



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

December 4, 2024

**MEMORANDUM FOR JESSICA MILANO, CHIEF PROGRAM OFFICER, OFFICE OF
CAPITAL ACCESS, DEPARTMENT OF THE TREASURY**

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

SUBJECT: Desk Review of the Commonwealth of Pennsylvania's
Use of Coronavirus Relief Fund Proceeds
(OIG-CA-25-012)

Please find the attached desk review memorandum¹ on the Commonwealth of Pennsylvania's (Pennsylvania) 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 reviewed documentation for a non-statistical selection of 25 transactions reported in the quarterly Financial Progress Reports (FPR) and identified a combination of unsupported and ineligible questioned costs of \$55,971,453 and \$258,465, respectively, with total questioned costs across all payment types of \$56,229,918. In addition, as part of Castro's reconciliation procedures, Castro identified other unsupported questioned costs totaling \$5,052,994 which were separate from the sample of transactions tested. The total questioned costs for the reconciliation issues increased total questioned costs to \$61,282,912 (see attached schedule of monetary benefits).²

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 Questioned costs consist of unsupported expenditures related to Pennsylvania's small business assistance grant program, unsupported and ineligible expenditures related to transfers made to local governments, ineligible subscription costs incurred outside of the covered period, unsupported expenditures for grants awarded to nursing home facilities, and unsupported questioned costs as a result of reconciliation procedures.

Castro determined that the expenditures related to Grants greater than or equal to \$50,000, Transfers greater than or equal to \$50,000,³ Direct payments greater than or equal to \$50,000, and Aggregate Reporting less than \$50,000⁴ payment types did not comply with CARES Act and Department of the Treasury's (Treasury) Guidance. Castro also determined that the expenditures related to the Contracts greater than or equal to \$50,000 payment type complied with the CARES Act but did not comply with Treasury's Guidance. Castro noted that the Aggregate Payments to Individuals⁵ complied with both the CARES Act and Treasury's guidance. Castro determined that Pennsylvania's risk of unallowable use of funds is high.

Castro recommends that Treasury Office of Inspector General (OIG) follow-up with Pennsylvania management to confirm if the transactions noted as unsupported within the 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, and Aggregate Reporting less than \$50,000 payment types can be supported. If support is not provided, Treasury OIG should recoup the unsupported and ineligible questioned costs or request that Pennsylvania management provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance. Further, based on Pennsylvania's responsiveness to our requests and management's ability to provide sufficient documentation and/or replace unsupported and ineligible transactions charged to the CRF with valid expenditures, Castro recommends Treasury OIG determine the feasibility of conducting an audit for the 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, and Aggregate Reporting less than \$50,000 payment types.

Castro also identified seven other matters throughout the course of its desk review that are detailed in its report. Castro recommends that Treasury OIG follow-up with Pennsylvania management on these issues.

The Commonwealth of Pennsylvania management opted to forgo meeting with Treasury OIG and Castro to further discuss the questioned costs. Pennsylvania management stated that Pennsylvania has collected supporting documentation for items identified in the desk review as unsupported and will make the support available when Treasury OIG conducts its follow-up review in 2025.

³ A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

⁴ 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).

⁵ 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 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 Pennsylvania's use of 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 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, Audit Director, at (202) 487-8371.

cc: Michelle. A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Danielle Christensen, Deputy Chief Program Officer, Office of Capital Access, Department of the Treasury
John Kaschak, Deputy Secretary for Comptroller Operations, Commonwealth of Pennsylvania Office of the Budget
Jamie Jerosky, Assistant Director, Commonwealth of Pennsylvania Office of the Budget
Wayne FERENCE, Partner, Castro & Company, LLC

Attachment

Schedule of Monetary Benefits

According to the Code of Federal Regulations,⁶ 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 Treasury’s Joint Audit Management Enterprise System (JAMES).⁷ The amount will also be included in the 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.

<u>Recommendation</u>	<u>Questioned Costs</u>
Recommendation No. 1	\$61,282,912

The questioned costs represent amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, \$61,282,912 is Pennsylvania’s expenditures reported in the grant-reporting portal that were ineligible or lacked supporting documentation.

⁶ 2 CFR § 200.84 – Questioned Cost

⁷ JAMES is Treasury’s audit recommendation tracking system.

Desk Review of the Commonwealth of Pennsylvania

December 4, 2024

OIG-CA-25-012

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

FROM: Wayne Ference
Partner, Castro & Company, LLC

SUBJECT: Desk Review of the Commonwealth of Pennsylvania

On September 7, 2023, we initiated a desk review of the Commonwealth of Pennsylvania's (Pennsylvania) 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 Pennsylvania'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 June 30, 2023³ in the GrantSolutions portal.

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

- 1) reviewed Pennsylvania's quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through June 30, 2023;
- 2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* as published in the Federal Register on January 15, 2021;⁴

¹ P.L. 116-136 (March 27, 2020).

² GrantSolutions, a grant and program management Federal shared service provider under the United States (U.S.) Department of Health and Human Services, developed a customized and user-friendly reporting solution to capture the use of CRF payments from prime recipients.

³ Pennsylvania fully expended their total CRF proceeds as of June 30, 2023. Castro set the scope end date to June 30, 2023, which was the date of Pennsylvania's last reporting submission within the GrantSolutions portal.

⁴ 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 Commonwealth of Pennsylvania

- 3) reviewed Treasury Office of Inspector General's (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*;⁵
- 4) reviewed Treasury OIG's monitoring checklists⁶ of Pennsylvania's quarterly FPR submissions for reporting deficiencies;
- 5) reviewed other audit reports issued, such as Single Audit Act reports,⁷ 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 Pennsylvania'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,⁸ and Treasury OIG Office of Counsel input on issues that may pose risk or impact Pennsylvania's uses of CRF proceeds;
- 7) interviewed key personnel responsible for preparing and certifying Pennsylvania's GrantSolutions portal quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;

⁵ 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.

⁶ The checklists were used by Treasury OIG personnel to monitor the progress of prime recipient reporting in the GrantSolutions portal. GrantSolutions quarterly submission reviews were designed to identify material omissions and significant errors, and where necessary, included procedures for notifying prime recipients of misreported data for timely correction. Treasury OIG followed the *CRF Prime Recipient Quarterly GrantSolutions Submissions Monitoring and Review Procedures Guide*, OIG-CA-20-029R to monitor the prime recipients quarterly.

⁷ The Single Audit Act of 1984, as amended in 1996, subject entities who receive federal funds in excess of \$750,000 to one audit of those federal funds as opposed to separate audits over each of the Federal program funding sources received. This Act was enacted for the purpose of promoting sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities and to establish uniform requirements for audits of Federal awards administered by non-Federal entities. This prime recipient was subject to those audit requirements, and Castro reviewed applicable prior year single audit reports as part of our desk review risk assessment procedures.

⁸ Section 15010 of P.L. 116-136, the CARES Act, 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 16 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.

Desk Review of the Commonwealth of Pennsylvania

- 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 Pennsylvania's quarterly FPRs.

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

From our testing of selected transactions, we identified unsupported and ineligible questioned costs of \$55,971,453 and \$258,465, respectively, with total questioned costs of \$56,229,918 from these transactions. In addition, as part of our reconciliation procedures, Castro identified other unsupported questioned costs totaling \$5,052,994 which were separate from the sample of transactions tested. The total questioned costs for the reconciliation issues increased our total questioned costs to \$61,282,912. We also determined Pennsylvania's risk of unallowable use of funds is high.

