

Office of Inspector General for Department of the Treasury



Semiannual Report to Congress
April 1, 2024 – September 30, 2024
OIG-CA-25-006

Highlights

During this semiannual reporting period, the Office of Audit issued 35 products. The office also identified \$992,965 in questioned costs. Work by the Office of Investigations resulted in 15 indictments and 13 convictions. Some of our more significant results for the period are described below:

- Our Office of Audit performed desk reviews of the use of Emergency Rental Assistance (ERA)1 and ERA2 funds for Houston, Texas and Harris County, Texas. In addition to determining whether ERA recipients complied with the use of ERA fund requirements, we also determined there were \$386,077 in total questioned costs based on our desk reviews and other information received for the following State and Local governments:
 - Houston, Texas and Harris County, Texas
 - State of Washington
 - Thurston County, Washington
 - State of Missouri
 - State of Michigan
- A certified independent public accounting firm (IPA), working under a contract with and supervised by our office, assessed the accuracy, completeness, and sufficiency of financial statements and other data used to certify the wages, salaries, benefits, and other compensation amounts submitted and approved for awards under the Air Carrier Payroll Support Program (PSP1) for the following air carriers:
 - Wing Aviation Charter Services, LLC
 - Superior Transportation Associates, Inc.
 - Flight Group Corporation
 - Freight Runners Express, Inc.
 - Prosegur Services Group, Inc.
 - Prospect Airport Services, Inc.
 - One Sky Flight, LLC
 - Suburban Air Freight, Inc.

The IPA found Wing Aviation Charter Services, LLC, had \$250,713 in questioned costs and Superior Transportation Associates, Inc. had \$187,752 in questioned costs, resulting in a total of \$438,465 in questioned costs.

- An investigation conducted by our Office of Investigations resulted in two contractors agreeing to pay a total of \$11.3 million in civil settlements for failing to abide by requirements of New York's Emergency Rental Assistance Program (ERAP). The ERAP contract required specific cybersecurity requirements, and the contractors admitted they had failed to properly meet the requirements. The U.S. Attorney's Office for the Northern District of New York and the Department of Justice Civil Division negotiated the settlement.

Message from the Inspector General

During this reporting period, the Department of the Treasury (Treasury) Office of Inspector General (OIG) continued its in-depth oversight of the pandemic recovery programs administered by Treasury. We issued a total of 35 products during the reporting period, of which 17 products were pandemic-related products.

As part of pandemic oversight, Treasury OIG performed desk reviews of the use of Emergency Rental Assistance (ERA)1 and ERA2 funds. We determined multiple states were in violation of ERA1 and ERA2 statutes. We found proof that an individual submitted fraudulent applications to receive rental assistance funds. We also found overpayments due to assistance exceeding the allowed 15 months, payments for ineligible expenses to beneficiaries who did not provide adequate proof of identification or proof of residence in accordance with the grantees' program policy, and a payment error.

Additionally, during this reporting period Treasury OIG performed an audit to determine if the Financial Crimes Enforcement Network (FinCEN) managed Bank Secrecy Act (BSA) data access, use, and retention in compliance with laws, regulations, and Treasury policies and procedures. BSA data are useful for countering money laundering, illicit finance, and terrorism, but the information is sensitive, and FinCEN must safeguard it against unauthorized release. In this report, we identified five findings and made eight recommendations regarding this issue. We plan to issue additional reports on BSA data safeguards in the next year.

Treasury OIG continues to provide leadership and administrative support to the Council of Inspectors General on Financial Oversight, the organization established by the Dodd-Frank Wall Street Reform and Consumer Protection Act to oversee and monitor the activities of the Financial Stability Oversight Council, which is chaired by the Secretary of the Treasury.

Treasury OIG continues to investigate fraud, waste, and abuse of Treasury programs, to include pandemic programs, employee misconduct, and various cyber-related fraud. Treasury OIG participates in several law enforcement working groups and task forces to investigate external fraud that affects Treasury.

This is the last semi-annual report to Congress I will issue. I have served in Treasury OIG for 25 years, the last 5 as Acting Inspector General. It has been an honor, and the highlight of my federal career, to be associated with this organization and the outstanding professionals who provide expert oversight of Treasury's programs and operations.



Richard K. Delmar
Acting Inspector General

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Treasury Office of Inspector General Overview

The Department of the Treasury's (Treasury) Office of Inspector General (OIG) was established pursuant to the 1988 amendments to the Inspector General Act of 1978.¹ Treasury OIG is headed by an Inspector General appointed by the President with the advice and consent of the Senate.

Treasury OIG performs independent, objective reviews of Treasury programs and operations, except for those of the Internal Revenue Service (IRS), and keeps the Secretary of the Treasury and Congress fully informed of problems, deficiencies, and the need for corrective action. The Treasury Inspector General for Tax Administration (TIGTA) and the Government Accountability Office (GAO) perform oversight related to the IRS.²

Treasury OIG also performs independent oversight of programs and operations funded by the Gulf Coast Restoration Trust Fund established within Treasury by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act).³ In addition to performing oversight of Treasury related activities, Treasury OIG performs oversight of programs and operations administered by the Gulf Coast Ecosystem Restoration Council (Council), established as an independent federal entity, and the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program (Science Program) administered by the National Oceanic and Atmospheric Administration (NOAA). With regard to the Council and the Science Program, Treasury OIG keeps the appointed Chairperson of the Council, the NOAA Science Program Administrator, and Congress fully informed of problems, deficiencies, and the need for corrective actions.

Treasury OIG has four components, the Office of Audit, Office of Investigations, Office of Counsel, and Office of Management. Treasury OIG is headquartered in Washington, DC.

The Office of Audit, under the leadership of the Assistant Inspector General for Audit, performs and supervises financial and performance audits, attestation engagements, and evaluations. The Assistant Inspector General for Audit also serves as the Special

¹ 5 U.S.C. §§401-424

² During prior semiannual reporting periods, a Special Inspector General and GAO performed oversight related to the Troubled Asset Relief Program (TARP). On March 31, 2024, the Special Inspector General for the Troubled Asset Relief Program ended its operations as the last remaining investment made by Treasury through the TARP was repaid, thereby, ending the program.

³ Public Law (P.L.)112-141

Deputy Inspector General for Small Business Lending Fund (SBLF) Program Oversight. Under the Assistant Inspector General for Audit, there are four deputies. The first deputy is primarily responsible for financial sector audits to include audits of banking supervision, manufacturing of currency and coins, Customs revenue collection activities, resource management, procurement, alcohol and tobacco excise tax revenue collection activities, and the State Small Business Credit Initiative authorized by the American Rescue Plan of 2021 (ARP). The second deputy is primarily responsible for financial management and transparency audits to include financial audits of Treasury, and the Council performed by Treasury OIG staff and contractors; audits of Governmentwide collection, payment, and debt programs and operations; and audits of anti-money laundering/terrorist financing, foreign sanction, international affairs, and intelligence programs and operations. The third deputy is primarily responsible for cybersecurity, and financial assistance audits, including oversight of domestic assistance programs under the Community Development Financial Institutions Fund and other capital investment programs for low-to-moderate income communities, and audits of RESTORE Act programs and operations. The fourth deputy is primarily responsible for the Coronavirus Relief Fund and the Air Carrier Worker Support programs authorized by the Coronavirus Aid, Relief, and Economic Security Act, and other pandemic legislation.

The Office of Investigations, under the leadership of the Assistant Inspector General for Investigations, performs investigations and conducts initiatives to detect and prevent fraud, waste, and abuse in programs and operations within Treasury OIG's jurisdictional boundaries; and to investigate threats against Treasury personnel and assets in designated circumstances as authorized by the Inspector General Act. The Office of Investigations also manages the Treasury OIG Hotline to facilitate reporting of allegations involving these programs and operations.

The Office of Counsel, under the leadership of the Counsel to the Inspector General, provides legal advice to the Inspector General and all Treasury OIG components. The office represents Treasury OIG in administrative legal proceedings and provides a variety of legal services, including (1) processing Freedom of Information Act and *Giglio*⁴ requests; (2) conducting ethics training; (3) ensuring compliance with financial disclosure requirements; (4) reviewing proposed legislation and regulations; (5) reviewing administrative subpoena requests; and (6) preparing for the Inspector General's signature cease and desist letters and monetary assessments against persons and entities misusing the Treasury seal and name. The Office of Counsel also

⁴ *Giglio* information refers to material that may call into question the character or testimony of a prosecution witness in a criminal trial.

responds to media and Congressional inquiries and serves as the Whistleblower Protection Coordinator for Treasury.

The Office of Management, under the leadership of the Assistant Inspector General for Management, provides administrative services to maintain the Treasury OIG administrative infrastructure, including facilities, human resources, information technology, procurement, records management, and security.

Treasury OIG's fiscal year 2024 appropriation was \$48.3 million, which included up to \$2.8 million of 2-year funding for the RESTORE Act programs. Treasury OIG's oversight of the State Small Business Credit Initiative and SBLF programs is funded on a reimbursable basis. In addition to the annual fiscal year appropriation, Treasury OIG carried over additional multi-year and no-year funding from the previous fiscal year for oversight of pandemic relief programs, which included \$10 million for the Coronavirus Relief Fund, \$130,000 for ERA, and \$30,000 for the Homeowner Assistance Fund. As of September 30, 2024, Treasury OIG had 224 full-time staff.

Management and Performance Challenges

The Reports Consolidation Act of 2000 requires that the Department of the Treasury (Treasury) Inspector General annually provide information on the most serious management and performance challenges facing Treasury and the Gulf Coast Ecosystem Restoration Council (Council). The following is a synopsis of our annual assessments which are available, in their entirety, on the Treasury Office of Inspector General (OIG) [website](#).

Treasury

In an October 15, 2024, memorandum to the Secretary of the Treasury OIG reported the following four challenges facing the Department, of which one was new.

- Ongoing Management of COVID-19 Pandemic Relief Programs (reframed from Previous Challenge, COVID-19 Pandemic Relief)
- Cyber Threats (Repeat)
- Anti-Money Laundering/Terrorist Financing and Bank Secrecy Act Enforcement (Repeat)
- Crypto and Digital Assets (New)

In addition to these challenges, we reported our concerns about the following matters: (1) U.S. Mint gold acquisitions, (2) Bureau of Engraving and Printing's construction of a new facility, and (3) Treasury's role with Customs revenue functions.

Gulf Coast Ecosystem Restoration Council

In an October 3, 2024, letter to the Honorable Michael Regan, Administrator of the U.S. Environmental Protection Agency, as Chairperson of the Council, OIG reported three challenges.

- Recruiting and Retaining a Highly Skilled Workforce (Repeat)
- Federal Statutory and Regulatory Compliance (Repeat)
- Grant and Interagency Agreement Compliance Monitoring (Repeat)

Office of Audit – Significant Audits and Other Products

CARES Act Oversight

Our office’s oversight of the Air Carrier Payroll Support Program (PSP1) was mandated by Title IV, Subtitle B, *Air Carrier Worker Support*, of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the CARES Act, the Department of the Treasury (Treasury) was to provide \$32 billion in financial assistance to passenger air carriers, cargo air carriers, and certain contractors to be used exclusively for the continuation of payment of employee wages, salaries, and benefits, in response to the economic impact of the Coronavirus Disease 2019 (COVID-19). The Consolidated Appropriations Act, 2021 (CAA, 2021) created the Airline Worker Support Extension for passenger air carriers and certain contractors. Treasury refers to this as Payroll Support Program Extension (PSP2). The American Rescue Plan Act of 2021 (ARP) created the Air Transportation Payroll Support Program Extension authorizing Treasury to provide additional assistance to passenger air carriers and contractors that received financial assistance under PSP2. Treasury refers to this as Payroll Support Program 3 (PSP3).

We are required to audit certifications made by passenger and cargo air carriers that do not report salaries and benefits to the Department of Transportation (referred to as “non-241 air carriers”) and contractors. During this semiannual reporting period, a certified independent public accounting firm (IPA), working under a contract with and supervised by our office, performed the following audits of air carrier worker support certifications.

