Federal entities that expend \$750,000 or more in Federal awards during their fiscal year. This issue will also need to be addressed by FMPST personnel before final closeout of the tribe's CRF award.

In connection with the contract, we reviewed Castro's desk review memorandum and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express an opinion on FMPST's use of the CRF proceeds. Castro is responsible for the attached desk review memorandum and the conclusions expressed therein. Our review found no instances in which Castro did not comply in all material respects, with quality standards for Federal Offices of Inspector General.

We appreciate the courtesies and cooperation provided to Castro and our staff during the desk review. If you have any questions or require further information, please contact me at (202) 486-1420, or a member of your staff may contact Lisa DeAngelis, Deputy Assistant Inspector General for Audit, at (202) 487-8371.

#### Attachment

cc: Michelle. A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury  
Victoria Collin, Chief Compliance & Finance Officer, Office of Recovery Programs, Department of the Treasury  
Valerie Barr, Fort McDermitt Paiute-Shoshone Tribe Finance Director  
Wayne Ference, Partner, Castro & Company, LLC

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<sup>2</sup> 2 C.F.R. § 200.501 (b) A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 C.F.R. § 200.514.

Desk Review of the Fort McDermitt Paiute-Shoshone Tribe

March 28, 2023

OIG-CA-23-011

MEMORANDUM FOR DEBORAH L. HARKER,  
ASSISTANT INSPECTOR GENERAL FOR AUDIT

FROM: Wayne Ference  
Partner, Castro & Company, LLC

SUBJECT: Desk Review of the Fort McDermitt Paiute-Shoshone Tribe

On September 2, 2021, we initiated a desk review of the Fort McDermitt Paiute-Shoshone Tribe's (FMPST) use of the Coronavirus Relief Fund (CRF) 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).<sup>1</sup> The objective of our desk review was to evaluate the FMPST's documentation supporting its uses of CRF proceeds as reported in the GrantSolutions<sup>2</sup> portal and to assess the risk of unallowable use of funds. The scope of our desk review was limited to obligation and expenditure data for the period of March 1, 2020 through June 30, 2021, as reported in Cycles 1 through 5 in the GrantSolutions portal.

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

- 1) reviewed the FMPST's quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through June 30, 2021;
- 2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* as published in the Federal Register on January 15, 2021;<sup>3</sup>
- 3) reviewed Treasury Office of Inspector General (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*;<sup>4</sup>

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<sup>1</sup> P.L. 116-136 (March 27, 2020)

<sup>2</sup> 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.

<sup>3</sup> Coronavirus Relief Fund Guidance as published in the Federal Register (January 15, 2021)  
[https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register\\_2021-00827.pdf](https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf)

<sup>4</sup> Department of the Treasury Office of Inspector General *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping* OIG-20-028R; March 2, 2021

## Desk Review of the Fort McDermitt Paiute-Shoshone Tribe

- 4) reviewed Treasury OIG's monitoring checklists<sup>5</sup> of the FMPST's quarterly FPR submissions for reporting deficiencies;
- 5) reviewed other audit reports issued, such as Single Audit 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 the FMPST's uses of CRF proceeds;
- 6) reviewed Treasury OIG Office of Investigations, the Council of the Inspectors General on Integrity and Efficiency Pandemic Response Accountability Committee (PRAC),<sup>6</sup> and Treasury OIG Office of Counsel input on issues that may pose risk or impact the FMPST's uses of CRF proceeds;
- 7) interviewed key personnel responsible for preparing and certifying the FMPST's GrantSolutions portal quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
- 8) made a non-statistical selection of aggregate reporting data<sup>7</sup> and aggregate payments to individuals,<sup>8</sup> identified through GrantSolutions reporting; and
- 9) evaluated documentation and records used to support the FMPST's quarterly FPRs.

Based on the results of our desk review we found that FMPST personnel were late in filing, or missed filing, required quarterly FPRs in the GrantSolutions portal. In addition, in some cases, documentation provided to us for expenditures did not agree with amounts reported in the GrantSolutions portal. Specifically, documentation for allowable expenditures was provided, but the costs had not been entered into the GrantSolutions portal. Based on these issues, we determined that the risk of unallowable use of funds was moderate. With that

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<sup>5</sup> The checklists are used by the Treasury OIG to monitor the progress of prime recipient reporting in the GrantSolutions portal. GrantSolutions quarterly submission reviews are designed to identify material omissions and significant errors, and where necessary, include procedures for notifying prime recipients of misreported data for timely correction. Treasury OIG follows the *CRF Prime Recipient Quarterly GrantSolutions Submissions Monitoring and Review Procedures Guide*, OIG-CA-20-029R to monitor the prime recipients quarterly.