Castro recommends that Treasury OIG follow-up with Pennsylvania management to confirm if the transactions noted as unsupported within the 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, and Aggregate Reporting less than \$50,000 payment types can be supported. If support is not provided, Treasury OIG should recoup the unsupported and ineligible questioned costs or request that Pennsylvania management provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance. Further, based on Pennsylvania's responsiveness to Treasury OIG's requests and

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

¹¹ Obligations and expenditures for payments made to individuals, regardless of amount, were required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information.

Desk Review of the Commonwealth of Pennsylvania

its ability to provide sufficient documentation and/or replace unsupported and ineligible transactions charged to the CRF with valid expenditures, we recommend Treasury OIG determine the feasibility of conducting an audit for the 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, and Aggregate Reporting less than \$50,000 payment types.

Non-Statistical Transaction Selection Methodology

Treasury issued a \$3,935,169,363 CRF payment to Pennsylvania. As of June 30, 2023, Pennsylvania expended all of its CRF funds. Pennsylvania's cumulative obligations and expenditures by payment type are summarized below.

Payment Type	Cumulative Obligations	Cumulative Expenditures
Contracts >= \$50,000	\$ 193,143	\$ 193,143
Grants >= \$50,000	\$ 783,258,336	\$ 783,258,336
Loans >= \$50,000	\$ -	\$ -
Transfers >= \$50,000	\$ 625,000,000	\$ 625,000,000
Direct Payments >= \$50,000	\$ 790,391,485	\$ 790,391,485
Aggregate Reporting < \$50,000	\$ 1,736,326,399	\$ 1,736,326,399
Aggregate Payments to Individuals (in any amount) ¹²	\$ -	\$ -
Totals	\$ 3,935,169,363	\$ 3,935,169,363

Castro made a non-statistical selection of payments in the 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 payment types. Selections were made using auditor judgment based on

¹² Castro's review of Pennsylvania's underlying general ledger (GL) detail resulted in identification of reconciling reporting errors that Castro deemed to be misclassifications that did not comply with Treasury's Guidance. For instance, the Aggregate Reporting less than \$50,000 payment type included a misclassification of \$1,598,685,120. Included in this amount was \$2,064 which should have been reported in the Grants greater than or equal to \$50,000 payment type, \$25,540,595, which should have been reported in the Direct Payments greater than or equal to \$50,000 payment type and \$1,573,142,461 that should have been reported in the Aggregate Payment to Individuals payment type. Pennsylvania confirmed that it made these reporting corrections within its September 30, 2023 GrantSolutions portal submission due to reporting misclassifications brought to their attention by Castro. Since Pennsylvania had a significant number of expenditures that should have been reported in the Aggregate Payments to Individuals payment type as of our scope period of June 30, 2023, we subjected the balance in this payment type from the GL as part of our transaction selections, and our transaction selections were made as of September 30, 2023 from the updated GL data. See **Population Reconciling and Financial Reporting Controls Issues** within the **Desk Review Results** section below for a summary of these classification changes that Pennsylvania made.

Desk Review of the Commonwealth of Pennsylvania

information and risks identified in reviewing audit reports, the GrantSolutions portal reporting anomalies¹³ identified by the Treasury OIG CRF monitoring team, and review of Pennsylvania's FPR submissions. Pennsylvania did not obligate or expend CRF proceeds to Loans greater than or equal to \$50,000; therefore, we did not select transactions from this payment type.

The number of transactions (25) we selected to test was based on Pennsylvania's total CRF award amount and Castro's overall risk assessment of Pennsylvania. To allocate the number of transactions (25) by payment 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 total payment type dollar amounts as a percentage of cumulative expenditures as of September 30, 2023.

Additionally, Treasury OIG provided information on anomalies identified for Pennsylvania. We selected eight outlier anomalies within our original transaction selections. Treasury OIG also identified additional anomalies in the form of potential duplicate transactions, which had not already been included within our transaction selection, of which we selected 12 potential duplicates. We performed limited testing on these 12 potential duplicate payments to determine whether the payments were duplicates, and we identified exceptions within this potential duplicate testing. See **Other Matter for Treasury OIG Consideration - Direct Payments - Potential Duplicate Anomalies** for further discussion. The transactions selected for testing were not selected statistically, and therefore results could not be extrapolated to the total universe of transactions.

¹³ Treasury OIG had a pre-defined list of risk indicators that were triggered based on data submitted by prime recipients in the FPR submissions that met certain criteria. Castro reviewed these results provided by Treasury OIG for the prime recipient.

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 \$3,935,169,363 CRF payment to Pennsylvania. The CARES Act stipulates that a prime recipient may only use the funds to cover costs that—

- (1) were 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 during the covered period between March 1, 2020 and December 31, 2021.¹⁴

Section 15011 of the CARES Act required each covered recipient¹⁵ to submit to Treasury and the Pandemic Response Accountability Committee, no later than 10 days after the end of each calendar quarter, a report that contained (1) the total amount of large, covered funds^{16,17} 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.

¹⁴ 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.

¹⁵ Section 15011 of P.L. 116-136, the CARES Act, 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.

¹⁶ Section 15010 of P.L. 116-136, the CARES Act, 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.

¹⁷ Section 15011 of P.L. 116-136, the CARES Act, defined large, covered funds as covered funds that amounted to more than \$150,000.

Desk Review of the Commonwealth of Pennsylvania

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 it is determined a prime 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

Financial Progress Reports

We reviewed Pennsylvania's quarterly FPRs through June 30, 2023, and found that Pennsylvania timely filed quarterly FPRs in the GrantSolutions portal in compliance with Treasury OIG's reporting requirements for the period of June 30, 2020 through December 31, 2022, and the quarterly FPR for the period ending June 30, 2023; however, Pennsylvania personnel did not submit a quarterly FPR for the period ending March 31, 2023.

Population Reconciling and Financial Reporting Control Issues

Castro's review of Pennsylvania's GrantSolutions portal reported expenditures as of June 30, 2023 as compared to the underlying general ledger (GL) detail, resulted in the identification of a significant amount of reporting errors that Castro deemed to be misclassifications that did not comply with Treasury's Guidance. For instance, the Aggregate Reporting less than \$50,000 payment type included a misclassification of \$1,598,685,120. Included in this amount was \$2,064 that should have been reported in Grants greater than or equal to \$50,000 payment type, \$25,540,595 which should have been reported in Direct Payments greater than or equal to \$50,000 payment type, and \$1,573,142,461 that should have been reported in the Aggregate Payments to Individuals payment type. Pennsylvania confirmed that it made these reporting corrections within its September 30, 2023 GrantSolutions portal submission after the reporting misclassifications were brought to their attention by Castro. See below for a summary of these classification changes made by Pennsylvania management.

Desk Review of the Commonwealth of Pennsylvania

Payment Type	Cumulative Expenditures per FPR	Cumulative Expenditures Per GL Detail Population	Difference
Contracts >= \$50,000	\$ 193,143	\$ 193,143	\$ -
Grants >= \$50,000	\$ 783,258,336	\$ 783,260,400	\$ 2,064
Loans >= \$50,000	\$ -	\$ -	\$ -
Transfers to Other Government Agencies >= \$50,000	\$ 625,000,000	\$ 625,000,000	\$ -
Direct Payments >= \$50,000	\$ 790,391,485	\$ 815,932,080	\$ 25,540,595
Aggregate Reporting < \$50,000	\$ 1,736,326,399	\$ 137,641,279	\$ (1,598,685,120)
Aggregate Payments to Individuals (in any amount)	\$ -	\$ 1,573,142,461	\$ 1,573,142,461
Totals	\$ 3,935,169,363	\$ 3,935,169,363	\$ -

Castro noted that these changes did not result in a change to the total expenditures claimed. Even after Pennsylvania's classification adjustments, Castro identified additional classification errors within the Pennsylvania reported values. For instance, we identified Pennsylvania incorrectly classified a grant we tested to Pennsylvania sub-recipients within the Contracts greater than or equal to \$50,000 payment type, when it should have been reported within the GrantSolutions portal as Grants greater than or equal to \$50,000. See testing results below for additional discussion.