Audit of Air Carrier Worker Support Certifications – Flight Group Corporation

The IPA found that Flight Group Corporation, a passenger air carrier, reported correct information for all four sections reviewed on its PSP1 Application. These sections are: (1) applicant information, (2) applicant type, (3) awardable amounts, and (4) certification. The IPA determined that Flight Group Corporation incurred eligible PSP1 compensation between April 1, 2019, and September 30, 2019, which exceeded the amount certified to Treasury on the PSP1 Application by \$130,388. Flight Group Corporation understated its requested amount by \$130,388 and did not over-request PSP1 financial assistance. As a result, no amounts are owed back to Treasury. ([OIG-24-038](#), **Redacted**)

Audit of Air Carrier Worker Support Certifications – Freight Runners Express, Inc.

The IPA found that Freight Runners Express, Inc., a cargo air carrier, reported correct information for all four sections reviewed on its PSP1 application. These sections are: (1) applicant information, (2) applicant type, (3) awardable amounts, and (4) certification. The IPA determined that Freight Runners Express, Inc. incurred eligible PSP1 compensation between April 1, 2019, and September 30, 2019, which exceeded the amount certified to Treasury on the PSP1 Application by \$708. Freight Runners Express, Inc. understated its requested amount by \$708 and did not over-request PSP1 financial assistance. As a result, no amounts are owed back to Treasury. ([OIG-24-039](#), Redacted)

Audit of Air Carrier Worker Support Certifications – Prosecur Services Group, Inc.

The IPA found that Prosecur Services Group, Inc., a contractor, reported correct information for three of the four sections reviewed on its PSP1 application. These sections are: (1) applicant information, (2) applicant type, and (3) certification. For the awardable amounts section, the IPA found the company was unable to provide sufficient supporting documentation to demonstrate that the amounts requested for “benefits” were eligible for PSP1, in which the total compensation incurred exceeded the amount certified to Treasury by \$31,059,787. Prosecur Services Group, Inc. understated its requested PSP1 amount by \$31,059,787 and did not over-request PSP1 financial assistance despite partial non-compliance with application requirements. As a result, no amounts are owed back to Treasury. ([OIG-24-040](#), Redacted)

Audit of Air Carrier Worker Support Certifications – Wing Aviation Charter Services, LLC

The IPA found that Wing Aviation Charter Services, LLC, a passenger air carrier, reported correct information for three of the four sections reviewed on its PSP1 application. These sections are: (1) applicant information, (2) applicant type, and (3) certification. The IPA also found that the air carrier incorrectly reported information in the awardable amounts section, resulting in a \$320,605 overstatement. Specifically, the IPA found (1) the inclusion of unallowable corporate officer compensation, resulting in an overstatement; and (2) differences between the benefit estimates used to prepare the PSP1

application and the actual paid benefit amounts, resulting in an understatement. Treasury’s awards to passenger air carriers under PSP1 included a 78.2 percent pro-rata distribution of application amounts. Applying this formula, the air carrier received a \$250,713 overpayment from Treasury.

The IPA recommended Treasury management (1) seek reimbursement of the \$250,713 overpayment of PSP1 financial assistance; and (2) review the Wing Aviation Charter Services, LLC’s requested amount for unallowable expenses under PSP2 and PSP3, and seek reimbursement for the overpayment, if applicable. Management’s planned corrective actions met the intent of the recommendations. ([OIG-24-041](#), Redacted) **\$250,713 Questioned Costs**

Audit of Air Carrier Worker Support Certifications – Superior Transportation Associates, Inc.

The IPA found that Superior Transportation Associates, Inc., a passenger air carrier, reported correct information for three of the four sections reviewed on its PSP1 application. These sections are: (1) applicant information, (2) applicant type, and (3) certification. The IPA also found that the air carrier incorrectly reported information in the awardable amounts section, resulting in a \$240,092 overstatement. Specifically, the IPA found (1) the inclusion of unallowable corporate officer compensation, resulting in an overstatement; (2) the inclusion of unsupported “other compensation” amounts, resulting in an overstatement; and (3) differences between accrual-based accounting information used to prepare the PSP1 Application, for “salaries and wages” and “benefits,” and the actual compensation paid, resulting in an understatement. Treasury’s awards to passenger air carriers under PSP1 included a 78.2 percent pro-rata distribution of application amounts. Applying this formula, the air carrier received a \$187,752 overpayment from Treasury.

The IPA recommended Treasury management (1) seek reimbursement of the \$187,752 overpayment of PSP1 financial assistance; and (2) review Superior Transportation Associates, Inc.’s requested amount for unallowable expenses under PSP2 and PSP3, and seek reimbursement for the overpayment, if applicable. Management’s planned corrective actions met the intent of the recommendations. ([OIG-24-042](#), Redacted) **\$187,752 Questioned Costs**

Audit of Air Carrier Worker Support Certifications – Prospect Airport Services, Inc.

The IPA found that Prospect Airport Services, Inc., a contractor, reported correct information for three of the four sections reviewed on its PSP1 application. These sections are: (1) applicant information, (2) applicant type, and (3) certification. The IPA also determined that the contractor incorrectly reported information in the awardable amounts section, resulting in a \$310,004 overstatement. Specifically, the IPA found (1) the inclusion of unallowable corporate officer compensation, resulting in an overstatement; (2) differences between the accrual-based financial information used for benefits and the actual amounts paid, resulting in an overstatement; and (3) the inclusion of benefit compensation for ineligible affiliate employees, resulting in an overstatement. However, the overstatements were offset by a \$4,860,352 understatement due to data errors, and eligible tip compensation paid to employees that the company voluntarily withheld from the PSP1 application. Prospect Airport Services, Inc. understated its requested PSP1 amount by \$4,550,348 and did not over-request PSP1 financial assistance despite partial non-compliance with application requirements. As a result, no amounts are owed back to Treasury. ([OIG-24-043](#), Redacted)

Audit of Air Carrier Worker Support Certifications – One Sky Flight, LLC

The IPA found that One Sky Flight, LLC, a passenger air carrier, reported correct information for three of the four sections reviewed on its PSP1 application. These sections are: (1) applicant information, (2) applicant type, and (3) certification. The IPA also found that the air carrier incorrectly reported information in the awardable amounts section, resulting in a \$1,742,487 overstatement. Specifically, the IPA found (1) the inclusion of unallowable corporate officer compensation, resulting in an overstatement; (2) the inclusion of employee-paid contributions to benefits, resulting in an overstatement; and (3) data errors, resulting in an overstatement. However, the overstatements were offset by the company's use of estimated employee healthcare costs that would be provided under the Consolidated Omnibus Budget Reconciliation Act⁵ elections, rather than actual paid amounts, resulting in a \$4,845,182 understatement.

⁵ P.L. 99-272 (April 7, 1986)

One Sky Flight, LLC understated its requested amount by \$3,102,695 and did not over-request PSP1 financial assistance despite partial non-compliance with application requirements. As a result, no amounts are owed back to Treasury. ([OIG-24-044](#), Redacted)

Audit of Air Carrier Worker Support Certifications – Suburban Air Freight, Inc.

The IPA found that Suburban Air Freight, Inc., a cargo air carrier, reported correct information for three of the four sections reviewed on its PSP1 application. These sections are: (1) applicant information, (2) applicant type, and (3) certification. The IPA also determined that the air carrier incorrectly reported information in the awardable amounts section, resulting in a \$61,535 overstatement. Specifically, the IPA found (1) the inclusion of unallowable corporate officer compensation, resulting in an overstatement, and (2) usage of earned⁶ and accrual based financial information instead of actual amounts paid during the applicable period from April 1, 2019, through September 30, 2019, resulting in an overstatement.

On May 28, 2021, Suburban Air Freight, Inc. recertified to Treasury and acknowledged the inclusion of unallowable corporate officer compensation in its PSP1 application. The money was returned to Treasury via a wire transfer on December 3, 2021. The amounts returned to Treasury exceed the overstatement of \$61,535. As a result, no additional amounts are owed back to Treasury. ([OIG-24-045](#), Redacted)

CARES Act Compliance Monitoring

The CARES Act assigned our office responsibility for monitoring and oversight of the receipt, disbursement, and use of Coronavirus Relief Fund (CRF) proceeds. To carry out our monitoring responsibilities, we developed a portal via GrantSolutions, a grants management system under U.S. Department of Health and Human Services, for CRF recipients to report expenditures quarterly. To date, CRF data has been collected up to

⁶ Suburban Air Freight, Inc. used earned rather than paid salaries and wages in its awardable amount calculation. According to Treasury’s PSP1 guidance, the awardable amount should consist of figures paid during April 1, 2019, through September 30, 2019. The use of salaries and wages earned results in compensation paid outside of the applicable period. For example, salaries and wages earned in September 2019 and paid in October 2019.

and through September 30, 2023. This data is displayed on the Pandemic Response Accountability Committee’s website (<https://www.pandemicoversight.gov/>).

During this semiannual reporting period, as part of our compliance monitoring of CRF payments, a certified independent public accounting firm (IPA), working under a contract with and supervised by our office, performed the following activities and outreach efforts for CRF recipients.

Desk Review of Bucks County, Pennsylvania’s Use of Coronavirus Relief Funds

The IPA found that the expenditures related to contracts greater than or equal to \$50,000, aggregate reporting less than \$50,000,⁷ and aggregate payments to individuals’⁸ payment types do not comply with CARES Act and Treasury’s guidance. Based on the totality of the work performed, the IPA determined that Bucks County’s risk of unallowable use of funds is moderate and recommended that Treasury Office of Inspector General (OIG) follow-up with Bucks County’s management, to confirm the transactions noted as unsupported or ineligible expenditures across all payment types, are recouped or reallocated to other eligible uses; and determine the feasibility of conducting an audit on those related transactions. ([OIG-CA-24-019](#)) **\$111,423 Questioned Costs**

Desk Review of Bergen County, New Jersey’s Use of Coronavirus Relief Funds

The IPA found the expenditures related to the contracts greater than or equal to \$50,000 and transfers greater than or equal to \$50,000⁹ payment types complied with the CARES Act and Treasury’s Guidance. The IPA also found that the direct payments greater than or equal to \$50,000 payment type complied with the CARES Act but did not comply with Treasury’s Guidance. Additionally, the IPA found that the aggregate reporting less than \$50,000 payment type did not comply with the CARES Act and Treasury’s Guidance. The IPA personnel

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- ⁷ 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).
- ⁸ 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.
- ⁹ A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

reviewed documentation for a non-statistical selection of 20 transactions reported in the quarterly Financial Progress Reports and identified unsupported questioned costs totaling \$57,000. Based on the totality of the work performed, the IPA determined that Bergen County’s risk of unallowable use of funds is moderate and recommended that Treasury OIG follow-up with Bergen County’s management, to confirm the unsupported expenditures within aggregate reporting less than \$50,000, are recouped or reallocated to other eligible uses; and determine the feasibility of conducting an audit on those related transactions. ([OIG-CA-24-028](#)) **\$57,000 Questioned Costs**

Emergency Rental Assistance Oversight

Section 501 of the CAA, 2021 assigned our office the responsibility to conduct monitoring and oversight of the receipt, disbursement, and use of ERA1 and ERA2 funds and the authority to recoup funds used in violation of the CAA, 2021 and Treasury’s guidance. The ERA1 statute, codified at 15 USC § 9058a, and the ERA2 statute, codified at 15 USC § 9058c, direct Treasury to make allocations and payments to eligible grantees such as State and Local governments, who in-turn, make funding available in the form of rental assistance to eligible households. As part of its oversight authority for ERA1, if Treasury OIG determines that a grantee failed to comply with the use of funds requirements in the statute, the amount equal to the amount of funds used in violation shall be booked as a debt of such entity owed to the Federal Government (i.e., recoup the misused funds). Under ERA2, Treasury OIG reports misused funds to Treasury management as questioned costs for its action.

During this reporting period we performed the following activities and outreach efforts for ERA1 and ERA2:

Emergency Rental Assistance Payments Made by the City of Houston, TX and Harris County, TX

Based on numerous complaints received through our Office of Investigations hotline, we initiated desk reviews of Houston’s and Harris County’s ERA1 Program. We also received a request from GAO to review potential duplicative assistance involving these grantees.

