



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 27, 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 State of Ohio's Use of Coronavirus Relief
Fund Proceeds (OIG-CA-23-037)

Please find the attached desk review memorandum¹ on State of Ohio's (Ohio) 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 Ohio complied with the quarterly Financial Progress Reports (FPR) reporting timeline as required under the Department of the Treasury's (Treasury) guidance for Cycles 1² through 8.³ In addition, Castro personnel reviewed documentation for a selection of 48 transactions reported in the quarterly reports through Cycle 8.⁴ Castro personnel found that Ohio's CRF expenditures for Contracts greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, Aggregate Reporting

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, 2022.

⁴ Calendar quarter ending March 31, 2022.

for transactions less than \$50,000,⁵ and Aggregate Payments to Individuals⁶ complied with the CARES Act and Treasury's Guidance.

Castro determined that Ohio's expenditures related to Grants greater than or equal to \$50,000, and Transfers greater than or equal to \$50,000⁷ did not comply with the CARES Act and Treasury's Guidance. Castro questioned ineligible expenditures of \$30,705.68 and unsupported expenditures of \$25,000.00 related to Grants greater than or equal to \$50,000. Additionally, Castro questioned ineligible expenditures of \$31,095.52 related to Transfers greater than or equal to \$50,000 because Ohio management used CRF for severance pay, which is an ineligible expense. In total, Castro identified questioned costs of \$86,801.20 and determined Ohio's risk of unallowable use of funds is low.

Castro is not recommending that Treasury Office of Inspector General (OIG) personnel perform an audit of Ohio. However, Castro recommends that Treasury OIG personnel pursue obtaining documentation from Ohio management and follow-up on necessary reporting corrections for Grants greater than or equal to \$50,000 and Transfers greater than or equal to \$50,000. In addition, Castro recommends that Treasury OIG personnel pursue obtaining information from Ohio management to determine whether there are ineligible severance pay transactions in addition to those already identified as part of the desk review.

Treasury OIG and Castro met with Ohio management to discuss the questioned costs. Ohio management told us that they plan to make updates to the grants portal in subsequent cycle submissions, which they believe will address all the findings contained in this report.

In connection with our contract with Castro, 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 Ohio'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 Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspector General*.

⁵ 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).

⁶ 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.

⁷ A transfer is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

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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
Stacie Massey, Deputy Director, Grants and Financial Reporting, Ohio Office of Budget Management
Wayne Ference, Partner, Castro & Company, LLC

Attachment

Schedule of Monetary Benefits

According to the Code of Federal Regulations,⁸ 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).⁹ 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	\$30,705.68
Recommendation No. 2	\$25,000.00
Recommendation No. 3	\$31,095.52

The questioned cost represents amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, \$86,801.20 are Ohio's total expenditures reported in the grant-reporting portal that are deemed ineligible and lacked supporting documentation.

⁸ 2 CFR § 200.84 – Questioned Cost.

⁹ JAMES is Treasury's audit recommendation tracking system.

Desk Review of the State of Ohio

July 27, 2023

OIG-CA-23-037

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

FROM: Wayne Ference
Partner, Castro & Company, LLC

SUBJECT: Desk Review of the State of Ohio

On June 13, 2022, we initiated a desk review of the State of Ohio's (Ohio) 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 Ohio'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 March 31, 2022 as reported in Cycles 1³ through 8⁴ in the GrantSolutions portal.

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

1. reviewed Ohio's quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through March 31, 2022;
2. reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund 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

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 March 31, 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

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.

Desk Review of the State of Ohio

4. reviewed Treasury OIG's monitoring checklists⁷ of Ohio'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 Ohio'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 Ohio's uses of CRF proceeds;
7. interviewed key personnel responsible for preparing and certifying Ohio'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, Grants, Transfers,⁹ Direct Payments, Aggregate Reporting,¹⁰ and Aggregate Payments to Individuals¹¹ data identified through GrantSolutions reporting; and
9. evaluated documentation and records used to support Ohio's quarterly FPRs.