Summary of Testing Results

We found that the 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, and Aggregate Reporting less than \$50,000 payment types did not comply with the CARES Act and Treasury's Guidance because we were unable to determine if all tested expenditures were necessary 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. We also determined that the Contracts greater than or equal to \$50,000 payment type complied with the CARES Act but did not comply with Treasury's Guidance. We noted that the Aggregate Payments to Individuals payment type complied with the CARES Act and Treasury's Guidance. The transactions selected for testing were not selected statistically, and therefore results could not be extrapolated to the total universe of transactions. Within the table below, we have included a summary of unsupported and ineligible expenditures tested and identified as questioned costs, which did not comply with the CARES Act and Treasury's Guidance. See 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.

**Table 1 – Summary of Expenditures Testing and Recommended Results
As of September 30, 2023¹⁸**

Payment Type	Cumulative Expenditure GL Population Amount	Cumulative Expenditure Tested Amount	Unsupported Tested Questioned Costs	Ineligible Tested Questioned Costs	Total Tested Questioned Costs
Contracts >= \$50,000	\$ 193,143	\$ 193,143	\$ -	\$ -	\$ -
Grants >= \$50,000	\$ 783,260,400	\$ 17,706,493	\$ 1,677,874	\$ -	\$ 1,677,874
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Other Government Agencies >= \$50,000	\$ 625,000,000	\$ 4,663,950	\$ 4,121,714	\$ 2,250	\$ 4,123,964
Direct Payments >= \$50,000	\$ 815,932,080	\$ 52,356,942	\$ 50,133,833	\$ 18,151	\$ 50,151,984
Aggregate Reporting < \$50,000	\$ 137,641,279	\$ 1,912,226	\$ 38,032	\$ 238,064	\$ 276,096
Aggregate Payments to Individuals (in any amount)	\$ 1,573,142,461	\$ 1,234,173,142	\$ -	\$ -	\$ -
Totals	\$ 3,935,169,363	\$ 1,311,005,896	\$ 55,971,453	\$ 258,465	\$ 56,229,918

¹⁸ Castro’s review of Pennsylvania’s underlying GL detail resulted in identification of reporting errors that Castro deemed to be misclassifications that did not comply with Treasury’s Guidance. For instance, the Aggregate Reporting less than \$50,000 payment type included a misclassification of \$1,598,685,120. Included in this amount was \$25,540,595, which should have been reported in the Direct Payments greater than or equal to \$50,000 payment type and \$1,573,142,461 that should have been reported in the Aggregate Payment to Individuals payment type. Pennsylvania confirmed that it made these reporting corrections within its September 30, 2023 GrantSolutions portal submission due to reporting misclassifications brought to their attention by Castro. Since Pennsylvania had a significant number of expenditures that should have been reported in the Aggregate Payments to Individuals payment type as of our scope period of June 30, 2023, we selected our transactions for testing from the September 30, 2023 GL population. See **Population Reconciling and Financial Reporting Controls Issues** within the **Desk Review Results** section for summary of these classification changes that Pennsylvania made.

Desk Review of the Commonwealth of Pennsylvania

Castro identified other matters which we considered to be questioned costs, but which were not identified as a result of the testing of our judgmental transaction selections. The following table combines the tested questioned costs identified in Table 1 above with the questioned costs from the other matters identified. We have included a “Total Questioned Costs (Tested & Other Matters)” column that summarizes the total amount of questioned costs. All these questioned costs did not comply with the CARES Act and Treasury’s Guidance. See 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.

**Table 2 – Summary of Expenditures Testing and Other Matters and Recommended Results
As of September 30, 2023**

Payment Type	(A) Unsupported Questioned Costs (Tested)	(B) Unsupported Questioned Costs (Other Matters)	(C=A+B) Total Unsupported Questioned Costs	(D) Ineligible Questioned Costs (Tested)	(E) Ineligible Questioned Costs (Other Matters)	(F=D+E) Total Ineligible Questioned Costs	(G=C+F) Total Questioned Costs
Contracts >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants >= \$50,000	\$ 1,677,874	\$ 4,121,902	\$ 5,799,776	\$ -	\$ -	\$ -	\$ 5,799,776
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers >= \$50,000	\$ 4,121,714	\$ -	\$ 4,121,714	\$ 2,250	\$ -	\$ 2,250	\$ 4,123,964
Direct Payments >= \$50,000	\$ 50,133,833	\$ 931,092	\$ 51,064,925	\$ 18,151	\$ -	\$ 18,151	\$ 51,083,076
Aggregate Reporting < \$50,000	\$ 38,032	\$ -	\$ 38,032	\$ 238,064	\$ -	\$ 238,064	\$ 276,096
Aggregate Payments to Individuals (in any amount)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ 55,971,453	\$ 5,052,994	\$ 61,024,447	\$ 258,465	\$ -	\$ 258,465	\$ 61,282,912

Desk Review of the Commonwealth of Pennsylvania

Contracts Greater than or Equal to \$50,000

We determined Pennsylvania's Contracts greater than or equal to \$50,000 complied with the CARES Act but did not comply with Treasury's Guidance. The single contract transaction selected for \$193,143 related to Pennsylvania's sub-recipient purchasing food items for a food bank. Pennsylvania residents were experiencing record layoffs and shutdowns due to COVID-19 that negatively impacted their earnings, leading to many families having an increased need to rely on food banks and food pantries.

Castro was able to test the reported expenditure amount within the GrantSolutions portal without exception; however, Castro identified a misclassification reporting error that did not comply with Treasury's Guidance. Castro reviewed the purchase order between Pennsylvania and the not-for-profit sub-recipient responsible for running this food bank. We determined that this selection should have been classified as a Grant greater than or equal to \$50,000 instead of as Contract greater than or equal to \$50,000 transaction. Castro considered Pennsylvania a pass-through entity¹⁹ that provided a sub-award to the not-for-profit as the sub-recipient.

Grants Greater Than or Equal to \$50,000

We determined Pennsylvania's Grants greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. We tested five grants totaling \$17,706,493. The grants tested included expenditures for the purchase of nutrition assistance for childcare; personal protective equipment; expenses to provide a health care seminar; COVID-19 testing reimbursement from testing laboratories; and nursing home facility support to include testing equipment, installation, setup, and training for use of the testing equipment. We identified exceptions related to four different tested grants, which resulted in unsupported questioned costs of \$1,677,874, as detailed below.

Additionally, we identified unsupported questioned costs of \$4,121,902 from an Other Matter not included within our testing but identified during Castro's reconciliation procedures performed over Pennsylvania's sub-recipient GL detail to Grants entries within GrantSolutions, as detailed below.

¹⁹ A pass-through entity means a non-Federal entity that provides a sub-award to a sub-recipient to carry out part of a Federal program.

Grant 1 – Subsidized Childcare Grant

Pennsylvania claimed \$22,443,700 in CRF expenses for a Subsidized Childcare Grant. Castro noted that Pennsylvania awarded 1,443 businesses a total of \$22,443,700 and we tested four transactions totaling \$189,400 related to this grant. Castro asked Pennsylvania management if they used any other federal funding related to these programs, and management responded, “The Commonwealth of PA did not conduct an audit of these entities. Pennsylvania claimed these expenditures under the Coronavirus Relief Fund and are unaware of these expenditures being claimed under any other federal funded program.”