<sup>6</sup> Section 15010 of P.L. 116-136 established the Pandemic Response Accountability Committee within the Council of the Inspectors General on Integrity and Efficiency 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.

<sup>7</sup> Recipients are required to report CRF transactions greater than or equal to \$50,000 in detail in the GrantSolutions portal. Transactions less than \$50,000 can be reported as an aggregate lump-sum amount by type (contracts, grants, loans, direct payments, and transfers to other government entities).

<sup>8</sup> 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.

said, we reviewed documentation for a selection of 21 transactions reported in the GrantSolutions portal and found that the transactions were adequately supported and the use of CRF proceeds complied with the CARES Act and Treasury's Guidance. Castro is not recommending Treasury OIG perform an audit of the FMPST. However, we recommend that Treasury OIG follow up with FMPST personnel to ensure that FMPST resolves the issues with unrecorded transactions in future reporting cycles.

### **Non-Statistical Transaction Selection Methodology**

Castro made a non-statistical selection of Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals. Selections were made using auditor judgment based on information and risks identified in reviewing audit reports, the GrantSolutions portal reporting anomalies<sup>9</sup> identified by the Treasury OIG CRF monitoring team, and review of the FMPST's FPR submissions. Castro noted the FMPST did not obligate or expend CRF proceeds related to Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Loans greater than or equal to \$50,000, Transfers greater than or equal to \$50,000,<sup>10</sup> or Direct Payments greater than or equal to \$50,000; therefore, we did not make a selection of transactions from these categories.

The number of transactions (21) we selected to test were based on the FMPST's total CRF award amount and our overall risk assessment of the FMPST. To allocate the number of transactions (21) by obligation type (Aggregate Reporting less than \$50,000 and Aggregate Payments to Individuals), we compared the obligation type dollar amounts as a percentage of cumulative obligations for Cycle 5.<sup>11</sup>

### **Background**

The CARES Act appropriated \$150 billion to establish the CRF. Under the CRF, Treasury made payments for specified uses to States; eligible units of local governments; the District of Columbia; U.S. Territories, including the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and Tribal governments. Treasury issued a CRF payment to the FMPST for \$6,978,459.32.

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<sup>9</sup> Treasury OIG has a pre-defined list of risk indicators that are triggered based on data submitted by recipients in the FPR submissions that meet certain criteria. Castro reviewed these results provided by Treasury OIG for the FMPST.

<sup>10</sup> A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

<sup>11</sup> Calendar Quarter ending June 30, 2021

## Desk Review of the Fort McDermitt Paiute-Shoshone Tribe

The CARES Act stipulates that a recipient may only use the funds to cover costs that—

- (1) are necessary expenditures incurred due to the public health emergency with respect to the coronavirus disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020; and
- (3) were incurred between March 1, 2020 and December 31, 2021.<sup>12</sup>

Section 15011 of the CARES Act, requires each covered recipient<sup>13</sup> to submit to Treasury and the PRAC, no later than 10 days after the end of each calendar quarter, a report that contains (1) the total amount of large covered funds<sup>14,15</sup> 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 subcontracts or subgrantees.

The CARES Act assigned Treasury OIG the responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF proceeds. Treasury OIG also has the authority to recoup funds in the event that it is determined a 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**

During our review of FMPST's quarterly FPR submissions through June 30, 2021, we found missing and late FPR submissions. In addition, we identified a reporting variance between the amount reported for expenditures in the GrantSolutions portal and FMPST's supporting documentation.

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<sup>12</sup> P.L. 116-260 (December 27, 2020). The period of performance end date of the CRF was extended through December 31, 2021 by the Consolidated Appropriations Act, 2021. The period of performance end date for tribal entities was further extended to December 31, 2022 by the State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act, Division LL of the Consolidated Appropriations Act, 2023, P.L. 117-328, December 29, 2022, 136 Stat. 4459.