Based on our review of Ohio's documentation supporting the uses of CRF proceeds as reported in the GrantSolutions portal, we determined that the expenditures related to Grants greater than or equal to \$50,000 and Transfers greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. We found that uses of CRF proceeds for Contracts greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000,

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

¹⁰ 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).

¹¹ 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.

Desk Review of the State of Ohio

Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals complied with the CARES Act and Treasury’s Guidance. Castro’s desk review resulted in total questioned costs of \$86,801.20. Additionally, we determined that Ohio’s risk of unallowable use of funds is low. Castro is not recommending that Treasury OIG personnel perform an audit of Ohio. However, Castro recommends that Treasury OIG personnel pursue obtaining documentation from Ohio management and follow-up on necessary reporting corrections for Grants greater than or equal to \$50,000 and Transfers greater than or equal to \$50,000. In addition, Castro recommends that Treasury OIG personnel pursue obtaining information from Ohio management to determine whether there are ineligible severance pay transactions in addition to those already identified as part of the desk review procedures (see information in Summary of Testing Results below).

Non-Statistical Transaction Selection Methodology

Treasury issued a CRF payment to Ohio for \$3,754,114,827.30. As of March 31, 2022, Ohio’s cumulative obligations and expenditures were \$3,754,114,827.30 and \$3,751,855,515.46, respectively. Ohio’s cumulative obligations and expenditures by payment type through Cycle 8¹² are summarized below.

Payment Type	Cumulative Obligated Amount	Cumulative Expenditure Amount
Contracts >= \$50,000	\$ 519,837,451.04	\$ 519,410,778.84
Grants >= \$50,000	\$ 686,275,908.32	\$ 685,836,206.88
Loans >= \$50,000	\$ -	\$ -
Transfers >= \$50,000	\$ 1,187,182,958.19	\$ 1,187,182,958.19
Direct Payments >= \$50,000	\$ 490,863,156.72	\$ 490,863,156.72
Aggregate Reporting < \$50,000	\$ 544,130,136.90	\$ 542,737,198.70
Aggregate Payment to Individuals (in any amount)	\$ 325,825,216.13	\$ 325,825,216.13
Totals	\$ 3,754,114,827.30	\$ 3,751,855,515.46

Castro made a non-statistical selection of Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Transfers greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, 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 anomalies¹³ identified by the Treasury OIG CRF monitoring team, and review of Ohio’s FPR submissions. Castro noted that Ohio management did not obligate or expend CRF proceeds to Loans

¹² Calendar quarter ending March 31, 2022.

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 Ohio.

Desk Review of the State of Ohio

greater than or equal to \$50,000, therefore, we did not make a selection of transactions from this category.

The number of transactions (28) we selected to test were based on Ohio's total CRF award amount and our overall risk assessment of Ohio. To allocate the number of transactions (28) by obligation type (Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Transfers greater than or equal to \$50,000, Direct Payments 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 8.¹⁴ Additionally, Treasury OIG identified 11 potential duplicate payments and 98 outliers.¹⁵ We included seven potential duplicate payments and 13 outliers from the Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, and Transfers greater than or equal to \$50,000 payment types in Castro's selection. Total transactions tested were 48.

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 Ohio for \$3,754,114,827.30. 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, 2021.¹⁶

¹⁴ Calendar quarter ending March 31, 2022.

¹⁵ These outliers were flagged because the transactions were identified as having high dollar amounts relative to transactions at similar points in time, with similar award descriptions, and that were disbursed by the same prime recipient.

¹⁶ 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 State of Ohio

Section 15011 of the CARES Act requires each covered recipient¹⁷ 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^{18,19} 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)).

Desk Review Results

Our review of Ohio's quarterly FPR submissions through March 31, 2022 found that Ohio complied with the reporting timeline as required under Treasury OIG Guidance OIG CA-20-021, *Coronavirus Relief Fund Reporting and Record Retention Requirements*.

Summary of Testing Results

Other than Grants greater than or equal to \$50,000 and Transfers greater than or equal to \$50,000, transactions selected for detailed review were supported by documentation and were allowable expenditures in accordance with the CARES Act and Treasury's guidance. We also found that the Contracts greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, 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 transactions selected for testing were not selected statistically, and therefore results cannot be extrapolated to the total universe of transactions.