We identified exceptions related to all four transactions and the total amount tested. The Pennsylvania Department of Human Services (DHS) Office of Childhood Development & Early Learning incurred CRF costs related to facilities costs, personnel costs, and the cost associated with fulfilling the implementation of the Social Services Block Grant and the Child Care Development Fund grant. Pennsylvania established these grant programs to provide CRF funding to families receiving funding and eligible under the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Programs. Pennsylvania designed these CRF grants to cover the increased costs of health and safety practices incurred by grant recipients as a result of the COVID-19 pandemic (for costs such as childcare and transportation).

This enabled low-income parents and parents receiving TANF to work or to participate in the educational or training programs they needed in order to work during the pandemic. The transactions tested related to grant funding provided to the sub-recipient that then provided funding to childcare center business beneficiaries that sustained losses due to COVID-19. Pennsylvania did not provide sufficient documentation needed for Castro to verify that the grant applicants/beneficiaries were eligible to receive these grant awards. As a result, Castro questioned \$189,400 as unsupported costs due to the following:

- The Subsidized Childcare Grant application requested that childcare providers itemize the total of COVID-19 expenditures incurred, but Pennsylvania did not obtain underlying expenditure support from its sub-recipients to corroborate the CRF expenditure amounts claimed.
- We requested information for the Subsidized Childcare Grant applications, to include completed applications signed and certified by the applicants. For three out of the four transactions tested, Pennsylvania provided a spreadsheet file version of the grant application form with responses to questions in the application and electronic certification by the applicant. The spreadsheet was developed by an accounting firm hired by Pennsylvania to assist with sub-

Desk Review of the Commonwealth of Pennsylvania

recipient monitoring. However, no application was provided for the fourth transaction.

- To be eligible for the grant, per Pennsylvania House Bill ACT 2020-24, applicants must have suffered a loss due to COVID-19 and provide proof of necessary expenditures or lost revenues attributable to COVID-19. However, for all \$189,400 tested, Pennsylvania management did not provide financial statements or other evidence of lost revenues attributable to COVID-19 from the grant applicants for Castro to verify applicants suffered such a loss.
- Castro noted that two of the transactions tested included funds provided to childcare centers that contained a Pennsylvania GL detail field "License Status" of "Expired" and "Revoked." Pennsylvania responded that at the time the childcare providers applied for the grant, their license was in good standing but sometime after they received grant funding, their license status changed. As these expenditures were still included within Pennsylvania's CRF claim and were listed as expired and revoked, Castro was not able to confirm that funds were paid to active childcare providers.

Other Matter for Treasury OIG Consideration – Additional Potential Unsupported Subsidized Childcare Grant Program Costs

Castro noted that Pennsylvania awarded 1,443 businesses a total of \$22,443,700 in grant funds within its Subsidized Childcare Grant Program, including our reported Grants greater than equal to \$50,000 unsupported questioned costs of \$189,400. Since Castro identified unsupported questioned costs within the Subsidized Childcare Grant payments we tested, we recommend that Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the Subsidized Childcare Grant Program.

Grant 2 – COVID-19 Relief Statewide Small Business Assistance Grant Program

Pennsylvania claimed \$225,000,000 in expenses for a COVID-19 Relief Statewide Small Business Assistance Grant Program. These funds were to provide relief to small businesses through distribution by a statewide association of Community Development Financial Institutions.²⁰ We tested one transaction valued at \$10,000,000 related to administrative expenses incurred for COVID-19 Relief Statewide Small Business Program Impact Reports that included creative briefs,

²⁰ The purpose of a Community Development Financial Institutions Program is to promote economic revitalization and community development through investment in and assistance to Community Development Financial Institutions. These funds provide financial and technical assistance to Community Development Financial Institution recipients selected to enhance their ability to provide financial products, financial services, and development services to and in their target markets.

Desk Review of the Commonwealth of Pennsylvania

impact report pagination, content editing and proofreading; drafted social media posts; and news release development, media outreach, and follow-up. Pennsylvania was only able to provide us with invoices that supported \$8,625,924 of the \$10,000,000 to verify the eligibility of the expenditures claimed. Castro questioned the remaining \$1,374,076 in expenditures as unsupported.

For an additional \$50,000 transaction tested related to this grant, the transaction consisted of payments to a grant beneficiary. Pennsylvania's grant award listed eligible use of funds for purchases such as payroll costs, costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, insurance premiums, rent payments, and utility payments. Pennsylvania did not provide any underlying grant recipient expenditure support. Castro requested grant applications with sufficient detail needed to verify the eligibility of the applicants. Pennsylvania provided us with partial responses, including the grant agreement, bank statements, application self-certifications, W-9s,²¹ and award letters proving the \$50,000 was deposited and received. The Federal Register allows prime recipients to design their grant program for awards to small businesses, and details that prime recipients can provide economic support to those suffering from employment or business interruptions due to COVID-19-related business closures. To verify eligibility of its applicants, Pennsylvania designed its grant program to require applicants to submit the most recent tax return filed (2019 or 2018), as well as statements of profit and loss both prior to the start of COVID-19 (December 31, 2019) and after COVID-19 started (as of March 31, 2020). The application included a self-certification by the business that it suffered a loss but did not include any pre-and post-COVID self-reported profit and loss amounts along with this assertion. Further, Pennsylvania did not provide Castro with any profit or loss statements to supplement the application. Without this information being included within the self-assertion or being provided along with the grant applicant's submission, Castro was unable to corroborate that Pennsylvania verified that the business suffered a loss due to COVID-19 and was eligible for the grant. Likewise, Castro could not confirm this business was eligible to receive this grant because of the COVID-19 pandemic. Castro questioned the \$50,000 in expenditures as unsupported.

Other Matter for Treasury OIG Consideration – Additional Potential Unsupported COVID-19 Relief Statewide Small Business Assistance Grant Program Costs

Castro noted that Pennsylvania awarded 10,964 businesses and Community Development Financial Institutions a total of \$225,000,000 within its COVID-19 Relief Statewide Small Business Assistance Grant Program. Since Castro

²¹ A W-9 is a U.S. Internal Revenue Service document utilized to obtain the tax identification number of an individual or business entity and is utilized for eligibility verification purposes.

Desk Review of the Commonwealth of Pennsylvania

identified unsupported questioned costs within the COVID-19 Relief Statewide Small Business Assistance Grant Program payments we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the COVID-19 Relief Statewide Small Business Assistance Grant Program.

Grant 3 - Regional Response Health Collaborative Grant

Pennsylvania claimed \$12,403,353 in grant expenses for a Regional Response Health Collaborative in the Northeast Region of Pennsylvania, primarily to promote health and stabilize the economy by directly supporting COVID-19 readiness and response in healthcare facilities and improving the quality of care related to infection prevention and other priority healthcare conditions common to facilities.

One transaction tested for \$1,995,344 related to this grant consisted of operating expenses incurred by the sub-recipient to run the grant program such as purchases for personal protective equipment. Pennsylvania provided us with invoices that only supported \$1,993,208 of the expenditures claimed but did not provide invoices to support the remaining \$2,136. Castro questioned \$2,136 in expenditures as unsupported.

Grant 4 - Pre-K Counts and Head Start State Supplemental Assistance Program

Pennsylvania claimed \$62,262 in CRF related expenditures that it disbursed to the grant recipients eligible for the Pre-K Counts and the Head Start State Supplemental Assistance Programs to offset expenses associated with COVID-19. Castro asked Pennsylvania management if they used any other federal funding related to these CRF programs, and management responded, "The Commonwealth of PA did not conduct an audit of these entities. Pennsylvania claimed these expenditures under the Coronavirus Relief Fund and are unaware of these expenditures being claimed under any other federal funded program."

