



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 21, 2023

**MEMORANDUM FOR JESSICA MILANO, ACTING CHIEF RECOVERY OFFICER,
DEPARTMENT OF THE TREASURY**

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

SUBJECT: Desk Review of Pleasant Point Indian Reservation,
Maine's Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-033)

Please find the attached desk review memorandum¹ on the Pleasant Point Indian Reservation, Maine's (Pleasant Point) 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* standards of independence, due professional care, and quality assurance.

In its desk review, Castro personnel found that Pleasant Point was non-compliant with the quarterly Financial Progress Reports (FPR) submission timeline as required under Department of Treasury's (Treasury) guidance for cycles 1² through 4³ and cycles 6⁴ through 8.⁵ However, Castro did not identify any reporting issues with FPRs for Cycle 5,⁶ 9,⁷ and 10.⁸ In addition, Castro personnel reviewed documentation for a selection of 20 transactions reported in the quarterly reports through cycle 10.⁹

¹ 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 grants portal on a quarterly basis.

² Calendar quarter ending June 30, 2020.

³ Calendar quarter ending March 31, 2021.

⁴ Calendar quarter ending September 30, 2021.

⁵ Calendar quarter ending March 31, 2022.

⁶ Calendar quarter ending June 30, 2021.

⁷ Calendar quarter ending June 30, 2022.

⁸ Calendar quarter ending September 30, 2022.

⁹ Calendar quarter ending September 30, 2022.

Castro confirmed with Pleasant Point personnel that the Fiscal Year 2019, 2020, and 2021 Single Audit Act reports were still in process during Castro's planning procedures. Castro recommends that the Department of the Treasury (Treasury) Office of Inspector General (OIG) follow-up to obtain the status of these Single Audit reports.

Castro's review of Pleasant Point's documentation supporting its use of CRF proceeds found that expenditures for the Aggregate Reporting less than \$50,000¹⁰ payment types complied with the CARES Act and Treasury's Guidance. Castro found that CRF proceeds for the Contracts greater than or equal to \$50,000, Transfers greater than or equal to \$50,000,¹¹ and Aggregate Payments to Individuals¹² payment types did not comply with the CARES Act and Treasury's Guidance.

Support for certain expenditures related to Aggregate Payments to Individuals provided to Castro was less than the costs that were reported in the grants portal. Therefore, Castro questioned \$48,818.90 for Aggregate Payments to Individuals. Based on the totality of the work performed, Castro identified total questioned costs of \$339,672.43 and determined that Pleasant Point's risk of unallowable use of funds to be moderate. Based on Castro's desk review, Treasury Office of Inspector General (OIG) is questioning unsupported expenditures of \$339,672.43. See the attachment to this transmittal for the definition of a questioned cost.

Castro does not recommend Treasury OIG perform an audit of Pleasant Point. However, Castro recommends Treasury OIG follow-up on the status of Single Audit reports and necessary reporting corrections for Contracts greater than or equal to \$50,000, Transfers greater than or equal to \$50,000, and Aggregate Payments to Individuals. Treasury OIG and Castro met with Pleasant Point management to discuss the questioned costs. Pleasant Point management stated they will provide additional documentation regarding unsupported expenditures. In addition, Treasury OIG clarified the reporting errors and corrections needed for the expenditures reported in the Transfers greater than or equal to \$50,000 category and Pleasant Point management stated that they would make the required changes.

¹⁰ Recipients are required to report CRF transactions greater than or equal to \$50,000 in detail in the grants 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).

¹¹ A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

¹² Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the grants portal to prevent inappropriate disclosure of personally identifiable information.

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 Pleasant Point'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 the *Quality Standards for Federal Offices of Inspectors 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.

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
Christopher Sun, Director of Data and Reporting, Department of the Treasury
Andy Seeley, Chief Financial Officer, Pleasant Point Indian Reservation, Maine
Wayne FERENCE, Partner, Castro & Company, LLC

Attachment

Schedule of Monetary Benefits

According to the Code of Federal Regulations,¹³ 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 (JAMES).¹⁴ 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 Section 405(b) of the Inspector General Act of 1978.