We found 21,123 potential duplicative assistance payments related to overlapping grantee jurisdictions for Houston and Harris County from Treasury’s ERA1 database. Based on the non-statistical sample reviewed, we found

21 beneficiaries who received \$110,928 in overpayments. Of the \$110,928 in overpayments, we questioned \$98,242 as unallowable costs. We also found overpayments due to assistance exceeding the allowed 15 months, payments for ineligible expenses to beneficiaries who did not provide adequate proof of identification or proof of residence in accordance with grantees' program policy, and a payment error. Lastly, we found a payment on behalf of a beneficiary where the landlord and tenant may have had a familial relationship.

We recommended Treasury's Office of Capital Access management require the grantees' management to take appropriate and timely corrective actions to (1) determine if payments in the total population we used were made to eligible beneficiaries in the correct amounts, (2) identify whether additional ERA1 ineligible and duplicate payments occurred after December 31, 2021, and if applicable, provide the amount of such payments, and (3) identify whether ineligible and duplicate payments were made during the entire ERA2 award period of performance and if applicable, provide the amount of such payments. We also recommended that Treasury management develop, document, and communicate to our office its processes to monitor grantees for overpayments and duplicate payments, track grantees' recharacterizations,¹⁰ and ensure data quality for household addresses provided by grantees. Lastly, we recommended that Treasury management provide technical advice and counsel to all grantees and our office about the use of funds in circumstances where a landlord and a tenant are related.

Treasury management agreed with our recommendations and the planned corrective actions meet the intent of our recommendations. ([OIG-CA-24-029](#))
\$98,242 Questioned Costs

State of Washington

The State of Washington is a recipient of funds under the ERA1 statute. In August 2023, we received a report from a Thurston County internal auditor of 10 cases of suspected and confirmed fraudulent ERA1 financial assistance

¹⁰ There may be cases in which a grantee discovers that a household has received ERA assistance from multiple grantees intended to cover the same period of rent, utilities, rental arrears, or utility arrears. In such cases, assuming certain conditions are met, the grantee may decline to recover its payment and instead recharacterize it as assistance covering a different period of eligible rental or utility expenses. Department of the Treasury, "Emergency Rental Assistance Frequently Asked Questions" question 45 (May 10, 2023).

payments made by Thurston County Public Health and Social Services, a subrecipient of the State of Washington. We agreed with the Thurston County internal auditor’s conclusions on 9 of the 10 cases. Based on the information provided, we determined that the State of Washington, through its subrecipient, Thurston County Public Health and Social Services’ ERA1 program, paid out ERA1 funds totaling \$151,685.49 in violation of the ERA1 statute because the funds were disbursed to ineligible households. On July 16, 2024, Treasury’s Bureau of the Fiscal Service (Fiscal Service) issued an invoice for \$151,685 to the State of Washington. ([OIG- CA-24-024](#), Redacted) **\$151,685 Questioned Costs**

Thurston County, Washington

Thurston County, Washington (Thurston County) is a recipient of funds under the ERA1 statute. In August 2023, we received a report from a Thurston County internal auditor of eight cases of suspected and confirmed fraudulent ERA1 financial assistance payments made by Thurston County. We agreed with the Thurston County internal auditor’s conclusions on seven of the eight cases. Based on the information provided, we determined that Thurston County’s ERA1 program paid out ERA1 funds totaling \$100,150 in violation of the ERA1 statute because the funds were disbursed to ineligible households. On July 16, 2024, Fiscal Service issued an invoice for \$100,150 to Thurston County. ([OIG- CA- 24- 023](#), Redacted) **\$100,150 Questioned Costs**

State of Missouri

The State of Missouri is a recipient of funds under the ERA1 statute. In June 2023, we made an inquiry to Missouri Housing Development Commission (MHDC), a subrecipient that administers the ERA program for the State of Missouri, regarding an allegation of fraud reported by MHDC to the Treasury OIG Hotline that an individual submitted fraudulent applications to receive rental assistance funds. Based on the information obtained in response to our inquiry, we determined that MHDC paid out ERA1 funds in the amount of \$24,600 in violation of the ERA1 statute because the funds were disbursed to an ineligible household. On April 18, 2024, Fiscal Service issued an invoice for \$24,600 to the State of Missouri. ([OIG-CA-24-020](#), Redacted) **\$24,600 Questioned Costs**

State of Michigan

On August 18, 2021, Treasury OIG received a complaint that alleged an individual submitted fraudulent documentation to receive rental assistance funds. On May 12, 2023, Treasury OIG referred this complaint to the State of Michigan for its review. Based on the results of its review, we determined that the State of Michigan paid out \$11,400 of ERA2 funds in violation of the Use of Funds statute because the funds were paid to an ineligible household. In response to a draft of this questioned cost finding, the State of Michigan reimbursed its ERA2 program account for \$11,400 with non-federal funds. Accordingly, we make no recommendation to Treasury management in this memorandum. ([OIG-CA-24-022](#), Redacted) **\$11,400 Questioned Costs**

Cyber/Information Technology

Assessment of the Department of the Treasury’s Incident Response Reporting Process for Select Incidents

We performed this assessment as part of our ongoing oversight of Treasury’s compliance with the Federal Information Security Modernization Act of 2014 (FISMA), which required agencies to develop, document, and implement an agency-wide information security program including procedures for detecting, reporting, and responding to security incidents. To support our ongoing oversight of Treasury’s compliance with FISMA, we performed periodic assessments of the information security programs and practices of Treasury’s bureaus and offices.

We found Treasury effectively implemented federal and departmental requirements for reporting cyber incidents. However, we found discrepancies in Treasury’s procedures and processes for determining and declaring the severity level of incidents. We made two recommendations to the responsible officials to address the identified deficiencies. Treasury management agreed with the recommendations and prepared corrective actions that were responsive to the intent of our recommendations. Due to the sensitive nature of these systems, this report is designated Sensitive But Unclassified. ([OIG-CA-24-027](#), Sensitive But Unclassified)

FISMA

The FISMA requires Inspectors General to perform an annual, independent evaluation of their agency’s information security program and practices. During this semiannual reporting period, we issued the following reports on Treasury’s and the Gulf Coast Ecosystem Restoration Council’s (Council) compliance with FISMA.

Audit of the Department of the Treasury Federal Information Security Modernization Act, Fiscal Year 2024 Performance Audit for the Collateral National Security Systems

A certified independent public accounting firm (IPA), working under a contract with and supervised by our office, performed an audit of Treasury’s information security program and practices for its collateral National Security Systems for the period April 1, 2023, through March 31, 2024. For fiscal year 2024, the IPA reported that Treasury established and maintained its information security program and practices for its collateral national security systems for the 5 Cybersecurity Functions and 9 FISMA Metric Domains. The IPA assessed Treasury’s information security programs and practices for both of its Collateral National Security Systems as Consistently Implemented (Level 3), which was ineffective according to the Department of Homeland Security’s (DHS) criteria. While the IPA did not identify any new findings, most metrics were not assessed as Managed and Measurable (Level 4) due to a lack of identified qualitative and quantitative performance measures on the effectiveness of the security programs and practices. As one prior year finding remained open, Treasury management agreed with the recommendation and prepared a corrective action plan that met the intent of the IPA’s recommendation. Due to the sensitive nature of these systems, this report is designated Sensitive But Unclassified. ([OIG-24-033](#), **Sensitive But Unclassified**)

Audit of the Department of the Treasury Federal Information Security Modernization Act, Fiscal Year 2024 Performance Audit for the Unclassified Systems

An IPA, working under a contract with and supervised by our office, performed an audit of Treasury’s unclassified systems, for the period April 1, 2023, through March 31, 2024. The Treasury Inspector General for Tax Administration (TIGTA) performed the annual FISMA evaluation of the Internal Revenue Service (IRS) unclassified systems. For fiscal year 2024, the IPA reported Treasury’s information security program and practices for its unclassified systems were established and have been maintained for the 5 Cybersecurity Functions and 9

FISMA Metric Domains. However, the program was not effective according to DHS criteria and as reflected by 4 deficiencies noted by the IPA within 4 of the 5 Cybersecurity Functions and within 4 of the 9 FISMA Metric Domains. Accordingly, the IPA made 6 recommendations to the responsible officials to address the identified deficiencies. Treasury management agreed with the recommendations and prepared corrective action plans that met the intent of the IPA’s recommendations. Due to the sensitive nature of these findings, this report is designated Sensitive But Unclassified. ([OIG-24-034](#), Sensitive But Unclassified)

Fiscal Year 2023 Audit of the Department of the Treasury’s Information Security Program and Practices for Its Intelligence Systems

We found Treasury’s intelligence systems for the period April 1, 2022, through March 31, 2023, were not effective according to DHS criteria. Treasury management concurred with the recommendations made in our report. Due to the sensitive nature of these systems, this report is designated as Classified. ([OIG-24-046](#), Classified)

Fiscal Year 2024 Audit of the Department of the Treasury’s Information Security Program and Practices for Its Intelligence Systems

We found Treasury’s intelligence systems for the period April 1, 2023, through March 31, 2024, were not effective according to DHS criteria. Treasury management concurred with the recommendations made in our report. Due to the sensitive nature of these systems, this report is designated as Classified. ([OIG-24-047](#), Classified)

The Gulf Coast Ecosystem Restoration Council Federal Information Security Modernization Act of 2014 Evaluation Report for Fiscal Year 2024

An IPA, working under a contract supervised by our office, performed the annual FISMA evaluation of the Council’s security program and practices for the period April 1, 2023, through March 31, 2024. The IPA found the Council’s information security program and practices were effective for the evaluation period. The IPA did not make any recommendations to the Council. Council’s management concurred with the report. ([OIG-CA-24-021](#))

Geospatial Data Act

Title VII, Subtitle F, Section 759(c) of the Geospatial Data Act of 2018 (GDA) requires the Inspector General of a covered agency to submit to Congress an audit of the collection, production, acquisition, maintenance, distribution, use, and preservation of geospatial data by the covered agency on a biennial basis. Section 759(c) requires that Inspectors General review the respective covered agency's compliance with the following: (1) standards for geospatial data, including metadata for geospatial data, established under Section 757; (2) the 13 covered agency responsibilities under Section 759(a); and (3) limitations on the use of federal funds under Section 759A. We issued the following biennial report during this semiannual reporting period.

Audit of the Department of the Treasury's Compliance with the Geospatial Data Act of 2018

Treasury's Office of the Chief Information Officer is responsible for the oversight of implementing the Act at Treasury. Of the Treasury bureaus, only the Alcohol and Tobacco Tax and Trade Bureau currently has reportable geospatial data. We concluded that Treasury complied with the 13 covered agency responsibilities as identified under Section 759(a) of the GDA. We did not evaluate the requirements included in Sections 759(c)(1) and 759(c)(3) because comprehensive geospatial data standards had not been established by the Federal Geographic Data Committee. There were no recommendations in the report. ([OIG-24-035](#))

Anti-Money Laundering/Terrorist Financing and Intelligence

We conduct audits of Treasury's anti-money laundering and terrorist financing programs. We issued the following report during this semiannual period.

Audit of FinCEN's Management of BSA Data – User Access

This report is the second in a series of reports presenting the results of our audit of Treasury's Financial Crimes Enforcement Network's (FinCEN) management of Bank Secrecy Act (BSA) data, and more specifically granting and revoking access to FinCEN Portal.

We found that FinCEN did not manage aspects of BSA data access in compliance with applicable policies and procedures, memoranda of

understanding (MOU), and government-wide standards. Specifically, FinCEN did not: (1) have proper controls to ensure that external agencies provided proper notification to FinCEN when disabling accounts, (2) maintain proper records of the dates and reasons internal user accounts were disabled, (3) timely disable internal user accounts, (4) properly complete out-processing forms for departed employees, and (5) require agencies to identify whether users received background checks.

We recommended that the Director of FinCEN: (1) implement internal controls to ensure that agencies properly notify FinCEN when agencies revoke user access for non-routine actions; (2) determine whether the MOU requirement that agencies notify FinCEN when they revoke user access for routine personnel actions is necessary, and if not, communicate this change to agencies, in writing, and remove that language from future MOUs; (3) update MOUs and related guidance to specifically require agencies to disable accounts when their users no longer require or meet criteria for access, and to include a timeliness metric to ensure accounts are disabled promptly; (4) determine if a database software update is warranted to accurately capture a historical record of the dates and reasons user accounts are disabled, and if warranted, implement the update; otherwise, design and implement an alternative tracking method; (5) update the *FinCEN Portal/Query/FIR – Disabled Account Tickets* standard operating procedures (SOP) to add quarterly and “spot-check” reviews of disabled user accounts to determine if supervisors are providing advance notification of departing employees and if Application Help Desk Technicians are appropriately and timely disabling accounts; (6) update the *Account Management* guidance to include a timeliness metric for how quickly Application Help Desk Technicians must disable an account when a user no longer requires access; (7) implement quality control measures, including a timeliness metric for form completion, to ensure supervisors properly review and complete departed employees’ out-processing forms; and (8) ensure the background check field is mandatory for Portal user account profiles, and until the related system update takes effect, design and implement a process to ensure only users with background checks can access BSA data, and confirm that background checks were completed for all existing users.