This grant covered increased costs above those covered by the Pre-K Counts and Head Start State Supplemental Assistance Programs that arose as a result of the pandemic such as personal protective equipment for children and staff, bleach and soap for cleaning and disinfecting classrooms, hand wipes for office cleaning, and hand sanitizer.

Pennsylvania provided a sub-recipient GL entry for all expenses paid under this grant, however, Pennsylvania could not identify the specific expenditure amounts that agreed to the payments in question, as Pennsylvania did not require its grantees to submit invoices. Pennsylvania stated that per their grant agreement,

Desk Review of the Commonwealth of Pennsylvania

both grantees were paid a pre-determined amount every month and did not submit invoices to be reimbursed because the amount was paid in advance. The monthly payments were deposited in the vendor's bank account where funds were drawn as needed. Given that the vendors were not required to submit invoices to reimburse expenses, neither the vendor nor Pennsylvania was able to identify any underlying expenditure supporting documentation for any specific monthly payment. Castro determined that without this information, Pennsylvania did not perform sufficient grantee monitoring to verify that its grantees expended CRF proceeds appropriately as required by the Federal Register;²² therefore, Castro could not determine whether the sub-recipients expended funds on eligible CRF expenditures. Castro questioned \$62,262 as unsupported costs.

Other Matter for Treasury OIG Consideration - Grants Greater Than or Equal to \$50,000 Sub-Recipient Population Reconciliation: Unsupported Incentive Payment Reinvestment Back into the Grant Program

During our sub-recipient GL detail reconciliation procedures performed related to Grants greater than or equal to \$50,000, Castro noted \$4,121,902 in incentive costs Pennsylvania allocated to two sub-recipients that were required to promote health by directly supporting COVID-19 readiness and response in facilities, improving the quality of care related to infection prevention, and prioritizing health care conditions common to facilities. This CRF funding expanded COVID-19 testing to include asymptomatic staff and residents in facilities to expand public health surveillance and implement best practices in infection control. Castro identified that incentive payments constituted a total of 12 percent of the costs of one of the grant agreements. Pennsylvania further allocated the 12 percent in incentives across additional incentive groups such as 2.5 percent to successful completion of all aspects of a rapid response event, 1.5 percent to baseline universal testing, and 1.5 percent for onsite facility consultations. Pennsylvania then measured the grant sub-recipient's performance as compared to set metrics to determine whether to make an award for that specific incentive group (e.g., if the grant recipient achieved actual performance metrics above the target metric of 90 percent).

The grant incentive support provided included a summary of incentive payments and progress met towards meeting specified milestones. The grant agreement also required the sub-recipient to reinvest these funds into the grant program to help achieve the objectives of the program. Pennsylvania provided a sub-recipient assertion that stated "the incentive funds were reinvested in the sub-recipient to support the following: sub-recipient related staff wages, benefits and mileage; leased swing space; PPE [personal protective equipment]; contractual costs

²² 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 Commonwealth of Pennsylvania

related to transportation, float pool staffing, testing services, and cleaning services; and supplies and equipment;" however, Pennsylvania did not provide any direct cost support evidencing these funds were utilized in this manner. Castro questioned \$4,121,902 as unsupported.

Based on Pennsylvania's responses to Treasury OIG's follow-ups over obtaining support to evidence that grant sub-recipients reinvested the \$4,121,902 grant incentive costs back into the grant program, we recommend Treasury OIG determine the feasibility of following up with Pennsylvania determine whether it has claimed any additional unsupported CRF expenditures in this manner.

Transfers Greater Than or Equal to \$50,000

We determined Pennsylvania's Transfers greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. We tested four transfers totaling \$4,663,950. The transfers tested included expenditures for the purchase of personal protective equipment; establishment of a grant program to assist small businesses, and tourism businesses; purchase of COVID-19 test kits; and creation of a COVID-19 planning committee, which met on a weekly basis. We identified exceptions related to four different transfers, which resulted in unsupported and ineligible questioned costs of \$4,121,714 and \$2,250 respectively, as detailed below.

Transfer 1 – Transfer to York County for COVID-19 Related Expenditures

Pennsylvania claimed \$40,553,915 in expenditures transferred to York County. Castro tested one transaction related to this transfer totaling \$1,997,249 used for reimbursing unbudgeted expenditures of county and municipal governments and non-profit organizations related to COVID-19 and for the establishment of a grant program to assist small and tourism businesses. Funds were also used to expand rural broadband access in unserved and underserved areas of the county. Pennsylvania provided an aggregate level obligation and allocation of total funding to the various zones, but Castro did not consider these obligations sufficient to support the actual expenditures incurred. Pennsylvania did not provide the information needed to make detailed selections at the invoice level or expenditure support at the invoice level needed to determine the eligibility of the CRF amounts claimed. Castro questioned \$1,997,249 as unsupported.

Other Matter for Treasury OIG Consideration – Additional Potential Unsupported Transfer to York County for COVID-19 Related Expenditures

Castro noted that Pennsylvania claimed \$40,553,915 in expenditures transferred to York County for COVID-19 related expenditures. Since Castro identified

Desk Review of the Commonwealth of Pennsylvania

unsupported questioned costs of \$1,997,249 within the transfer transactions that we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the transfer to York County for COVID-19 related expenditures.

Transfer 2 – Transfer to Cumberland County for a COVID-19 County Relief Block Grant

Pennsylvania claimed \$22,881,555 in expenditures transferred to Cumberland County. Castro tested one transaction related to this transfer totaling \$1,287,298 for a COVID-19 County Relief Block Grant. The funds were designed to address COVID-19 needs of the broader community including county government, businesses, and nonprofit organizations. Castro noted that this transaction was an aggregate level transaction and Pennsylvania did not provide the underlying expenditure support such as invoices, payroll distribution reports, and any additional sub-recipient GL detail to support the eligibility of the CRF amounts claimed. Castro questioned \$1,287,298 as unsupported because no supporting documentation for the uses of funds was provided at the transaction level.

Other Matter for Treasury OIG Consideration – Additional Potential Unsupported Transfer to Cumberland County for a COVID-19 County Relief Block Grant

Castro noted that Pennsylvania claimed \$22,881,555 in expenditures transferred to Cumberland County for a COVID-19 County Relief Block Grant. Since Castro identified unsupported questioned costs of \$1,287,298 within the transfer transactions that we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the transfer to Cumberland County for a COVID-19 County Relief Block Grant.

Transfer 3 – Transfer to Columbia County for Administration of the CARES Act Grant

Pennsylvania claimed \$5,866,825 in expenditures transferred to Columbia County. We tested one transaction totaling \$117,336 for expenditures incurred to pay a consultant to assist with administering the CARES Act Grant, including mileage and liability insurance reimbursement. Castro reviewed the sub-recipient provided consultant invoices and were able to reconcile \$49,068 out of the \$117,336 claimed but identified a variance of \$68,268. Pennsylvania did not provide invoices to support the eligibility of the full amount of \$117,336 claimed for this transaction. Therefore, Castro questioned \$68,268 as unsupported.

Other Matter for Treasury OIG Consideration – Additional Potential Unsupported Transfer to Columbia County for Administration of the CARES Act Grant

Castro noted that Pennsylvania claimed \$5,866,825 in expenditures transferred to Columbia County for administration of the CARES Act Grant. Since Castro identified unsupported questioned costs of \$68,268 within the transfer transactions that we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the transfer to Columbia County for administration of the CARES Act Grant.

Transfer 4 – Transfer to Forest County for the Purchase of IT Services

Pennsylvania claimed \$1,000,000 in expenditures transferred to Forest County. We tested one transaction totaling \$784,028 related to the purchase of information technology (IT) services for setting up telework equipment during the months of April and May 2020, and the purchase of telework equipment needed to participate in remote webinars and trainings due to COVID-19. Castro reviewed the invoices and was able to reconcile \$12,879 out of the \$784,028 expenditures claimed.