<u>Recommendation</u>	<u>Questioned Costs</u>
Recommendation No. 1	\$339,672.43

The questioned cost represents amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, \$339,672.43 is Pleasant Point's total expenditures reported in the grants reporting portal that were either ineligible or lacked supporting documentation.

¹³ 2 CFR § 200.84 – Questioned Cost

¹⁴ JAMES is Treasury's audit recommendation tracking system.

Desk Review of the Pleasant Point Indian Reservation

July 21, 2023

OIG-CA-23-033

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

FROM: Wayne Ference
Partner, Castro & Company, LLC

SUBJECT: Desk Review of the Pleasant Point Indian Reservation, Maine

On June 16, 2022, we initiated a desk review of the Pleasant Point Indian Reservation's (herein referred to as "Pleasant Point") 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).¹ The objective of our desk review was to evaluate Pleasant Point's documentation supporting its uses of CRF proceeds as reported in the GrantSolutions² 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 September 30, 2022 as reported in Cycles 1³ through 10⁴ in the GrantSolutions portal.

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

- 1) reviewed Pleasant Point's quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through September 30, 2022;
- 2) reviewed the *U.S. Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* as published in the Federal Register on January 15, 2021;⁵

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 Calendar quarter ending June 30, 2020.

⁴ Calendar quarter ending September 30, 2022.

⁵ 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

Desk Review of the Pleasant Point Indian Reservation

- 3) reviewed Treasury Office of Inspector General's (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*;⁶
- 4) reviewed Treasury OIG's monitoring checklists⁷ of Pleasant Point'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 Pleasant Point's uses of CRF proceeds;
- 6) reviewed Treasury OIG Office of Investigations (OI), the Council of the Inspectors General on Integrity and Efficiency Pandemic Response Accountability Committee (PRAC),⁸ and Treasury OIG Office of Counsel input on issues that may pose risk or impact Pleasant Point's uses of CRF proceeds;
- 7) interviewed key personnel responsible for preparing and certifying Pleasant Point's GrantSolutions portal quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
- 8) made a non-statistical selection of Contracts, Aggregate Reporting,⁹ and Aggregate Payments to Individuals¹⁰ data¹¹ identified through GrantSolutions reporting; and

⁶ 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

⁷ The checklists are used by Treasury OIG personnel 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.

⁸ 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 17 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 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).

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.

¹¹ Castro noted that Pleasant Point incorrectly reported funds that it returned to Treasury under the Transfers >= \$50,000 payment type. A Transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient. Pleasant Point personnel were actively working with Treasury OIG to correct this error in the GrantSolutions portal. As such, we excluded this amount from our testing population.

Desk Review of the Pleasant Point Indian Reservation

- 9) evaluated documentation and records used to support Pleasant Point’s quarterly FPRs.

Based on our review of Pleasant Point’s documentation supporting the uses of its CRF proceeds as reported in the GrantSolutions portal, we determined that the expenditures related to the Contracts greater than or equal to \$50,000, Transfers greater than or equal to \$50,000, and Aggregate Payments to Individuals payment types did not comply with the CARES Act and Treasury’s Guidance. We also found that uses of CRF proceeds for the Aggregate Reporting less than \$50,000 payment types complied with the CARES Act and Treasury’s Guidance.

We identified questioned costs of \$339,672.43 and determined that Pleasant Point’s risk of unallowable use of funds is moderate. Castro is not recommending Treasury OIG perform an audit of Pleasant Point. However, we recommend that Treasury OIG follow-up on necessary reporting corrections for the Contracts greater than or equal to \$50,000, Transfers greater than or equal to \$50,000, and Aggregate Payments to Individuals payment types.

Non-Statistical Transaction Selection Methodology

Treasury issued a CRF payment to Pleasant Point of \$4,929,535.23. As of Cycle 10,¹² Pleasant Point’s cumulative obligations and expenditures were \$4,929,535.23. Pleasant Point’s cumulative obligations and expenditures, by payment type as reported in GrantSolutions through Cycle 10,¹² are summarized below.