¹⁷ 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.

¹⁸ 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.

¹⁹ 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 State of Ohio

The following table includes the total cumulative expenditure amount and the expenditure amount tested. Additionally, this table includes a summary of Castro’s testing results over expenditure transactions. Within the table below, we have included a summary of unsupported and ineligible expenditures identified as questioned costs. These expenditures do not comply with the CARES Act and Treasury’s Guidance. 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.

Summary of Expenditure Testing and Recommended Results – As of Cycle 8²⁰

Payment Type	Cumulative Expenditure Population Amount	Cumulative Expenditure Selection Amount	Unsupported Exception	Ineligible Exception	Castro Reviewed Value (per Support)
Contracts >= \$50,000	\$ 519,410,778.84	\$ 76,219,959.36	\$ -	\$ -	\$ 76,219,959.36
Grants >= \$50,000	\$ 685,836,206.88	\$ 43,875,479.41	\$ 25,000.00	\$ 30,705.68	\$ 43,819,773.73
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Other Government Agencies >= \$50,000	\$ 1,187,182,958.19	\$ 323,729,822.34	\$ -	\$ 31,095.52	\$ 323,698,726.82
Direct Payments >= \$50,000	\$ 490,863,156.72	\$ 16,039,123.10	\$ -	\$ -	\$ 16,039,123.10
Aggregate Reporting < \$50,000	\$ 542,737,198.70	\$ 7,001,499.05	\$ -	\$ -	\$ 7,001,499.05
Aggregate Payments to Individuals (in any amount)	\$ 325,825,216.13	\$ 513,540.44	\$ -	\$ -	\$ 513,540.44
Totals	\$ 3,751,855,515.46	\$ 467,379,423.70	\$ 25,000.00	\$ 61,801.20	\$ 467,292,622.50

Grants Greater Than or Equal to \$50,000

We determined Ohio’s Grants greater than or equal to \$50,000 did not comply with the CARES Act and Treasury’s Guidance. During our review of Grants greater than or equal to \$50,000, we determined that Ohio included ineligible and unsupported expenditure amounts within its GrantSolutions submissions. We question \$55,705.68 for Grants greater than or equal to \$50,000 of which

²⁰ Calendar quarter ending March 31, 2022.

Desk Review of the State of Ohio

\$30,705.68 is ineligible and \$25,000.00 is unsupported. We selected seven original transactions to test.

For one of the transactions, for reimbursement of utility expenses in arrears, Ohio management was unable to provide adequate supporting documentation for us to determine if the expenditures were eligible or allowable CRF expenses. Specifically, Ohio management was unable to provide the underlying beneficiary utility bills to support the dates claimed for these utility expense reimbursement claims. We determined that the payment issued to the entity was not reasonable based on the average monthly electricity bill and annual energy usage costs. After further inspection, we identified the average recurring monthly utility bill and annual energy usage costs were \$459.00 and \$5,508.00, respectively. The CRF housing support financial assistance program issued a payment of \$30,705.68 to an entity whose electricity bill was outstanding before the enactment of the CARES ACT. Additionally, based on Castro's recalculations performed using the supporting documentation obtained from Ohio management, the expenses in arrears reflected an estimated outstanding balance of 5 years of usage, which is outside of the covered period for CRF usage.

Based on the issues noted above, we determined that Ohio was not compliant with the Federal Register 2021-00827²¹ *Treasury CRF Program Guidance* because CRF was used for subsidy payments that were not incurred due to the COVID-19 public health emergency. As a result, we concluded that \$30,705.68 in expenditures are ineligible. Ohio management has not confirmed the root cause of the error or the planned corrective action.

For one of the transactions, Ohio management was unable to provide sufficient supporting documentation to determine if the expenditures were eligible or allowable to justify use of CRF proceeds. Specifically, Ohio management was unable to provide expenditure support in the form of invoices resulting in an unsupported cost of \$25,000.00 out of the total of \$674,328.57 for the transaction. Castro initially requested all of the invoices related to the total \$674,328.57 amount. Castro received invoices to support \$649,328.59 but did not receive the last invoice for \$25,000.00. Ohio management noted that the sub-recipient could not find the invoice. As a result, Castro questions the \$25,000.00 expenditure as an unsupported cost.