Castro determined the remaining \$771,149 consisted of the County's payroll expenses. Pennsylvania provided earnings registers, but those earnings registers did not include a grand total of expenditures claimed, and Pennsylvania did not provide a payroll distribution report needed to recalculate the total payroll claimed. Without this detail, we determined that Pennsylvania was unable to furnish a reconciliation to support that they performed sufficient sub-recipient monitoring over this balance to include verifying the payroll amounts reconciled to the total amount claimed.

Desk Review of the Commonwealth of Pennsylvania

Additionally, Pennsylvania did not provide the payroll distribution reports that detailed specific employee names, positions, departments worked, hours charged, pay type charge codes, and pay amounts that agreed to total payroll costs claimed of \$771,149. Without the department and employee positions, Castro could not verify whether these employees were public health and safety²³ personnel or whether they were substantially dedicated²⁴ – See the “Aggregate Payments to Individuals” section below for descriptions of these expenditure categories.

During our review of the earnings register provided, Castro identified bonuses to a county employee totaling \$2,250. Forest County responded that these bonuses were court mandated to compensate the individual for providing overall administration of the Forest County driving under the influence program, which included responsibilities for planning, implementation, and monitoring of the total driving under the influence program and the Forest Area Drug Education Program. Despite the bonuses being court ordered, Treasury's Guidance in the Federal Register explicitly disallowed the prime recipient from claiming workforce bonuses other than hazard pay or overtime. Treasury's Guidance in the Federal Register number 29²⁵ states, “The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense.” Therefore, Castro questioned \$2,250 as ineligible costs and the remaining \$768,899 as unsupported costs.

²³ Treasury's Federal Register guidance provided the following examples of public health and safety employees: “police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel...employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.”

²⁴ Substantially dedicated payroll costs meant that personnel must have dedicated over 50 percent of their time to responding or mitigating COVID-19. Treasury's Federal Register guidance indicated: “The full amount of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what “substantially dedicated” means given that there is not a precise way to define this term across different employment types. The relevant unit of government should maintain documentation of the “substantially dedicated” conclusion with respect to its employees.”

²⁵ 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 Commonwealth of Pennsylvania

Direct Payments Greater Than or Equal to \$50,000

We determined Pennsylvania's Direct Payments greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. We tested four direct payments totaling \$52,356,942. The direct payments tested included expenditures for payments to beneficiaries under a rental assistance grant program as an emergency response to the COVID-19 pandemic; expenses to facilitate distance learning, including technological improvements in connection with school closings to enable compliance with COVID-19 precautions, as well as expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions; computer equipment (laptops) provided to university personnel who did not have access to these resources and had been primarily using desktops/workstations in their office spaces prior to the pandemic.

We identified exceptions related to three different tested direct payments, which resulted in unsupported and ineligible questioned costs of \$50,133,833 and \$18,151 respectively. Additionally, we identified one unsupported questioned cost of \$931,092 from an Other Matter related to a potential duplicate transaction for Direct Payments greater than or equal to \$50,000.

We also identified two GrantSolutions reporting portal misclassifications related to Direct Payments greater than or equal to \$50,000, where we determined three transactions should have been reported as Grants greater than or equal to \$50,000, and one transaction should have been reported as Contracts greater than or equal to \$50,000, which we considered non-compliant with Treasury's Guidance. See detail below for additional discussion.

Direct Payment 1 – Grant Provided to the Nursing Home Assistance COVID Community Health Choices Managed Care Organizations

Pennsylvania claimed \$22,172,894 in expenditures granted to Nursing Home Assistance COVID Community Health Choices Managed Care Organizations. For this expenditure, Pennsylvania had an existing relationship with the nursing home and provided Castro with Pennsylvania House Bill ACT 2020-24 that detailed that Pennsylvania should enter into a grant agreement with at least one eligible health collaborative applicant from each region, to provide operations, management, and administration to protect residents in nursing home facilities from COVID-19, and to expand COVID testing in the facility. Pennsylvania did not provide a formal grant agreement detailing the terms between the Nursing Home Assistance COVID Community Health Choices Managed Care Organizations sub-recipient and Pennsylvania. Specifically, there was no bilaterally signed grant agreement that detailed the dollar amount of the award, the eligibility requirements needed to

Desk Review of the Commonwealth of Pennsylvania

receive these funds, and the COVID-19 specific requirements that the nursing home should follow. Pennsylvania also provided internal accounting system screenshots showing payments made to the sub-recipient, but did not provide any invoices or detailed underlying expenditure support, nor any evidence of grant award applications to verify eligibility. Castro questioned the balance of \$22,172,894 as unsupported.

Castro determined the balances were misclassified as Direct Payments greater than or equal to \$50,000 and should have been reported as Grants greater than or equal to \$50,000.

Direct Payment 2 – Grants and Hazard Payments to Nursing Homes

Pennsylvania claimed \$27,960,939 in expenditures granted to an entity that provided its sub-recipients with grants and hazard payments to nursing homes. For this expenditure, Pennsylvania submitted Pennsylvania House Bill ACT 2020-24 that detailed the criteria, eligibility, and expenditure requirements for the CRF proceeds to be provided to the sub-recipient. Castro noted that there was no bilaterally signed grant agreement that detailed the dollar amount of the award, the eligibility requirements needed to receive these funds, and the COVID-19 specific requirements that the nursing home should follow. For the hazard payments, Pennsylvania performed a calculation of the sub-recipient's time worked by utilizing 2019 data from health care workers as an estimate of amounts to be claimed. Castro requested the actual expenditure documentation to determine if the sub-recipient incurred sufficient actual payroll expenses to support amounts claimed during the eligible CRF covered period, but Pennsylvania personnel did not maintain this documentation. Castro determined that the estimated payroll expenses were unsupported because Pennsylvania did not provide documentation to support actual payroll expenses incurred to verify eligibility during the covered period. Castro questioned \$27,960,939 as unsupported costs.

Castro determined the balances were misclassified as Direct Payments greater than or equal to \$50,000, and the transactions should have been reported as Grants greater than or equal to \$50,000.

Direct Payment 3 – Purchase of IT Services and Equipment and Subscriptions to Support Remote Classes and Workforce

Pennsylvania claimed \$1,053,017 in expenditures paid to an entity to purchase IT services, virtual desktop infrastructure hardware, desktops, and subscriptions to support remote classes and remote workforce during the pandemic. Castro determined that Pennsylvania purchased a 2-year extended warranty, 3-year subscriptions and technical support, and a 5-year prepaid computer subscription license during the pandemic, but we noted that the subscriptions would be active through 2023 and 2025, which was outside of the period to use CRF funding (after September 30, 2022).²⁶ We performed an analysis to determine the portion of these prepaid subscriptions that occurred within the scope of the CRF period that began on March 1, 2020, and that was extended to September 30, 2022 (eligible portion) and the portion of these expenses that occurred out of scope (ineligible portion). As a result of our analysis, Castro questioned amounts for subscriptions that would be outside of the period of performance of \$18,151 as ineligible prepaid expenses.

For this selection, Castro determined the balances were misclassified as Direct Payments greater than or equal to \$50,000, and the transactions should have been reported as Contracts greater than or equal to \$50,000.

Other Matter for Treasury OIG Consideration - Direct Payments - Potential Duplicate Anomalies

Castro selected 12 potential duplicate anomaly Direct Payments greater than or equal to \$50,000 transactions totaling \$1,161,092. Castro tested these Treasury OIG identified anomalies to determine if these were duplicate transactions and Castro was able to determine that two of the expenditures were not duplicate payments, and as such were adequately supported. However, Pennsylvania did not provide sufficient expenditure documentation for 10 of the 12 transactions selected. As a result, we questioned \$931,092 as unsupported costs.