FinCEN management concurred with our recommendations and provided their implemented and planned corrective actions. FinCEN’s stated corrective actions meet the intent of our recommendations. ([OIG-24-030](#))

Manufacturing and Revenue

We conduct audits of Treasury’s coin, currency, and alcohol and tobacco tax and trade programs. We issued the following report during this semiannual period.

The Mint Needs to Enhance Controls Over Gold Acquisitions

We performed a review of the United States Mint (Mint) process and controls to acquire gold for use in the Mint’s gold bullion and numismatic programs, including controls used by the Mint’s gold bullion suppliers and refiners to ensure responsible sourcing.

We found the Mint did not receive illicit gold and that the gold is responsibly sourced; however, further engagement with its gold suppliers and refiners would enhance controls over the process. Specifically, we found the Mint has limited engagement with its gold bullion suppliers or approved gold refineries to reaffirm that responsible sourcing requirements are being conducted in accordance with U.S. law. The Mint did not request or obtain any documentation from gold refiners concerning the origin of the gold or relating to the supply chain and primarily relies on the gold refiners’ adherence to the London Bullion Market Association’s (LBMA) Good Delivery List (GDL) to ensure that gold acquired by the Mint is responsibly sourced. The LBMA GDL is the list of gold and silver refiners whose products are acceptable to be traded on the London bullion market. To be listed on the GDL, refiners must undergo, among other things, stringent checks regarding their history in the market, their financial standing, and their compliance with standards for responsible sourcing and their ability to produce bars that meet the specified standards.

Additionally, we found that the Mint cannot ensure most gold coins produced are minted from newly mined U.S. gold and in compliance with the Gold Bullion Coin Act of 1985¹¹ and the Presidential \$1 Coin Act of 2005.¹² This is due to the Mint’s lack of documentation from its gold refiners certifying the amount of newly mined U.S. gold acquired. We also found it questionable whether the Mint’s methodology used to determine what constitutes newly mined U.S. gold is permissible under current U.S. law and that the Mint’s website represented certain gold coins as minted entirely from U.S. gold, which may mislead purchasers.

¹¹ P.L. 99-185

¹² P.L. 109-145

We recommended that the Director of the Mint ensure the Mint (1) considers additional procedures to oversee refiners including, but not limited to, obtaining and periodically reviewing documentation from the Mint’s approved refineries, such as the LBMA-required third party audits and supporting documentation, to ensure that refineries are sourcing gold responsibly in accordance with U.S. law and the best interests of the U.S. Government; and (2) within 30 days of issuance of this report, develops a plan that outlines the steps and controls the Mint will implement to comply with Public Law 99-185 and Public Law 109-145 in the production of gold coins, which includes a review of the Mint’s current methodology to ensure it complies with U.S. law. As part of this review, the Mint should publish its procedures for acquiring newly mined U.S. gold in the Federal Register. Furthermore, the Mint needs to update its website for accuracy.

Mint management concurred with our audit’s findings and outlined planned corrective actions to implement our recommendations. ([OIG-24-027](#))

U.S. Treasury’s Role with the Customs Revenue Function – Trade Facilitation and Trade Enforcement Act of 2015, Section 112

We performed a review of Treasury’s role with the Customs revenue function. We found Treasury needs to address the official delegation of Customs revenue responsibilities following the May 2022 retirement of the Deputy Assistant Secretary for Tax, Trade, and Tariff Policy who was delegated the responsibility retained by Treasury related to Customs revenue functions. Treasury officials have since continued to be engaged in the Customs revenue function and acknowledge our recommendation to update orders and directives as necessary and have considered how to best allocate responsibility for Customs revenue functions between Treasury and the U.S. Department of Homeland Security. Treasury officials anticipate this will be completed in 60 days from issuance of this memorandum as we recommended. ([OIG-CA-24-025](#))

Financial Management

A certified independent public accounting firm (IPA), working under a contract with and supervised by our office, performed an audit of Treasury’s compliance with the Payment Integrity Information Act of 2019 (PIIA) for fiscal year (FY) 2023. Our office performed the audit of the Council’s compliance with PIIA for FY 2023. As required by

PIIA, we reported on Treasury and the Council’s overall compliance with PIIA for FY 2023.

Treasury PIIA for FY2023

The IPA determined that Treasury was not in compliance with PIIA for FY 2023. Specifically, Treasury did not adequately conclude whether programs are likely to make Improper Payments and Unknown Payments above or below the statutory threshold for two pandemic relief programs—the Emergency Rental Assistance Program and Air Carrier Payroll Support Programs; and did not comply with the requirement to report an improper payment rate of less than 10 percent for four IRS programs identified as susceptible to significant improper payments: (i) Earned Income Tax Credit; (ii) American Opportunity Tax Credit; (iii) Additional Child Tax Credit; and (iv) Net Premium Tax Credit. Treasury complied with the remaining eight PIIA requirements. ([OIG-24-029](#))

Gulf Coast PIIA FY 2023

We determined that the Council complied with the applicable requirements of PIIA for fiscal year 2023. We made no recommendations in this report. ([OIG- 24- 028](#))

Attestation Engagements

An IPA, under contract monitored by our office, completed the report described below in support of the audit of Treasury’s FY 2024 consolidated financial statements and the financial statement audits of certain other federal agencies.

Report on the Processing of Transactions by Treasury Enterprise Applications

The IPA examined management of the Treasury Enterprise Applications’ description of controls for processing user entities’ human resource transactions in its HRConnect system; and the suitability of the design and operating effectiveness of these controls for the period beginning July 1, 2023, and ending June 30, 2024. The IPA found, in all material respects, the controls were fairly presented in the description of controls for this system, suitably designed, and controls tested operated effectively throughout the period. ([OIG- 24-031](#))

Federal Financial Management Improvement Act

The following instance of noncompliance with the Federal Financial Management Improvement Act of 1996 was reported in connection with the audit of Treasury’s FY 2023 consolidated financial statements.

Condition	Type of noncompliance
Treasury continues to have deficiencies in IRS financial management systems. Specifically, Treasury did not consistently design, implement, and operate information system controls and security programs over its financial systems in accordance with the federal financial management system requirements. (First reported in FY 1997)	Federal financial management system requirements

The status of this instance of noncompliance, including progress in implementing remediation plans, will be evaluated as part of the audit of Treasury’s FY 2024 consolidated financial statements.

Consolidated Appropriations Act, 2021

We are required to submit a report twice a year to Congress and Treasury on the oversight provided for programs established under Title V, Subtitle B in Division N of the CAA, 2021. During this semiannual reporting period, we reported on the Community Development Financial Institutions (CDFI) Fund’s Award and Post-Award Administration of the CDFI Equitable Recovery Program (CDFI ERP) and Treasury’s Soundness of Investment Decisions for Participation in the Emergency Capital Investment Program (ECIP).

Audit of Treasury’s Soundness of Investment Decisions for Participation in the Emergency Capital Investment Program

We performed this audit in accordance with Title V, Subtitle B in Division N of CAA, 2021, which requires the Treasury OIG to submit a report twice a year to Congress and the Treasury on the oversight provided for the programs established under Subtitle B, including any recommendations for improvement.

We found that Treasury accurately allocated investments under the Emergency Capital Investment Program (ECIP), in accordance with CAA, 2021 and ECIP policies and procedures. Furthermore, Treasury incorporated internal controls throughout their application review and decision-making process in accordance with Government Accountability Office’s (GAO) *Standards for Internal Control in*

the Federal Government (Green Book). Treasury received 212 ECIP applications from banks, Bank Holding Companies, Savings and Loans Holding Companies, and credit unions by the established September 1, 2021, deadline. We reviewed a sample of 52 from the 212 applications and determined Treasury complied with the CAA, 2021, for investment decisions made under ECIP.

As a follow up to our Audit of Treasury’s Implementation of the Emergency Capital Investment Program ([OIG-22-028](#)), we determined Treasury finalized policies and procedures and key documentation to govern full program implementation and ongoing administration of ECIP investments and designed internal control over the program. Treasury designed and implemented *Treasury’s ECIP Standard Operating Procedures: Application Review and Decisioning Process*: (1) to standardize the process that Treasury ECIP personnel follow to review applications and select applicants for investment; and (2) to clearly document and allocate responsibilities among Treasury ECIP personnel and define roles to implement these procedures. Lastly, we determined that Treasury complied with the requirements in the GAO Green Book and Office of Management and Budget (OMB) Circular A-123, *Management’s Responsibility for Internal Control*, when reviewing and approving or disapproving ECIP applicants. ([OIG-24-036](#))

Audit of the Community Development Financial Institutions Fund’s Award and Post-Award Administration of the CDFI Equitable Recovery Program

We found the CDFI Fund documented the CDFI ERP award determination process across multiple Standard Operating Procedures (SOPs), consistent with the GAO Green Book. The CDFI Fund also accurately calculated and administered CDFI ERP awards, and issued payments, in accordance with the CAA, 2021 and the OMB’s *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 Code of Federal Regulations (CFR) Part 200* (Uniform Guidance). For applicants deemed ineligible to receive a CDFI ERP award, the CDFI Fund reviewed and documented applicants’ ineligibility in accordance with the requirements in the notice of funds availability and in compliance with internal policies and procedures. Additionally, we found the CDFI Fund designed and implemented the CDFI ERP post-award administration process, as well as developed post-award monitoring SOPs and the CDFI ERP Assistance Agreement, in compliance with the CAA, 2021, Uniform Guidance, and GAO Green Book. Furthermore, the CDFI Fund

established: (1) procedures for evaluating CDFI ERP annual compliance reports; (2) a noncompliance process; and (3) a process for closing CDFI ERP awards. We did not make any recommendations. ([OIG-24-037](#))

Other Audits of Treasury Programs and Operations

Audit of Direct Express Program Disputes Related to Certain Cardholder Accounts

This third report in the series was initiated in response to complaints made by Direct Express cardholders who contacted our Office of Investigations. Of the 42 Service Request notices¹³ reviewed, we found that Comerica, Fiscal Service’s financial agent, and Conduent, Comerica’s contractor, were compliant with Regulation E, 12 CFR Section 1005.11(c), *Time limits and extent of investigation*, with one exception. According to this section, a financial institution is required to investigate promptly and determine whether an error occurred within 10 business days of receiving a notice of error. For this instance, the cardholder gave oral notification and provided the fraud questionnaire timely; however, Conduent did not close the case until the 11th business day and did not provide a provisional credit to the cardholder. We made one recommendation in our report.

Fiscal Service’s management concurred with our recommendation. Management noted that more stringent service level requirements (SLRs) were included in the most recent financial agency agreement (FAA) with Comerica, dated January 3, 2020, to help ensure that service request notices are reviewed and processed in accordance with Regulation E. Management stated that in future Direct Express FAAs Fiscal Service intends to, subject to the financial agent’s agreement, implement measures related to Regulation E compliance, such as (1) increasing the financial agent’s expected performance levels for Regulation E compliance-related SLRs; (2) requesting that the proposed financial agent provide the capability to file disputes and track dispute status online and via the mobile app, thereby increasing the efficiency of the process and providing transparency to cardholders; and (3) requiring the financial agent to provide regular aggregate Regulation E compliance reporting data. ([OIG-24-032](#))

¹³ A Service Request notice is opened by Conduent, a contractor for Comerica, Fiscal Service’s financial agent, when a cardholder contacts Conduent to report a potential error with a card transaction.