Payment Type	Cumulative Obligations	Cumulative Expenditures
Contracts >= \$50,000	\$ 739,594.10	\$ 739,594.10
Grants >= \$50,000	\$ -	\$ -
Loans >= \$50,000	\$ -	\$ -
Transfers >= \$50,000	\$ 232,590.53	\$ 232,590.53
Direct Payments >= \$50,000	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 194,939.70	\$ 194,939.70
Aggregate Payments to Individuals (In Any Amount)	\$ 3,762,410.90	\$ 3,762,410.90
Totals	\$ 4,929,535.23	\$ 4,929,535.23

Castro made a non-statistical selection of the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types. Selections were made using auditor judgment based on information and risks identified in reviewing audit reports, the GrantSolutions

¹² Calendar quarter ending September 30, 2022.

Desk Review of the Pleasant Point Indian Reservation

portal reporting anomalies¹³ identified by the Treasury OIG CRF monitoring team, and review of Pleasant Point's FPR submissions. Castro noted Pleasant Point did not obligate or expend CRF proceeds to Grants greater than or equal to \$50,000, Loans greater than or equal to \$50,000, or Direct Payments greater than or equal to \$50,000. Therefore, we did not make a selection of transactions from these categories. Additionally, Castro noted that Pleasant Point incorrectly reported funds that it returned to Treasury under the Transfers greater than or equal to \$50,000 payment type. As Pleasant Point personnel are actively working with Treasury OIG to correct this error within GrantSolutions, Castro did not perform any additional testing over these balances.

The number of transactions (20) we selected to test were based on Pleasant Point's total CRF award amount and our overall risk assessment of Pleasant Point. To allocate the number of transactions (20) by payment type (Contracts greater than or equal to \$50,000, 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 10.¹⁴

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 United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and Tribal governments. Treasury issued a CRF payment to Pleasant Point for \$4,929,535.23.

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, 2022.¹⁵

¹³ 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 Pleasant Point. No anomalies were noted.

¹⁴ Calendar quarter ending September 30, 2022.

¹⁵ 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.

Desk Review of the Pleasant Point Indian Reservation

Section 15011 of the CARES Act requires each covered recipient¹⁶ 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^{17,18} 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 sub-contracts or sub-grants awarded by the covered recipient or its sub-recipients.

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 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)).

Pleasant Point had expenditures within its Aggregate Payments to Individuals payment type related to the issuance of hardship checks to individual Pleasant Point tribal citizens. The Pleasant Point tribal government passed a resolution to issue CRF economic relief payments to eligible tribal citizens who submitted applications in order to receive relief checks. Applicants were required to attest to one of the following criteria: loss of job or reduction in income, increased medical expenses related to COVID-19, or difficulty making rental or mortgage payments due to the pandemic. The applications also required the number of family members living in the household, whether any member within the household had received COVID-19 aid from other sources, a summary of monthly household income, and an applicant signature attesting to the accuracy of the information submitted.

¹⁶ 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.

¹⁷ 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.

¹⁸ 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 Pleasant Point Indian Reservation

Desk Review Results

Financial Progress Reports

Our review of Pleasant Point's quarterly FPR submissions through September 30, 2022 identified reporting issues and a variance, as detailed below.

We did not identify reporting issues within FPR submissions for Cycles 5,¹⁹ 9,²⁰ and 10.²¹ However, we found that Pleasant Point personnel did not submit FPRs for Cycles 1 through 4²² and Cycles 6²³ through 8.²⁴ Quarterly FPRs were due by the 10th day of the month following quarter end unless it falls on a holiday. Based on our review of the quarterly FPRs, we determined Pleasant Point did not comply with the Reporting Timeline as required under Treasury OIG's Guidance OIG-A-20-021, *Coronavirus Relief Fund Reporting and Record Retention Requirements*. Additionally, Castro confirmed with Pleasant Point personnel that the Fiscal Year (FY) 2019, 2020, and 2021 Single Audit reports were still in process during our planning procedures. Castro recommends that Treasury OIG follow-up to obtain the status of these Single Audits.

In addition, we identified a reporting variance between the amount reported for expenditures in the GrantSolutions portal and Pleasant Point's supporting documentation within its Cycle 10²⁵ GrantSolutions submission. We noted a variance of \$48,818.90 between the \$3,762,410.90 Aggregate Payments to Individuals balance reported within the GrantSolutions portal as of September 30, 2022, and the \$3,713,592 balance expended based on supporting documentation. We questioned this expenditure amount.