²⁶ Coronavirus Relief Fund Guidance as published in the Federal Register (December 14, 2021) CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf (Treasury.gov) states: "Costs incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. The CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021 (the "covered period"). A cost associated with a necessary expenditure incurred due to the public health emergency is considered to have been incurred by December 31, 2021, if the recipient has incurred an obligation with respect to such cost by December 31, 2021. Treasury defines obligation for this purpose as an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment. Recipients are required to expend their funds received from the CRF to cover these obligations by September 30, 2022."

Desk Review of the Commonwealth of Pennsylvania

Castro noted that there were 32 additional potential duplicate transactions totaling \$2,637,710 identified as anomalies by Treasury OIG. We recommend Treasury OIG determine the feasibility of performing additional follow-up to determine if there were other instances of unsupported balances with the additional potential duplicate transactions identified.

Aggregate Reporting Less Than \$50,000

We determined Pennsylvania's Aggregate Reporting less than \$50,000 did not comply with the CARES Act and Treasury's Guidance. We tested two transactions totaling \$1,912,226. The transactions tested included expenditures related to an Institutional Assistance Grants program to assist independent post-secondary institutions that did not receive a state appropriation in maintaining enrollment and stabilizing their educational costs to facilitate utilization of all postsecondary resources in Pennsylvania, and the estimated future impact of waived interest costs on student loans on the bond fund issued by the Pennsylvania Higher Education Assistance Agency (PHEAA).²⁷ We identified ineligible and unsupported questioned costs of \$238,064 and \$38,032, respectively, as detailed below.

We also identified a GrantSolutions portal reporting misclassification related to Aggregate Reporting less than \$50,000 that we determined should have been reported as Aggregate Payment to Individuals, which we consider non-compliant with Treasury's Guidance.

We have questioned the following **expenditures** as both **ineligible** and **unsupported**:

For one transaction, Pennsylvania provided calculations regarding the estimated future impact of waived interest costs on student loans on the bond fund. Pennsylvania also provided payment support to show a \$1.9 million payment from the PHEAA to a trust fund to "implement a program to place specified PHEAA private student loans into forbearance status due to COVID-19, to suspend all required payments, and to waive the interest accrual on those loans, from March 13, 2020, through September 30, 2020. Pennsylvania was able to provide \$1.9 million of support for payments made to the trust fund without exception.

²⁷ The Pennsylvania Higher Education Assistance Agency (the "Agency") previously issued its \$41,870,000 Education Loan Revenue Bonds Senior Series 2020A (Tax-Exempt AMT Fixed Rate Bonds) and \$5,700,000 Education Loan Revenue Bonds Subordinate Series 2020B (Tax-Exempt AMT Fixed Rate Bonds) (collectively, the "2020A&B Bonds"). The Board of Directors of the Agency previously established its PA Forward Student Loan Program as a program designed to assist students or parents (or both) in meeting their expenses of attending approved institutions of higher education in the Commonwealth of Pennsylvania or elsewhere. All 2020 A&B Loans were deemed "COVID-19 Affected Loans" and interest was waived from March 13, 2020 to September 30, 2020.

Desk Review of the Commonwealth of Pennsylvania

Castro reviewed the Resolution of the Board of Directors of PHEAA adopted on June 18, 2020, which stated that the purpose of the transaction was for the Capitalized Interest Fund to offset the costs of such relief programs and to provide additional security for the bonds issued. Castro requested a population with details of actual expenditures incurred needed to support that there were sufficient actual underlying interest forbearance expenditures available to support the \$1.9 million in payments made to the Capitalized Interest Fund. Pennsylvania provided waived student loan interest balances, and valuation and legal fee invoices as partial expenditure support, which we tested without exception. Castro determined that Pennsylvania provided acceptable expenditure support to verify eligibility for \$1,623,904 out of \$1,900,000 in expenditures claimed. Castro questioned \$238,064 as ineligible costs and \$38,032 as unsupported costs. See below for additional discussion of these questioned costs.

Pennsylvania claimed \$238,064 in indirect future interest lost under this Student Loan Interest Forbearance Program. Pennsylvania provided calculations regarding the estimated future impact of waived interest costs; however, Castro considered the future cash flow impact of \$238,064 to be ineligible, because by the time the estimated future impact of these waived interest costs realized on the bond fund, they would have been incurred outside the period to use CRF funding of September 30, 2022. Additionally, Castro did not consider the estimated future impact on a bond fund's costs to represent expenditures that were necessary due to COVID-19, as this \$238,064 in future estimated cash flow payment was benefiting the bond fund's investors as opposed to the students that this program was designed to help. Pennsylvania did not provide any actual underlying waived student loan interest costs to support this balance, therefore Castro questioned \$238,064 as ineligible.

Castro considered \$38,032 to be unsupported, as Pennsylvania did not provide any underlying payroll distribution reports to support employee project time associated with working on implementing the CARES Act programs. Pennsylvania personnel did provide a summary of the tasks performed on the project, along with the names, rates, and hours worked on the project which agreed to the total of project time claimed. However, Pennsylvania personnel responded that PHEAA did not use a specific cost code to charge time to the project, and as such, was not able to provide any actual payroll distribution reports detailing actual hours worked and associated dollar amounts claimed for each of these project personnel. Castro questioned \$38,032 as unsupported.

Desk Review of the Commonwealth of Pennsylvania

We have noted the following **expenditures** as a reporting **misclassification**:

For one transaction selection, PHEAA indicated payments to the trust fund were not being provided to the individuals and therefore, they did not report amounts as Aggregate Payments to Individuals. After further review and discussions with Pennsylvania, Castro determined that the students were beneficiaries of the waived interest forbearance payments, therefore should have been categorized as Aggregate Payments to Individuals.

Aggregate Payments to Individuals

CRF payments made to individuals, regardless of amount, were required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information. Castro notes that the Aggregate Payments to Individuals payment type consisted of the below broad types of potential costs, which we have defined from Treasury's guidance as published in the Federal Register.²⁸ Prime recipients may or may not have claimed all of these types of expenditures.

²⁸ 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 Commonwealth of Pennsylvania

- **Public Health and Safety Payroll**²⁹ – consisted of payroll costs for public health and safety department personnel.
- **Substantially Dedicated Payroll**³⁰ – consisted of payroll costs for non-public health and safety personnel who were substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- **Non-Substantially Dedicated Payroll**³¹ – consisted of payroll costs for personnel who performed COVID-19 related tasks on a part-time basis.
- **Non-Payroll Expenditures** – consisted of financial assistance payments to citizens due to hardship or loss of income, unemployment claims, and other non-payroll related expenditures made to individuals.

²⁹ Treasury’s Federal Register guidance provided the following examples of public health and safety employees: “police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel...employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.”

³⁰ Substantially dedicated payroll costs meant that personnel must have dedicated over 50 percent of their time to responding or mitigating COVID-19. Treasury’s Federal Register guidance indicated: “The full amount of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what “substantially dedicated” means given that there is not a precise way to define this term across different employment types. The relevant unit of government should maintain documentation of the “substantially dedicated” conclusion with respect to its employees.”

³¹ Payroll costs that were not substantially dedicated were payroll costs that were not public health and safety, and which were not substantially dedicated to performing COVID-19 related tasks. Treasury’s Federal Register guidance defined more stringent tracking requirements for these types of payroll costs. Specifically, Treasury’s Federal Register guidance stated: “track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department. This means, for example, that a government could cover payroll expenses allocated on an hourly basis to employees’ time dedicated to mitigating or responding to the COVID-19 public health emergency.”