<sup>13</sup> Section 15011 of P.L. 116-136 defines a covered recipient as any entity that receives large covered funds and includes any State, the District of Columbia, and any territory or possession of the United States.

<sup>14</sup> Section 15010 of P.L. 116-136 defines covered funds as any funds, including loans, that are 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 makes appropriations for Coronavirus response and related activities.

<sup>15</sup> Section 15011 of P.L. 116-136 defines large covered funds as covered funds that amount to more than \$150,000.

## Desk Review of the Fort McDermitt Paiute-Shoshone Tribe

Quarterly Financial Progress Reports are required to be submitted by the 10<sup>th</sup> day of the month following quarter end unless it falls on a holiday. Based on our review of the quarterly FPRs, we determined the FMPST to be noncompliant with the Reporting Timeline as required under Treasury OIG's Guidance OIG-A-20-021, *Coronavirus Relief Fund Reporting and Record Retention Requirements*. FMPST completed a FPR for Cycle 4;<sup>16</sup> however, they did not complete FPRs for Cycles 1, 2, 3, and 5.<sup>17,18,19,20</sup>

The FMPST staff told us that their Tribal Council was not monitoring the quarterly reporting until December 2020 when a new Chairwoman took over. After the Cycle 4 reporting was completed, the FMPST staff experienced technical issues with their network and accounting software. According to the FMPST staff, an external specialist reported that the issues stemmed from inadequate hardware being used on the network. The FMPST personnel ordered new computers to help alleviate the issues. Additionally, on November 8, 2021, FMPST's software consultant discovered a user had logged in as an administrator and accidentally restored an older backup with old passwords and other settings. This caused a loss of data previous to November 8, 2021, and the consultant had to reset the administrative controls. The FMPST staff told us that since that time the technical issues have been resolved.

We noted a variance of \$3,568,690 between the zero expenditures the FMPST personnel reported within the GrantSolutions portal as of June 30, 2021, and the \$3,568,690 amount expended based on supporting documentation provided to us. The FMPST staff explained that this variance was due to a lack of proper monitoring and reporting of GrantSolutions data. The FMPST personnel informed us that they planned to correct the variance within future GrantSolutions reporting cycles; however, the correction had not been completed as of Cycle 9.<sup>21</sup>

Transactions selected for detailed review were supported by documentation and were allowable expenditures in accordance with the CARES Act and Treasury's guidance. We noted that the tested aggregate reporting less than \$50,000 and aggregate payments to individuals, were necessary expenditures due to the COVID-19 public health emergency, were not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the covered

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<sup>16</sup> Calendar Quarter ending March 31, 2021

<sup>17</sup> Calendar Quarter ending June 30, 2020

<sup>18</sup> Calendar Quarter ending September 30, 2020

<sup>19</sup> Calendar Quarter ending December 31, 2020

<sup>20</sup> Calendar Quarter ending June 30, 2021

<sup>21</sup> Calendar Quarter ending June 30, 2022

## Desk Review of the Fort McDermitt Paiute-Shoshone Tribe

period. The transactions selected for testing were not selected statistically, and therefore results cannot be extrapolated to the total universe of transactions.

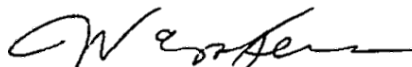
### **Conclusion**

Based on the results of our desk review we found that FMPST personnel were late in filing, or missed filing, required quarterly FPRs in the GrantSolutions portal. In addition, in some cases, documentation provided for expenditures did not agree with amounts reported in the GrantSolutions portal. Specifically, documentation for allowable expenditures was provided to us, but the costs had not been entered into the GrantSolutions portal. Based on these issues, we determined that the risk of unallowable use of funds was moderate. With that said, we reviewed documentation for a selection of 21 transactions reported in GrantSolutions and found that the transactions were adequately supported and the use of CRF proceeds complied with the CARES Act and Treasury's Guidance. Castro is not recommending Treasury OIG perform an audit of the FMPST. However, we recommend that Treasury OIG follow up with FMPST personnel to ensure that FMPST resolves the issues with unrecorded transactions in future reporting cycles.

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All work completed with this letter 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.<sup>22</sup> We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,



Wayne Ference  
Partner, Castro & Company, LLC

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<sup>22</sup><https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%2008-20-12r.pdf>