The Pleasant Point staff explained that this variance occurred because they had not completed their reconciliation of funds to be returned to Treasury. Pleasant Point informed us that they planned to correct the variance within future GrantSolutions reporting cycles; however, the correction had not been completed as of Cycle 11.²⁶

¹⁹ Calendar quarter ending June 30, 2021.

²⁰ Calendar quarter ending June 30, 2022.

²¹ Calendar quarter ending September 30, 2022.

²² Calendar quarter ending March 31, 2021.

²³ Calendar quarter ending September 30, 2021.

²⁴ Calendar quarter ending March 31, 2022.

²⁵ Calendar quarter ending September 30, 2022.

²⁶ Calendar quarter ending December 31, 2022.

Summary of Testing Results

Other than the Contracts greater than or equal to \$50,000 and Transfers greater than or equal to \$50,000 payment types, transactions selected for detailed review were supported by documentation and were allowable expenditures in accordance with the CARES Act and Treasury’s guidance. Based on the results of our testing, we also found that 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 period. The transaction selection was not a statistical selection, and therefore results cannot be extrapolated to the total universe of transactions.

The following table includes the total cumulative expenditure population amount and the expenditure amount tested. Within the table below, we have included a summary of unsupported and ineligible expenditures identified as questioned costs. Additionally, in the far-right column, we have identified the expenditures that Castro tested without exceptions noted. See the Desk Review Results section below this table for a detailed discussion of questioned costs and other issues identified throughout the course of our desk review.

Desk Review of the Pleasant Point Indian Reservation

Summary of Expenditure Testing and Recommended Results – As of Cycle 10²⁷

Payment Type	Cumulative Expenditure Population Amount	Cumulative Expenditure Tested Amount	Unsupported Exception ²⁸	Ineligible Exception	Castro Reviewed Value Without Exception (per Support)
Contracts >= \$50,000	\$ 739,594.10	\$ 739,594.10	\$ -	\$ 58,263.00	\$ 681,331.10
Grants >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers >= \$50,000	\$ 232,590.53	\$ -	\$ 232,590.53 ²⁹	\$ -	\$ -
Direct Payments >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 194,939.70	\$ 128,922.19	\$ -	\$ -	\$ 128,922.19
Aggregate Payments to Individuals (in any amount)	\$ 3,762,410.90	\$ 11,470.00	\$ 48,818.90 ³⁰	\$ -	\$ 11,470.00
Totals	\$ 4,929,535.23	\$ 879,986.29	\$ 281,409.43	\$ 58,263.00	\$ 821,723.29

Contracts Greater than or Equal to \$50,000

We determined Pleasant Point’s Contracts greater than or equal to \$50,000 did not comply with the CARES Act and Treasury’s Guidance. We questioned \$58,263 related to an expenditure that had a purchase order dated prior to the beginning of the CRF covered period of March 1, 2020.¹⁵ In addition, we identified \$681,969 in expenditures that were included with Contracts greater than or equal to \$50,000 and should have been reported as Direct Payments greater than or equal to \$50,000.

²⁷ Calendar quarter ending September 30, 2022.

²⁸ In addition to the questioned costs identified in this table, Castro noted \$681,969 in misclassified expenditure balances, which should not have been included within the Contracts greater than or equal to \$50,000 payment type. Although we do not consider misclassifications to be questioned costs, these costs did not comply with Treasury’s Guidance, as they should have been reported under a different payment type. See the Desk Review Results section below for additional discussion.

²⁹ Castro noted that Pleasant Point incorrectly reported funds that it returned to Treasury under the Transfers >= \$50,000 obligation type. Pleasant Point was actively working with Treasury OIG to correct this amount within a future GrantSolutions portal submission. We did not include the transfers in the “Cumulative Expenditure Tested Amount” column because we did not review any detailed support related to this balance, and therefore do not consider this balance tested.