Desk Review of the Commonwealth of Pennsylvania

The Pennsylvania Aggregate Payments to Individuals balance consisted of the following payroll and non-payroll transactions from the following types of claimed costs.

Aggregate Payments to Individuals Category Types	Total Expenses Claimed ³²
Public Health and Safety Payroll	\$ 1,559,513,301
Substantially Dedicated Payroll	\$ 2,202,856
Non-Substantially Dedicated Payroll	\$ 4,769,283
Non-Payroll Expenditures	\$ 6,657,021
Totals	\$ 1,573,142,461

Castro noted that public health and safety payroll transactions were subject to Treasury's administrative accommodation,³³ and therefore, were subject to less detailed documentation requirements. Castro tested public health and safety payroll transactions by reviewing itemized payroll distribution reports to support these balances. Substantially and non-substantially dedicated payroll balances were not subject to this administrative accommodation, and therefore, Castro tested these transactions by reviewing the prime recipient's documentation of the "substantially dedicated" conclusion with respect to its employees and payroll distribution files, and by performing tests over specific employee timesheet submissions.

³² Castro's review of Pennsylvania's underlying GL detail resulted in identification of reconciling reporting errors that Castro deemed to be misclassifications that did not comply with Treasury's Guidance. For instance, the Aggregate Reporting less than \$50,000 payment type included a misclassification of \$1,598,685,120. Included in this amount was \$25,540,595, which should have been reported in the Direct Payments greater than or equal to \$50,000 payment type and \$1,573,142,461 that should have been reported in the Aggregate Payment to Individuals payment type. Pennsylvania confirmed that it made these reporting corrections within its September 30, 2023 GrantSolutions portal submission due to reporting misclassifications brought to their attention by Castro. Since Pennsylvania had a significant amount of expenditures that should have been reported in the Aggregate Payments to Individuals payment type as of our scope period of June 30, 2023, we selected our transactions for testing from the September 30, 2023 GL population. See **Population Reconciling and Financial Reporting Controls Issues** within the **Desk Review Results** section for summary of these classification changes that Pennsylvania made.

³³ Treasury's Federal Register guidance indicated that an administrative accommodation was, "In recognition of the particular importance of public health and public safety workers to State, local, and tribal government responses to the public health emergency, Treasury has provided, as an administrative accommodation, that a State, local, or tribal government may presume that public health and public safety employees meet the substantially dedicated test...This means that, if this presumption applies, work performed by such employees is considered to be a substantially different use than accounted for in the most recently approved budget as of March 27, 2020. All costs of such employees may be covered using payments from the Fund for services provided during the period that begins on March 1, 2020, and ends on December 31, 2021."

Desk Review of the Commonwealth of Pennsylvania

We determined that Pennsylvania's Aggregate Payments to Individuals complied with the CARES Act and Treasury's Guidance. We tested nine transactions totaling \$1,234,173,142, which included six for public health and safety payroll, two for non-substantially dedicated payroll, and one for non-payroll.

Conclusion

We determined that the expenditures related to the 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, and Aggregate Reporting less than \$50,000 payment types did not comply with the CARES Act and Treasury's Guidance. We also determined that the Contracts greater than or equal to \$50,000 payment type complied with the CARES Act but did not comply with Treasury's Guidance. We noted that the Aggregate Payments to Individuals payment type complied with the CARES Act and Treasury's Guidance.

We identified from our testing, unsupported and ineligible questioned costs of \$55,971,453 and \$258,465, respectively, with total tested questioned costs of \$56,229,918. In addition, as part of our reconciliation procedures, Castro identified other matter questioned costs totaling \$5,052,994 which we identified separately from the sample of selected transactions tested. The total questioned costs for these matters increased our total questioned costs to \$61,282,912.

Also, we identified GrantSolutions portal reporting misclassification issues related to Contracts greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, and Aggregate Reporting less than \$50,000, which we considered to be noncompliant with Treasury's Guidance.

Additionally, Pennsylvania's risk of unallowable use of funds is high. As a result of this desk review, we recommend Treasury OIG:

- Confirm with Pennsylvania management if the transactions noted as unsupported or ineligible expenditures within the 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, and Aggregate Reporting less than \$50,000 payment types can be supported. If support is not provided, Treasury OIG should recoup the funds or request that Pennsylvania management provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance. Further, based on Pennsylvania's responsiveness to Treasury OIG's requests and its ability to provide sufficient documentation and/or replace unsupported and ineligible transactions charged to the CRF with valid expenditures, we recommend Treasury OIG determine the

Desk Review of the Commonwealth of Pennsylvania

feasibility of conducting an audit for the 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, and Aggregate Reporting less than \$50,000 payment types.

Castro also identified Other Matters throughout the course of our desk review, which warrant recommendations to Treasury OIG for additional action. Castro recommends Treasury OIG take action related to the following:

- Grants Greater Than or Equal to \$50,000 Sub-Recipient Population Reconciliation – Unsupported Incentive Payment Reinvestment into the grant program: Based on Pennsylvania’s responses to Treasury OIG’s follow-ups over obtaining support to evidence that the sub-recipient reinvested the \$4,121,902 grant incentive costs back into the grant program, we recommend Treasury OIG determine the feasibility of following up with Pennsylvania determine whether it has claimed any additional unsupported CRF expenditures in this manner.
- Additional Potential Unsupported Subsidized Childcare Grant Program Costs - Castro noted that Pennsylvania awarded 1,443 businesses a total of \$22,443,700 in granted funds within its Subsidized Childcare Grant Program, including our reported Grants greater than equal to \$50,000 unsupported questioned costs of \$189,400. Since Castro identified unsupported questioned costs within the Subsidized Childcare grant payments we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the Subsidized Childcare Grant Program.
- Additional Potential Unsupported COVID-19 Relief Statewide Small Business Assistance Grant Program Costs - Castro noted that Pennsylvania awarded 10,964 business and Community Development Financial Institutions grant payments totaling \$225,000,000 within its COVID-19 Relief Statewide Small Business Assistance Grant Program, including our reported Grants greater than \$50,000 unsupported questioned costs of \$50,000. Since Castro identified unsupported questioned costs within the COVID-19 Relief Statewide Small Business Assistance Grant Program payments we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the COVID-19 Relief Statewide Small Business Assistance Grant Program.
- Castro noted that Pennsylvania claimed \$40,553,915 in expenditures transferred to York County. Since Castro identified unsupported questioned costs of \$1,997,249 within the transfer transactions to York

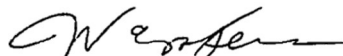
Desk Review of the Commonwealth of Pennsylvania

County that we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the transfer to York County for COVID-19 related expenditures.

- Castro noted that Pennsylvania claimed \$22,881,555 in expenditures transferred to Cumberland County for a COVID-19 County Relief Block Grant. Since Castro identified unsupported questioned costs of \$1,287,298 within the transfer transactions to Cumberland County that we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the transfer to Cumberland County for a COVID-19 County Relief Block Grant.
- Castro noted that Pennsylvania claimed \$5,866,825 in expenditures transferred to Columbia County for administration of the CARES Act Grant. Since Castro identified unsupported questioned costs of \$68,268 within the transfer transactions to Columbia County that we tested, we recommend Treasury OIG determine the feasibility of performing additional follow-up with Pennsylvania to determine if there were other instances of unsupported balances within the transfer to Columbia County for administration of the CARES Act Grant.
- Direct Payments - Potential Duplicate Anomalies - Determine the feasibility of performing additional follow-up to determine if there were other instances of unsupported balances within the additional potential duplicate transactions identified.

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.³⁴ We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,



Wayne Ference
Partner, Castro & Company, LLC

³⁴ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>