Office of Investigations – Significant Investigations

Maryland Resident Sentenced to 24 Months in Mortgage Fraud Scheme

During this reporting period, the subject of a Department of the Treasury (Treasury) Office of Inspector General (OIG) and Fairfax County Police Department investigation was sentenced to 24 months' incarceration, 36 months of supervised release, \$183,000 in restitution, and a \$100 special assessment for bank fraud. The subject devised a scheme to defraud a mortgage lender into agreeing to a short sale, or pre-foreclosure sale, of a residential property in Alexandria, Virginia that was pending foreclosure for non-payment of the mortgage. The subject and the nominee owner received the proceeds of the fraudulent sale which was used to pay off the remaining loan balance and purchase a new property in Ft. Washington, Maryland. The subject also forfeited \$276,000 of the proceeds of the offense prior to sentencing. The U.S. Attorney's Office (USAO) for the Eastern District of Virginia prosecuted the case.

Emergency Rental Assistance Funds Disbursement Unsubstantiated

On June 12, 2024, Treasury OIG completed its investigation into a complaint received from a charitable organization in Houston, Texas regarding an allegation of an identified landlord to defraud the Emergency Rental Assistance (ERA) program of approximately \$1.9 million via suspected fraudulent ERA applications. Treasury OIG unsubstantiated the complaint through document reviews, interviews of current and past residents listed on the applications in question, and subsequent subject interviews. Treasury OIG was able to corroborate all the applications previously identified as fraudulent were legitimate ERA applications.

Former Treasury Policy Advisor Sentenced for Violent Crimes

On May 16, 2024, Treasury OIG completed its report of investigation for a case alleging a former Treasury Departmental Offices (DO) Policy Advisor committed violent crimes. The investigation by the Arlington County Virginia Police Department resulted in a substantiation of the allegations and the subject was sentenced in Arlington County Virginia Circuit Court to 36 months' incarceration and 288 months' supervised release. Treasury OIG monitored the Arlington Circuit Court activity and acted in an intermediary capacity by providing open-source court information to the DO. Treasury OIG has provided a report to the DO for its information.

Allegations of Emergency Rental Assistance Fraud Substantiated

On April 15, 2024, Treasury OIG completed its report of investigation based on receipt of a complaint alleging that one individual submitted three false tenant applications and one fraudulent landlord application to obtain \$101,000 in California Coronavirus Disease 2019 (COVID-19) Rent Relief funds from the ERA program. The investigation revealed the subject filed a fraudulent landlord application and took over the true landlord's ERA account to erroneously obtain ERA funds for himself and three fake tenants totaling \$101,000. The investigation was presented to the California Office of the Attorney General and was subsequently declined due to lack of prosecutorial resources and higher priority investigations. This case was presented to the USAO for the Northern District of California, who declined prosecution due to lack of prosecutorial resources and higher priority investigations.

Civil Settlement Obtained for Contractors that Failed to Meet Cybersecurity Requirements Regarding the Emergency Rental Assistance Program

On May 13, 2024, two contractors agreed to pay a total of \$11 million in civil settlements for failing to abide by requirements of New York's ERA program. The ERA contract required specific cybersecurity requirements, and the contractors admitted they had failed to properly meet the requirements. The USAO for the Northern District of New York and Department of Justice Civil Division negotiated the settlement.

Allegation of Payroll Support Program Fund Misuse by Recipient Business Unsubstantiated

On July 26, 2024, Treasury OIG completed its report of an investigation into an allegation of misuse of Payroll Support Program (PSP) funding received by a business in Ohio. Allegedly, the business obtained \$50,350,000 in PSP between 2020 and 2021 and was using the funds to pay off previous debts rather than to pay employees. Treasury OIG reviewed internal business documents, bank data, and audit reports that revealed no evidence of a misuse of PSP funds occurred. The investigation further determined that the PSP funds were deposited into an account used for the purpose of employee payroll.

PRAC Subject Sentenced for Theft of Government Funds After Falsifying Economic Injury and Disaster Loan and Paycheck Protection Program Loan Applications

On April 26, 2024, a subject in a Pandemic Response Accountability Committee (PRAC) Task Force investigation was sentenced to 36 months' probation, with four months' home confinement, and \$200,000 in restitution. The subject applied for and received one Economic Injury and Disaster Loan (EIDL), and two Paycheck Protection Program (PPP) loans, while debarred from receiving federal contracts. The subject attested on each PPP and EIDL application that they were not barred from receiving federal contracts. The USAO for the Eastern District of Virginia prosecuted the case.

Coronavirus Relief Fund, Paycheck Protection Program, and Economic Injury and Disaster Loan Fraud Substantiated

On August 29, 2024, Treasury OIG completed its report of investigation for a joint case with the Federal Bureau of Investigation (FBI) regarding Coronavirus Relief Fund (CRF) fraud against the Department of Economic Development, Louisville, KY. Specifically, the investigation revealed three subjects conspired to submit fraudulent documentation to obtain CRF funding for businesses they owned during the COVID-19 pandemic. The subjects also received funding from the Small Business Administration's PPP and EIDL program, both totaling over \$200,000. This matter was presented and declined by the USAO for the Western District of Kentucky and the USAO for the Eastern District of Kentucky, citing the loss amount being below threshold and venue concerns.

Allegations of CARES ACT Fraud by Monacan Indian Nation Unsubstantiated

On July 26, 2024, Treasury OIG completed its investigation into a complaint alleging that the Tribal leadership of Monacan Indian Nation was misspending the funding on property, new vehicles, and repaired existing buildings for unknown purposes. Treasury OIG's investigation also revealed the Tribe's law firm, Cultural Heritage Partners, received a significant amount of funds from the receipt of CRF. Treasury OIG, in coordination with the Office of Audit, conducted an eligibility meeting and concluded the purchase of the properties, the renovations to the properties, the purchase of a vehicle, and the law firm's funds was considered an eligible use of CRF assistance. The allegations were unsubstantiated.

Two Subjects Sentenced for Theft of U.S. Treasury Checks

On June 26, 2024, the final subject in a joint Treasury OIG, FBI, Treasury Inspector General for Tax Administration (TIGTA), U.S. Postal Inspection Service, and the Internal Revenue Service (IRS) - Criminal Investigation Division investigation was sentenced. Two subjects conspired and stole a Thrift Saving Plan withdrawal check and tax refund checks. The two subjects were sentenced to a 120 months' incarceration, 72 months' probation, and \$3 million in restitution. The USAO for the Southern District of Texas prosecuted the case.

Bureau of Engraving and Printing Employee Accepted Illegal Gratuities from a Government Contractor Substantiated

On February 21, 2024, Treasury OIG completed its report of investigation for a case initiated upon notification that Bureau of Engraving and Printing (BEP) employees responsible for overseeing a contractor's activities may have engaged in an inappropriate relationship with the contractor's owner. Treasury OIG's investigation determined a BEP employee accepted financial and other incentives from the contractor. The USAO for the District of Columbia declined the case for federal prosecution. Criminal prosecution of the subject was also presented to the Office of the Attorney General for the District of Columbia and was declined.

Treasury OIG Accomplishments and Activities

Treasury OIG Leadership Roles

Department of the Treasury (Treasury) Office of Inspector General (OIG) professionals serve on various important public and private professional organizations supporting the federal audit community. Examples of participation in these organizations follows:

Pauletta Battle, Deputy Assistant Inspector General for Financial Management and Transparency Audits, serves as the Council of the Inspectors General on Integrity and Efficiency's Accounting and Auditing Policy Committee member on the Federal Accounting Standards Advisory Board.

Cecilia Howland, Deputy Assistant Inspector General for Cyber and Financial Assistance Audits, is the National Single Audit Coordinator for Treasury.

Statistical Summary

Summary of Treasury OIG Activities

April 1, 2024, through September 30, 2024

OIG Activity	Number or Dollar Value
Office of Counsel Activities	
Regulation and legislation reviews	11
Instances where information was refused	0
Office of Audit Activities	
Reports issued and other products	35
Disputed audit recommendations	0
Significant revised management decisions	0
Management decision in which the Inspector General disagrees	0
Monetary benefits (audit)	
Questioned costs	\$992,965
Funds put to better use	\$0
Total monetary benefits	\$992,965
Office of Investigations Activities*	
Criminal and judicial actions (including joint investigations)	
Investigative reports issued	71
Cases referred for prosecution and/or litigation	21
Individuals referred for criminal prosecution to the Department of Justice	28
Individuals referred for criminal prosecution to state and local authorities	2
Cases accepted for prosecution and/or litigation	8
Arrests	2
Indictments/informations	15
Convictions (by trial and plea)	13

**During the reporting period, subjects were sentenced to 609 months of prison time, 528 months of probation, and ordered to pay fines, restitution, and court fees in the amount of \$14,948,508.*

Metrics Used for Office of Investigations Activities

Department of the Treasury (Treasury) Office of Inspector General (OIG) investigative statistics listed above were obtained through closed reports drawn from Treasury OIG's Office of Investigations case management system.

Reports with Unimplemented Recommendations

Issued prior to October 1, 2024

The following list of Treasury OIG reports with unimplemented recommendations is based on information in Treasury’s automated audit recommendation tracking system, which is maintained by Treasury management officials, and recommendations tracked by other federal organizations related to Treasury OIG’s oversight of the Resources and Ecosystems Sustainability, Tourist Operations, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) programs and activities of the Gulf Coast Ecosystem Restoration Council (Council) and the National Oceanic and Atmospheric Administration’s (NOAA) Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program; and of U.S. Department of Homeland Security (DHS), U.S. Customs and Border Protection’s (CBP) programs and activities related to protecting revenue.

Treasury OIG is reporting 105 open and unimplemented recommendations for 46 reports issued prior to April 1, 2024, with over \$2.2 billion in potential cost savings.

Treasury OIG considers the following unimplemented recommendations to be significant.

Treasury Programs and Operations

Fiscal Year	Report Number	Report Title	Date Issued
2016	OIG-16-059	<i>GENERAL MANAGEMENT: Treasury Has Policies and Procedures to Safeguard Classified Information But They Are Not Effectively Implemented</i>	09/16
1.	The Assistant Secretary for Intelligence and Analysis should direct the Deputy Assistant Secretary for Security to update the Treasury Security Manual to include procedures requiring the Office of Security Programs to follow up and obtain all bureau self-inspection reports. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2018	OIG-18-044	<i>TERRORIST FINANCING/MONEY LAUNDERING: Audit of the Office of Intelligence and Analysis' Authorities and Actions Related to U.S. Persons' Financial Information</i>	04/18
1.	The Under Secretary for Terrorism and Financial Intelligence, as expeditiously as possible, should implement a compliance monitoring program to assess whether intelligence analysts' activities are conducted in accordance with Office of Intelligence and Analysis authorities, and electronic searches and other queries are performed in a manner that fully protects the rights of U.S. persons. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2019	OIG-19-007	<i>INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2018 Performance Audit</i>	10/18
1.	Treasury Inspector General for Tax Administration (TIGTA) management should establish a current enterprise baseline of software and related configurations for the TIGTA System. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-003	<i>INFORMATION TECHNOLOGY:</i>	10/19
1.& 2.	U.S. Mint (Mint) management should finalize and implement its bureau-wide privacy program that includes a strategic organizational privacy plan for implementing applicable privacy control and procedures in accordance with National Institute of Standards and Technology 800-53. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-007	<i>DATA ACT: Treasury Continues to Make Progress in Meeting its DATA Act Reporting Requirements</i>	11/19
1.	Treasury’s Assistant Secretary for Management, working as needed with Treasury’s Senior Accountable Official, the Senior Procurement Executive, reporting entities, the Program Management Office, and the Office of Management and Budget should develop and implement a method and procedures to submit Treasury Forfeiture Fund financial assistance award data to the Financial Assistance Broker Submission in accordance with the reporting submission specifications established by the Digital Accountability and Transparency Act (DATA Act) Information Model Schema. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-022	<i>FINANCIAL MANAGEMENT: Management Report for the Audit of the Department of the Treasury’s Consolidated Financial Statements for Fiscal Years 2019 and 2018</i>	12/19
1.	Bureau of the Fiscal Service (Fiscal Service) management finalize policies and procedures to review audit logs of production DB2 servers.		
2.	<p>Implement an oversight process to ensure that designated Fiscal Service personnel:</p> <ul style="list-style-type: none"> a. Reviews the security logs for the UNIX and DB2 servers hosting the Payment Information Repository, Judgment Fund Internet Claim System, and Security Payment System applications on a pre-defined frequency, as indicated in the Fiscal Service Baseline Security Requirements, b. Formally documents completion of their reviews and any escalations to the Information System Security Office, and c. Retains the audit logs and documentation of its reviews for 18 months, as required by the Baseline Security Requirements. 		
3.	Periodically review Fiscal Service management’s implementation and operation of the review the security audit logs for the UNIX and DB2 servers hosting the Payment Information Repository, Judgment Fund Internet Claim System, and Security Payment System applications to determine that Fiscal Service management completes the reviews on a pre-defined basis, documents completion of the reviews and escalations, and maintains such documentation.		