³⁰ We noted a variance of \$48,818.90 between the \$3,762,410.90 Aggregate Payments to Individuals balance reported within the GrantSolutions portal as of September 30, 2022, and the \$3,713,592 balance based on supporting documentation. Although the \$11,470 of transactions we selected for testing were supported and allowable, we questioned the reconciliation variance of 48,818.90. We did not include the reconciliation variance in the “Cumulative Expenditure Tested Amount” column because we did not review detailed support for this variance.

Desk Review of the Pleasant Point Indian Reservation

As part of our procedures for Contracts greater than or equal to \$50,000, we selected 8 transactions to test. We found no issues with 1 of the 8 transactions for \$57,625.10.

For 7 out of 8 transactions, Castro noted the misclassification exceptions discussed in the previous paragraph. Pleasant Point personnel concurred with the errors noted and agreed to make corrections in future GrantSolutions reporting cycles. We further tested these 7 transactions for eligibility and support and did not note any issues for 6 out of 7 transactions, or \$623,706 out of the total \$681,969 in misclassifications. Therefore, we are not questioning these misclassification expenditures, but we consider these to be reporting errors.

For 1 out of the 7 misclassified transactions identified above, we question the expenditure of \$58,263. The cost relates to a purchase order dated January 21, 2020, which was prior to the beginning of the COVID-19 covered period of March 1, 2020.³¹ Pleasant Point personnel told us that the purchase order request was dated January 1, 2020, due to the vendor locking in the vehicle's price at the 2020 level. However, Pleasant Point personnel confirmed that they did not have a different version of this purchase order request with an approving signature after the March 1, 2020 cutoff date. Castro determined that Pleasant Point was checking the price for an old garbage truck and chassis that needed to be replaced, which indicated that they were planning to purchase this chassis prior to the COVID-19 pandemic. As a result, we question the expenditure amount of \$58,263 as ineligible.

Transfers Greater Than or Equal to \$50,000

Based on the documentation reviewed and entries in GrantSolutions, we determined that Pleasant Point's Transfers greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. Castro noted that Pleasant Point personnel incorrectly reported \$232,590.53 in the GrantSolutions portal that was to be returned to Treasury. Pleasant Point personnel told us that they would correct this error in future GrantSolutions submissions. As corrections were not made as of the end of our fieldwork, we question this expenditure of \$232,590.53.

³¹ 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.

Desk Review of the Pleasant Point Indian Reservation

Conclusion

We found that uses of CRF proceeds for Aggregate Reporting less than \$50,000 complied with the CARES Act and Treasury's Guidance.

We found that Pleasant Point personnel did not submit FPRs for Cycles 1 through 4³² and Cycles 6³³ through 8.³⁴ Castro confirmed with Pleasant Point personnel that the Fiscal Year (FY) 2019, 2020, and 2021 Single Audit reports were still in process during our planning procedures. Castro recommends that Treasury OIG follow-up to obtain the status of these Single Audits.

Support for certain expenditures related to Aggregate Payments to Individuals that was provided to Castro was less than the costs that had been reported. Therefore, we question cumulative expenditure amounts of \$48,818.90 for Aggregate Payments to Individuals.

We determined that the expenditures related to Contracts greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. As such, we questioned \$58,263. We also identified \$681,969 in misclassifications related to Contracts greater than or equal to \$50,000 that should have been reported as Direct Payments greater than or equal to \$50,000. We are not questioning the misclassification amounts that are supported and eligible.

Finally, we question \$232,590.53 in funds recorded as Transfers greater than or equal to \$50,000 that should have been returned to Treasury.

In summary, we questioned total costs of \$339,672.43 and determined that Pleasant Point's risk of unallowable use of funds is moderate. Castro is not recommending Treasury OIG perform an audit of Pleasant Point. However, we recommend Treasury OIG follow-up on necessary reporting corrections for Contracts greater than or equal to \$50,000, Transfers greater than or equal to \$50,000, and Aggregate Payments to Individuals.

³² Calendar quarter ending March 31, 2021.

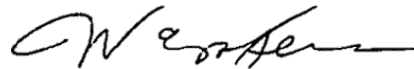
³³ Calendar quarter ending September 30, 2021.

³⁴ Calendar quarter ending March 31, 2022.

Desk Review of the Pleasant Point Indian Reservation

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.³⁵ We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,



Wayne Ference
Partner, Castro & Company, LLC

³⁵ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>