Transfers Greater Than or Equal to \$50,000

We determined Ohio's Transfers greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. During our review of Transfers greater than or equal to \$50,000, we determined that Ohio included ineligible

²¹ https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

Desk Review of the State of Ohio

expenditure amounts in its GrantSolutions submissions. We question \$31,095.52 for Transfers greater than or equal to \$50,000. We selected 14 original transactions to test.

For one of the transactions, Ohio management could not provide adequate supporting documentation to justify the expenditures were eligible or allowable. Specifically, Ohio management reimbursed payroll costs related to separation pay (or interchangeably known as “severance pay”) for a public health and safety employee. Notwithstanding the fact that the employee was considered public health and safety personnel, severance pay is an ineligible expenditure according to the Federal Register 2021-00827 *Treasury CRF Program Guidance Nonexclusive Examples of Ineligible Expenditures No. 7 Severance Pay*. The ineligible sub-selection transaction amount totaled \$31,095.52.

During our fieldwork procedures, we noted the reimbursement issued to the employee significantly exceeded the amounts reimbursed for payroll to other police department personnel. Due to the large amount of CRF proceeds provided to the employee, we requested a breakdown of the hours and pay excluding the 80 hours regular pay for \$2,630.40, which we deemed eligible. We obtained and reviewed the following hours and amounts charged within the statements of earnings and deductions paid on August 14, 2020, which sum to the total retirement payoff of \$31,095.52.

- 19.25 hours bonus time in the amount of \$606.76;
- 382.09 hours sick time in the amount of \$12,043.48;
- 566.99 hours vacation in the amount of \$17,871.52; and
- 17.45 hours comp time in the amount of \$573.76.

Based on the support, the hours were accrued outside the covered period of performance related to the CRF program (before March 2020). We noted that the hours accrued would not be attainable from a single bi-weekly pay period during the normal course of operations.

We asked Ohio management to confirm whether the employee's retirement payout costs were included in the CRF charges. Ohio management confirmed that the payment was included in the CRF charges because the employee accrued those hours during their employment with the county. In addition, Ohio management told us that the employee received a payout consisting of the hours earned (accrued paid time-off hours) due to their employment as a Sheriff ending with the county. In conclusion, because the hours were accrued outside of the allowable period of March 1, 2020 through December 31, 2021, the expenditures for the retirement payout are not an eligible expense.

Desk Review of the State of Ohio

Ohio management told us that there are eligible expenditures not already charged to CRF that could replace the separation payment. We recommend that Treasury OIG personnel follow-up with Ohio management to recoup these funds or determine if corrections are made for other allowable costs.

Conclusion


Based on our review of Ohio's documentation supporting the uses of CRF proceeds as reported in the GrantSolutions portal, we determined that the expenditures related to Grants greater than or equal to \$50,000 and Transfers greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. We question \$61,801.20 for ineligible expenditures and \$25,000 of unsupported expenditures. We found that uses of CRF proceeds for Contracts greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, Aggregate Reporting less than \$50,000 and Aggregate Payments to Individuals complied with the CARES Act and Treasury's Guidance.

Our desk review resulted in total questioned costs of \$86,801.20. We determined that Ohio's risk of unallowable use of funds is low. Castro is not recommending that Treasury OIG personnel perform an audit of Ohio. However, Castro recommends that Treasury OIG personnel pursue obtaining documentation from Ohio management and follow-up on necessary reporting corrections for Grants greater than or equal to \$50,000 and Transfers greater than or equal to \$50,000. In addition, Castro recommends that Treasury OIG personnel pursue obtaining information from Ohio management to determine whether there are ineligible severance pay transactions in addition to those already identified as part of the desk review.

Desk Review of the State of Ohio

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.²² We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Ference".

Wayne Ference
Partner, Castro & Company, LLC

²² <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>