4.	Establish an effective enforcement process or mechanism to ensure that (a) UNIX and DB2 events and monitoring controls are followed, and (b) Fiscal Service management has confidence it consistently reviews for potential unauthorized or inappropriate activity.		
5.	Develop and implement documentation to assign responsibility for ensuring adequacy of UNIX and database security and baseline settings.		
6.	Update existing UNIX and database configuration security baseline documents to ensure that these documents fully incorporate and enforce the components of the Defense Information Systems Agency Security Technical Implementation Guides. Management should document any deviations from the Security Technical Implementation Guides and note compensating controls that mitigate the security risk to an acceptable level.		
7.	Develop, document, and implement policies, procedures, and controls to conduct periodic reviews of actual UNIX and database settings against the security configuration baselines.		
8.	Provide logging and monitoring of security related events to include the retention of evidence of reviews performed.		
9.	Develop a baseline of essential security settings and specifying that baseline as the standard to be observed.		
10.	Implement corrective actions to address all vulnerabilities associated with the baseline enforcement to include removing the three default user accounts on UNIX servers. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-027	<i>RESOURCE MANAGEMENT: Audit of the Department of the Treasury Departmental Offices Executive Pay Adjustments, Bonuses, and Awards</i>	02/20
1.	Office of the Deputy Assistant Secretary for Human Resources and Chief Human Capital Officer and Office of Executive Resources calculate the overpayment amounts for the two Departmental Office Senior Executive Service members whose pay was set higher than allowed by regulation. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-029	<i>GULF COAST RESTORATION: Jefferson Parish's Internal Control Over Federal Awards</i>	03/20
1.	The Fiscal Assistant Secretary should ensure that deficiencies identified in Jefferson Parish, Louisiana's controls over Federal awards are considered as part of the Treasury's oversight of future awards as well as risk assessments of Jefferson Parish as required by the <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200</i> (Uniform Guidance). Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-040	<i>BILL AND COIN MANUFACTURING: Audit of Bureau of Engraving and Printing's Implementation of Security Features and Meaningful Access for the Blind and Visually Impaired into New Note Design</i>	06/20
1.	The Director of Bureau of Engraving and Printing (BEP) in collaboration, as necessary, with members of the United States Currency Program, should ensure the Advanced Counterfeit Deterrence Steering Committee charter is updated in a timely manner, and as needed, to ensure roles, responsibilities, and current practices, such as the attendance of Advanced Counterfeit Deterrence Steering Committee monthly meetings by appropriate personnel, are clearly defined and communicated to its members. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2021	OIG-21-021	<i>FINANCIAL MANAGEMENT: Management Report for the Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2020 and 2019</i>	02/21
1.	Fiscal Service management should perform a review of the current system environment against the Configuration Management Database to ensure that all information system components are inventoried.		
2.	Perform a risk assessment over the subject matter and determine the appropriate personnel to be responsible for monitoring and updating the Configuration Management Database.		
3.	Update policy and procedures related to the above recommendations and disseminate the documentation to enforce such policy and procedures. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2021	OIG-21-026	<i>BILL AND COIN MANUFACTURING: Audit of Physical Security at U.S. Mint Production Facilities (Sensitive But Unclassified)</i>	04/21
1.& 2.	These recommendations are Sensitive But Unclassified. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-005	<i>CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2021 Performance Audit (Sensitive But Unclassified)</i>	10/21
1.& 2.	These recommendations are Sensitive But Unclassified. Management agreed with the recommendations.		

Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-008	<i>DATA ACT: Treasury Submitted Higher Quality Non-IRS Data in its Fiscal Year 2020 Third Quarter DATA Act Submission, However Improvements are Still Needed</i>	11/21
1.	Treasury should continue working with the Treasury Executive Office for Asset Forfeiture to ensure proper submission of Equitable Sharing financial assistance awards on USAspending.gov. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-037	<i>CYBERSECURITY/INFORMATION TECHNOLOGY: Federal Information Security Modernization Act Fiscal Year 2022 Performance Audit for the Unclassified Systems (Sensitive But Unclassified)</i>	09/22
1.	This recommendation is Sensitive But Unclassified. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-23-028	<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Ground Services International, Inc.</i>	06/23
1.	The Chief Recovery Officer should review Ground Services International, Inc.'s and Inflight Catering's requested amount for unallowable expenses, under PSP2 and PSP3, and seek reimbursement for the overpayment, if applicable. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-23-030	<i>ANTI-MONEY LAUNDERING/TERRORIST FINANCING: Audit of FinCEN's Management of BSA Data - Suppression Report</i>	08/23
1.	The Director of Financial Crimes Enforcement Network (FinCen) should require agencies that receive bulk data to remove suppressed records as a condition of their MOUs.		

2.	Publish and communicate guidance explaining how FinCEN will notify bulk data agencies of records to be suppressed within bulk data files and specifying the timelines for FinCEN and the agencies' required actions regarding the suppression of the records. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-008	<i>FINANCIAL MANAGEMENT: Management Letter for the Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2023 and 2022</i>	12/23
1.	DO management should work with Administrative Resource Center (ARC) management to include and enforce an appropriate timeline of review requirements in the policies and procedures for ARC reviewers to perform a timely review of posted transactions related to the Budget Roll Forward process and other significant and complex transactions. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-012	<i>FINANCIAL MANAGEMENT: Management Letter for the Audit of the United States Mint's Financial Statements for Fiscal Years 2023 and 2022</i>	12/23
1.	Mint Management define and implement the required timeframe and process for timely notifying Fiscal Service ARC of terminated and transferred users with access to Oracle.		
2.	Enforce separation of duties principles by documenting and retaining evidence of an independent review of users who are also performing periodic access reviews.		
3.	Update relevant policies to require that an independent review of users who are also performing periodic access reviews be documented and retained. Management agreed with the recommendations.		

Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-014	FINANCIAL MANAGEMENT: <i>Management Letter for the Audit of the Office of the Comptroller of the Currency's Financial Statements for Fiscal Years 2023 and 2022</i>	12/23
1.	The Office of the Comptroller of the Currency (OCC) should ensure the Network General Support System (GSS) Contingency Plan is reviewed annually and updated if changes are needed per the Master Security Control Catalog.		
2.	Ensure that the GSS and the financial management system security plans are reviewed and updated to address the following items: Identify system interconnections. Update the incomplete, inaccurate, or inadequate implementation statements. Identify the current system components/subsystems in place.		
3.	Ensure that all financial management system database accounts are included in the semi-annual account recertification process.		
4.	Recertify the financial management system users with default accounts semi-annually in accordance with documented policies and procedures. If a decision is made that these accounts should not be recertified, then OCC should document a risk acceptance and identify compensating controls to minimize the residual risk to a level acceptable by management.		
5.	Ensure that backup resources are available to review and approve monthly the financial management system audits when the primary reviewer is not available. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-019	FINANCIAL MANAGEMENT: <i>Management Letter for the Audit of the Bureau of Engraving and Printing's Financial Statements for Fiscal Years 2023 and 2022</i>	12/23
1.	BEP management should update Local Area Network/Wide Area Network password configuration settings to comply with policy requirements or formally document a risk acceptance with mitigating controls. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-022	<i>CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2023 Performance Audit for the Unclassified Systems (Sensitive But Unclassified)</i>	01/24
1.& 2.	Sensitive But Unclassified. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-023	<i>CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2023 Performance Audit for the Collateral National Security Systems (Sensitive But Unclassified)</i>	12/23
1.	Sensitive But Unclassified. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-025	<i>ANTI-MONEY LAUNDERING/TERRORIST FINANCING: TFI's Ukraine-/Russia-related Sanctions Program Complied With Requirements But Designation Decision Records Were Not Consistently Complete and Closed Timely</i>	03/24
1.	The Director of Office of Foreign Assets Control update the Office of Global Targeting standard operating procedures to establish responsibilities and expected timeframes for review of evidentiary memoranda and Office of Foreign Assets Control's Administrative System for Investigations and Sanctions (OASIS) case files to ensure they are complete and closed timely.		
2.	Develop and implement a close-out checklist for the evidentiary memoranda and OASIS case files that encompasses all necessary documentation to ensure they are complete and closed timely. Management agreed with the recommendations.		

Other Federal, State, and Local Entities

Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-033	<i>REVENUE COLLECTION: The U.S. Customs and Border Protection’s Oversight of the Merchandise Transported In-Bond Program Needs Improvement to Better Ensure the Protection of Revenue</i>	03/22
1.	Ensure Cargo Security and Controls Division (CSC) officials develop and disseminate performance measures specific to the In-Bond Program so that CSC, field offices, and port personnel are aware of program expectations. These measures should be used to regularly assess port performance and hold ports accountable.		
2.	Ensure CSC officials develop written procedures for CSC’s oversight of port performance relating to the In-Bond Program to include, but not be limited to, regular data analytics and review of Automated Commercial Environment (ACE) reports.		
3.	Ensure CSC officials work with Trade Transformation Office (TTO) officials to implement a central repository to store ACE reports, compliance examination documentation, and other in-bond related information, including training materials, maintained by the ports so that CSC can oversee in-bond activity. Additionally, CSC should regularly notify field offices and ports that these documents are available in this repository.		
4.	Ensure CSC officials expand the Self-Inspection Program in-bond Self-Inspection Worksheet questions to cover key program areas, such as the ports’ use of ACE reporting to oversee overdue in-bond shipments and training for CBP officers on in-bond compliance examinations and audits.		
5.	Ensure CSC officials provide guidance to the ports on how to respond to in-bond Self-Inspection Worksheet questions to include scenarios and the appropriate response given those scenarios.		
6.	Ensure CSC officials issue policies and procedures for ports on ACE reports they are expected to run regularly to oversee in-bond shipments and ensure in-bonds are closed out. This should include guidance necessary to monitor shipments in ACE as well as review proof of exports.		
7.	Ensure CSC officials issue policies and procedures for CSC to regularly review the monitoring and tracking of in-bond shipments conducted by the ports.		
8.	Ensure CSC officials update in-bond regulations to require a standardized proof of export to be uploaded to ACE for all cargo exported.		

9.	Ensure CSC officials provide TTO official’s business requirements after regulations are updated so that TTO can update ACE to require proof of export for closure of in-bonds that are exported.		
10.	Ensure Office of Trade officials, with input from CSC officials, update regulations to support ACE functionality and data quality to modernize the in-bond process. This includes improving the report processing time, improving the quality of reports, and addressing Commercial Customs Operations Advisory Committee concerns regarding the system.		
11.	Ensure CSC officials provide TTO officials with business requirements after regulations are updated so that TTO can implement changes in ACE to modernize in-bond tracking and automation processes and enhance data quality to meet user needs.		
12.	Direct CSC officials to consider updating guidance on compliance examinations to require ports to examine a statistically valid sample of in-bond shipments so that cargo reviewed is more representative of all in-bond shipments. Additionally, the guidance should contain instructions on waivers of examination including documenting the justification for these waivers.		
13.	Ensure CSC officials provide the ports with written policies and procedures to ensure compliance examinations are adequate and consistent. These procedures should include selecting cargo for review, conducting examinations, documenting the process used for the review and the results, and storing the records.		
14.	Ensure CSC and TTO officials require ACE training related to the oversight of in-bond cargo for all CBP officers.		
15.	Ensure the Commercial Operations Revenue & Entry Division coordinates with the Revenue Division and CSC officials to improve custodial bonding to address the risks of merchandise transported in-bond and update CBP’s bonding policy. The policy should improve the connectivity between in-bond shipments and respective duties, taxes, and fees by considering estimated duties when determining the appropriate bond coverage. Management agreed with the recommendations		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-23-025	<i>FINANCIAL MANAGEMENT: Audit of the Gulf Coast Ecosystem Restoration Council’s Compliance with PIIA of 2019 for Fiscal Year 2022</i>	05/23
1.	The Gulf Coast Ecosystem Restoration Council should consult OMB’s Payment Integrity Annual Data Call Instructions or its subsequent revisions to determine how to report its payment integrity information.		
2.	Review payment integrity information submitted to the OMB Annual Data Call for accuracy prior to live publication to ensure accuracy of data reported. Management agreed with the recommendations.		

Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-018	<i>Desk Review of Chippewa Cree Tribe's Use of Coronavirus Relief Fund Proceeds</i>	06/23
1.	Treasury OIG should pursue obtaining documentation from the Chippewa Cree Tribe's management and ensure reporting corrections are made within the GrantSolutions portal. Further, based on Chippewa Cree Tribe's responsiveness to Treasury OIG's requests and its ability to provide documentation, Treasury OIG should determine if a focused audit is feasible for grants greater than or equal to \$50,000 and direct payments greater than or equal to \$50,000. Management agreed with the recommendation. (\$75,091 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-024	<i>Desk Review of Lancaster County, Pennsylvania's Use of Coronavirus Relief Fund Proceeds</i>	06/23
1.	Treasury OIG should pursue obtaining documentation from Lancaster County personnel and ensure reporting corrections are made. Further, based on Lancaster County's responsiveness to Treasury OIG's requests and its ability to provide documentation, Treasury OIG should determine if a full-scope audit is feasible. Management agreed with the recommendation. (\$38,793,071 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-025	<i>Desk Review of State of California's Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG should confirm that appropriate corrections have been made, or if not, determine whether the ineligible expenditures have been returned to Treasury. Management agreed with the recommendation. (\$6,952 Questioned Costs)		

Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-026	<i>Desk Review of Turtle Mountain Band of Chippewa Indians' Use of Coronavirus Relief Fund Proceeds (Redacted)</i>	07/23
1.	Treasury OIG should pursue obtaining supporting documentation from the Turtle Mountain Band of Chippewa Indians' (TMBCI) personnel and ensure reporting corrections are made. Further, based on TMBCI's responsiveness to Treasury OIG's requests and its ability to provide documentation, Treasury OIG should determine if a full-scope audit is feasible. (\$32,333,620 Questioned Costs)		
2.	Follow-up with TMBCI personnel to obtain sufficient support to quantify expenditures related to these allegations and determine whether the amounts represent eligible Coronavirus Relief Fund (CRF) costs. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-027	<i>Desk Review of Los Angeles County, California's Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG should pursue obtaining documentation from LA County management and ensure reporting corrections are made. Further, based on LA County's responsiveness to Treasury OIG's requests and its ability to provide documentation, Treasury OIG should determine if a focused audit is feasible over LA County's contracts greater than or equal to \$50,000 and aggregate reporting less than \$50,000. Management agreed with the recommendation. (\$249,052,032 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-028	<i>Desk Review of City of Dallas, Texas' Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG pursue obtaining documentation from Dallas management related to the aggregate payments to individuals and ensure that expenditures reported are properly supported. Further, based on Dallas' responsiveness to Treasury OIG's requests and its ability to provide documentation, we recommend Treasury OIG determine if a focused audit on aggregate payments to individuals is feasible. Management agreed with the recommendation. (\$2,211,594 Questioned Costs)		

Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-029	<i>Desk Review of State of Florida’s Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG should pursue obtaining missing documentation from Florida management and ensure reporting corrections are made, or whether recoupment of funds is necessary. Further, based on Florida's responsiveness to Treasury OIG's requests and its ability to provide sufficient documentation, Treasury OIG should determine if a full-scope audit over Florida's use of its CRF proceeds is feasible. Management agreed with the recommendation. (\$893,154,358 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-030	<i>Desk Review of San Bernardino County, California’s Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.-3.	San Bernardino County management should provide missing supporting documentation and make necessary reporting corrections. Additionally, Treasury OIG should determine if a focused audit over grants greater than or equal to \$50,000 is feasible. Management agreed with the recommendations. (\$4,151,612 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-032	<i>Desk Review of Phoenix, Arizona’s Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG follow-up with Phoenix management on the finalization of its reconciliation and reporting corrections. Based on Phoenix management’s responsiveness to Treasury OIG’s requests, and its ability to provide sufficient documentation, we recommend that Treasury OIG determine if a focused audit is feasible for grants greater than or equal to \$50,000. Management agreed with the recommendation. (\$147,379 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-033	<i>Desk Review of Pleasant Point Indian Reservation, Maine’s Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG follow-up on necessary reporting corrections for contracts greater than or equal to \$50,000, transfers greater than or equal to \$50,000, and aggregate payments to individuals. Management agreed with the recommendation. (\$339,672 Questioned Costs)		

Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-034	<i>Desk Review of State of Texas' Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG obtain documentation from Texas management and follow-up on necessary reporting corrections. Further, based on Texas' responsiveness to Treasury OIG's requests and its ability to provide sufficient documentation, we recommend Treasury OIG determine if a focused audit is feasible for contracts greater than or equal to \$50,000 and grants greater than or equal to \$50,000. Management agreed with the recommendation. (\$17,288,575 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-035	<i>Desk Review of the State of Tennessee's Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG should pursue obtaining documentation from Tennessee personnel and ensure reporting corrections are made. Further, based on Tennessee's responsiveness to Treasury OIG's requests and its ability to provide documentation and remove ineligible transactions, Treasury OIG should determine if a focused audit is feasible for grants greater than or equal to \$50,000 and aggregate payments to individuals. Management agreed with the recommendation. (\$1,162,364 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-037	<i>Desk Review of State of Ohio's Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.& 2.	State of Ohio management should provide missing supporting documentation and make necessary reporting corrections.		
3.	Provide missing supporting documentation and make necessary reporting corrections. Additionally, Treasury OIG should obtain information to determine if there are other ineligible severance pay transactions in addition to those already identified as part of the desk review. Management agreed with the recommendations. (\$86,801 Questioned Costs)		

Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-038	<i>Desk Review of Native Village of Point Hope’s Use of Coronavirus Relief Fund Proceeds</i>	07/23
1.	Treasury OIG follow-up on the missing documentation and make a determination whether to conduct a full-scope audit of Point Hope. In addition, Treasury OIG personnel determine whether to take further action, up to and including recoupment of Point Hope’s CRF proceeds, based on the scope limitation and potential noncompliance with the records retention requirement. Management agreed with the recommendation. (\$2,348,064 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-039	<i>Desk Review of the Commonwealth of the Northern Mariana Islands’ Use of Coronavirus Relief Fund Proceeds</i>	08/23
1.	Treasury OIG should request missing documentation from the Commonwealth of the Northern Mariana Islands management and follow-up on necessary reporting corrections. Further, based on Commonwealth of the Northern Mariana Islands responsiveness to Treasury OIG’s requests and its ability to provide sufficient documentation, Treasury OIG should determine if a full scope audit is feasible. Management agreed with the recommendation. (\$11,146,813 Questioned Costs)		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-040	<i>Desk Review of the Commonwealth of Puerto Rico’s Use of Coronavirus Relief Fund Proceeds</i>	08/23
1.	Treasury OIG should follow-up to obtain the status of these Single Audits. Treasury OIG should pursue obtaining missing documentation from Puerto Rico’s management and follow-up on necessary reporting corrections within the GrantSolutions portal. Based on Puerto Rico’s responsiveness to Treasury OIG’s requests and management’s ability to provide documentation, Treasury OIG should determine if a full scope audit is feasible. Management agreed with the recommendation. (\$33,681,692 Questioned Costs)		

Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-041	<i>Desk Review of Navajo Nation Tribal Government's Use of Coronavirus Relief Fund Proceeds (Redacted)</i>	08/23
1.	Treasury OIG should follow-up on Navajo Nation management's corrective action related to \$141,187 in questioned costs reported in Single Audit finding number 2020-009.		
2.	Follow-up to obtain the status of the Navajo Nation's 2021 Single Audit.		
3.-5.	Follow-up with Navajo Nation management to obtain missing documentation to support expenditures and that Navajo Nation has made necessary reporting corrections; and determine the feasibility of performing a focused audit for grants greater than or equal to \$50,000.		
6.	Follow-up with Navajo Nation management to obtain missing documentation to support expenditures and that Navajo Nation has made necessary reporting corrections; and determine the feasibility of performing a focused audit for aggregate payments to individuals with a specific focus on Navajo Nation's non-payroll COVID-19 hardship claims and payroll expenditures for employees substantially dedicated to COVID-19 recovery efforts. (\$80,844,219 Questioned Costs)		
7.	Confirm that Navajo Nation management has reversed \$(Amount Redacted) in duplicate hardship check payments that were fraudulently cashed by tribal citizens and recorded by management within the aggregate payments to individuals payment type in the Cycle 3 GrantSolutions submission.		
8.	Ensure Navajo Nation management re-issued \$(Amount Redacted) stale-dated checks before the end of December 31, 2022, and ensure that checks were cashed by the beneficiaries, or funds are returned to Treasury.		
9.	Ensure Navajo Nation management has reversed the sub-recipient incurred costs that they determined to be ineligible as a result of their internal investigation. Management agreed with the recommendations.		

Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-042	<i>Desk Review of the Commonwealth of Virginia’s Use of Coronavirus Relief Fund Proceeds</i>	08/23
1.	<p>Treasury OIG should follow-up with the Commonwealth of Virginia (Virginia) management on necessary reporting corrections. Specifically, Items Not Listed Above description corrections are needed 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, and direct payments greater than or equal to \$50,000 payment types. In addition, Treasury OIG should pursue obtaining documentation from Virginia management for contracts 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. Based on Virginia’s responsiveness to Treasury OIG’s requests and its ability to provide documentation, Treasury OIG should determine if a focused audit is feasible for contracts, transfers, and direct payments greater than or equal to \$50,000, as well as aggregate reporting less than \$50,000 and aggregate payments to individuals. In addition, Treasury OIG should work with Virginia management to determine whether there are any additional costs attributable to Virginia Department of Emergency Management and Virginia Department of Health and to ensure that Virginia management makes any necessary corrections to those balances. Also, Treasury OIG should follow-up to obtain the status of the 2021 Single Audit Annual Comprehensive Financial Report finding. Management agreed with the recommendation. (\$870,559,763 Questioned Costs)</p>		
Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-CA-24-003	<i>City of Springfield, Massachusetts – Use of Coronavirus Relief Fund Proceeds</i>	10/23
1.	<p>Treasury’s Acting Chief Recovery Officer should work with Treasury OIG to obtain adequate documentation from the Commonwealth of Massachusetts for the Department of Health and Human Services \$300,000 in expenditures or begin recoupment proceedings for the disallowed costs. Management agreed with the recommendation. (\$300,000 Questioned Costs)</p>		

Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-CA-24-015	<i>Inquiry on Revolving Door Between the Largest Accounting Firms and the Department of the Treasury</i>	03/24
1.	As expeditiously as possible, Treasury's Office of the Assistant General Counsel for General Law, Ethics and Regulation (GLER) should consider completing a cost-benefit analysis to determine if a fully integrated and automated tracking system would benefit GLER with its ethics responsibilities.		
2.	Develop and implement standard operating procedures, including monitoring, to ensure ethics officials fully utilize the Ethics Tracker database to track requests, substantive advice and counsel provided, as well as documentation of final resolution of issues. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2024	OIG-24-026	<i>REVENUE COLLECTION: CBP Needs to Enhance its Monitoring and Tracking of the Outcomes of Investigations into the Underpayment of Duties</i>	03/24
1.	U.S. Customs and Border Protection (CBP) Commissioner should ensure the Office of Chief Counsel establishes documented policies for processing delinquent duty, liquidated damage, and penalty cases, and include its organization structure, roles and responsibilities, and delegations of authority.		
2.	Ensure Office of Trade (OT) and Office of Field Operations (OFO) officials assess the need for performance metrics once the Commercial Enforcement Analysis and Response (CEAR) standard operating procedures (SOP) are updated.		
3.	Ensure OT and OFO officials responsible for oversight of the CEAR process review and update the CEAR SOP to ensure the SOPs continue to be relevant and effective in meeting objectives and addressing risks.		
4.	Ensure OT and OFO officials responsible for oversight of the CEAR process monitor referrals made to Immigration and Customs Enforcement Homeland Security Investigations (ICE HSI) and ensure established mechanisms to track ICE HSI referrals are followed.		
5.	Ensure Trade Remedy Law Enforcement Directorate (TRLED) staff coordinates with appropriate internal offices to track revenue recovered from the e-Allegations program and uses the information to evaluate the program's performance in achieving objectives.		

6.	Ensure that TRLED officials enhance procedures to ensure that the statuses of e-Allegations cases are timely, accurate, and complete in its information system, Analysis and Referral Management system; monitor those procedures to ensure that they are working as intended; and assess the need for related training. Management agreed with the recommendations.
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Closed Investigations of Senior Government Employees Not Publicly Disclosed

April 1, 2024, through September 30, 2024

Treasury OIG closed 2 investigations involving senior Government employees during the period that were not publicly disclosed. Both substantiated an instance of misconduct against a senior Government employee.

Allegation/Disposition

On July 18, 2024, Treasury OIG completed its report of investigation for a case initiated from an anonymous complaint which alleged, in or around 2016, an Office of the Comptroller of the Currency (OCC) employee failed to notify the OCC of a residential relocation in order to submit inflated mileage on expense reports and charge the OCC for travel expenses for one location while residing in another. Treasury OIG’s investigation determined the employee had some questionable expenses, including instances of erroneous mileage claims totaling \$867.62 in overpayments between 2015 and 2017. Treasury OIG provided its initial findings to the OCC Travel Policy and Operations Department for review. OCC determined Treasury OIG’s findings were accurate. Information provided by OCC was discussed with the OIG Office of Counsel and a decision was made to refer the matter to OCC for appropriate action. This matter was not referred to the Department of Justice.

Substantiated

On July 22, 2024, Treasury OIG completed its investigation of a case initiated upon receipt of information from the OCC expressing concerns regarding the handling and potential compromise of OCC Information Technology (IT) equipment provided to a Senior OCC employee for international travel. The OIG substantiated that the OCC employee violated OCC IT policies based on forensic examinations. The Report of Investigation was provided to OCC for their information. This matter was not referred to the Department of Justice.

Substantiated

Trafficking Victims Prevention and Protection Reauthorization Act of 2022

April 1, 2024, through September 30, 2024

Number of Suspected Violation Reported:	0
Number of Investigations:	0
Status and Outcome of Investigations: N/A	
Recommended Actions to Improve:	None

No-Knock Entry Reporting

Per Executive Order (EO) 14074, Section 10(c), the heads of Federal Law Enforcement Agencies shall issue annual reports to the President—and post the reports publicly—setting forth the number of no-knock entries that occurred pursuant to judicial authorization; the number of no-knock entries that occurred pursuant to exigent circumstances; and disaggregated data by circumstances for no-knock entries in which a law enforcement officer or other person was injured in the course of a no-knock entry.

Pursuant to EO 14074, Section 10(c), no such entries occurred during this reporting period.

Summary of Instances of Whistleblower Retaliation

April 1, 2024, through September 30, 2024

There was one new case of possible whistleblower retaliation opened during this reporting period.

Summary of Attempts to Interfere With Treasury OIG Independence, Including Instances Where Information or Assistance Request was Refused

April 1, 2024, through September 30, 2024

There were no attempts made to resist, delay, or restrict Treasury OIG access to records or other information and no instances where an information or assistance request was refused during this reporting period.

Listing of Audit Products Issued

April 1, 2024, through September 30, 2024

Office of Audit

<i>Report Title</i>		<i>Report Number</i>
<i>May 2024</i>		
<i>BILL AND COIN MANUFACTURING: The Mint Needs to Enhance Controls over Gold Acquisitions</i>		<u>OIG-24-027</u>
<i>FINANCIAL MANAGEMENT: Audit of the Gulf Coast Ecosystem Restoration Council's Compliance with PIIA of 2019 for Fiscal Year 2023</i>		<u>OIG-24-028</u>
<i>FINANCIAL MANAGEMENT: Audit of the Treasury's Compliance with the PIIA Requirements for fiscal Year 2023</i>		<u>OIG-24-029</u>
<i>Overseas Contingency Operations - Summary of Work Performed by the Department of the Treasury Related to Terrorist Financing and Anti-Money Laundering for the Second Quarter Fiscal Year 2024</i>		<u>OIG-CA-24-017</u>
<i>Report Title</i>		<i>Report Number</i>
<i>July 2024</i>		
<i>Semi-Annual Joint Purchase and Integrated Card Violation Report (October 1, 2023 - March 31, 2024) Internal Memorandum - Internal Memorandum</i>		<u>OIG-CA-24-018</u>
<i>Emergency Rental Assistance (ERA1) Program Notice of Recoupment - State of Missouri (Redacted)</i>		<u>OIG-CA-24-020</u>
<i>CYBERSECURITY/INFORMATION TECHNOLOGY: The Gulf Coast Ecosystem Restoration Council Federal Information</i>		<u>OIG-CA-24-021</u>

<i>Security Modernization Act of 2014 Evaluation Report for Fiscal Year 2024</i>	
<i>Report Title</i>	
<i>Report Number</i>	
<i>August 2024</i>	
<i>Desk Review of Bucks County, Pennsylvania’s Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-24-019</u>
<i>ANTI-MONEY LAUNDERING/TERRORIST FINANCING: Audit of FinCEN's Management of BSA Data - User Access Report</i>	<u>OIG-24-030</u>
<i>Emergency Rental Assistance Program (ERA2) - Questioned Cost Finding, State of Michigan (Redacted)</i>	<u>OIG-CA-24-022</u>
<i>Emergency Rental Assistance (ERA1) Program Notice of Recoupment - Thurston County, Washington (Redacted)</i>	<u>OIG-CA-24-023</u>
<i>Emergency Rental Assistance (ERA1) Program Notice of Recoupment - State of Washington (Redacted)</i>	<u>OIG-CA-24-024</u>
<i>U.S. Treasury’s Role with the Customs Revenue Function – Trade Facilitation and Trade Enforcement Act of 2015, Section 112</i>	<u>OIG-CA-24-025</u>
<i>Report Title</i>	
<i>Report Number</i>	
<i>September 2024</i>	
<i>Overseas Contingency Operations - Summary of Work Performed by the Department of the Treasury Related to Terrorist Financing and Anti-Money Laundering for the Third Quarter Fiscal Year 2024</i>	<u>OIG-CA-24-026</u>
<i>FINANCIAL MANAGEMENT: Report on the Enterprise Applications' Description of its HRConnect System and the Suitability of the Design and Operating Effectiveness of its Controls for the Period July 1, 2023 to June 30, 2024</i>	<u>OIG-24-031</u>

<p><i>GOVERNMENT-WIDE FINANCIAL SERVICES: Audit of Direct Express Program Disputes Related to Certain Cardholder Accounts</i></p>	<p><u>OIG-24-032</u></p>
<p><i>CYBERSECURITY/INFORMATION TECHNOLOGY: Assessment of the Department of the Treasury’s Incident Response Reporting Process for Select Incidents (Sensitive But Unclassified) Not Publicly Disclosed</i></p>	<p><u>OIG-CA-24-027</u></p>
<p><i>CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2024 Performance Audit for the Collateral National Security Systems (Sensitive But Unclassified) Not Publicly Disclosed</i></p>	<p><u>OIG-24-033</u></p>
<p><i>CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2024 Performance Audit for the Unclassified Systems (Sensitive But Unclassified) Not Publicly Disclosed</i></p>	<p><u>OIG-24-034</u></p>
<p><i>FINANCIAL REGULATION AND OVERSIGHT: Audit of the Department of the Treasury’s Compliance with the Geospatial Data Act of 2018</i></p>	<p><u>OIG-24-035</u></p>
<p><i>Desk Review of Bergen County, New Jersey’s Use of Coronavirus Relief Fund Proceeds</i></p>	<p><u>OIG-CA-24-028</u></p>
<p><i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Treasury’s Soundness of Investment Decisions for Participation in the Emergency Capital Investment Program</i></p>	<p><u>OIG-24-036</u></p>
<p><i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of the Community Development Financial Institutions Fund’s Award and Post-Award Administration of the CDFI Equitable Recovery Program</i></p>	<p><u>OIG-24-037</u></p>
<p><i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier</i></p>	<p><u>OIG-24-038</u></p>

<i>Worker Support Certifications - Flight Group Corporation (Redacted)</i>	
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Freight Runners Express, Inc. (Redacted)</i>	<u>OIG-24-039</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Prosegur Services Group, Inc. (Redacted)</i>	<u>OIG-24-040</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Wing Aviation Charter Services, LLC (Redacted)</i>	<u>OIG-24-041</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Superior Transportation Associates, Inc. (Redacted)</i>	<u>OIG-24-042</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Prospect Airport Services, Inc. (Redacted)</i>	<u>OIG-24-043</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - One Sky Flight, LLC (Redacted)</i>	<u>OIG-24-044</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Suburban Air Freight, Inc. (Redacted)</i>	<u>OIG-24-045</u>
<i>Desk Review of Emergency Rental Assistance Payments Made by the City of Houston, TX and Harris County, TX</i>	<u>OIG-CA-24-029</u>
<i>CYBERSECURITY/INFORMATION TECHNOLOGY: Fiscal Year 2023 Audit of the Department of the Treasury's Information Security Program and Practices for Its</i>	<u>OIG-24-046</u>

<p><i>Intelligence Systems (CLASSIFIED, NOT PUBLICLY DISCLOSED)</i></p>	
<p><i>CYBERSECURITY/INFORMATION TECHNOLOGY: Fiscal Year 2024 Audit of the Department of the Treasury's Information Security Program and Practices for Its Intelligence Systems (CLASSIFIED, NOT PUBLICLY DISCLOSED)</i></p>	<p>OIG-24-047</p>

Council of Inspectors General on Financial Oversight

<p><i>Report Title</i></p>	<p><i>Report Number</i></p>
<p><i>July 2024</i></p>	
<p><i>Annual Report of the Council of Inspectors General on Financial Oversight (July 2024)</i></p>	<p>No Report Number</p>

Audit Reports Issued With Questioned Costs

April 1, 2024, through September 30, 2024

Category	Total No. of Reports	Total Questioned Costs	Total Unsupported Costs
For which no management decision had been made by beginning of reporting period	23	\$2,237,950,475	\$2,237,950,475
Which were issued during the reporting period	9	\$992,965	\$992,965
Subtotals	32	\$2,238,943,440	\$2,238,943,440
For which a management decision was made during the reporting period	7	\$454,489	\$454,489
Dollar value of disallowed costs	7	\$454,489	\$454,489
Dollar value of costs not disallowed	0	\$0	\$0
For which no management decision was made by the end of the reporting period	25	\$2,238,488,951	\$2,238,488,951
For which no management decision was made within 6 months of issuance	19	\$2,237,683,671	\$2,237,683,671
Questioned costs include expenditures: (1) that are questioned because of an alleged violation of a provision of a law, regulation, contract, or other requirement governing the expenditure of funds; (2) that, at the time of the audit, are not supported by adequate documentation (i.e., unsupported costs); or (3) used for the intended purpose that are unnecessary or unreasonable.			

Audit Reports Issued With Recommendations that Funds Be Put to Better Use

April 1, 2024, through September 30, 2024

Category	Total No. of Reports	Total	Savings	Revenue Enhancement
For which no management decision had been made by beginning of reporting period	0	\$0	\$0	\$0
Which were issued during the reporting period	0	\$0	\$0	\$0
Subtotals	0	\$0	\$0	\$0
For which a management decision was made during the reporting period	0	\$0	\$0	\$0
Dollar value of recommendations agreed to by management	0	\$0	\$0	\$0
Dollar value based on proposed management action	0	\$0	\$0	\$0
Dollar value based on proposed legislative action	0	\$0	\$0	\$0
Dollar value of recommendations not agreed to by management	0	\$0	\$0	\$0
For which no management decision was made by the end of the reporting period	0	\$0	\$0	\$0
For which no management decision was made within 6 months of issuance	0	\$0	\$0	\$0
<p>A recommendation that funds be put to better use denotes funds could be used more efficiently if management took actions to implement and complete the recommendation including: (1) reduction in outlays; (2) de-obligations of funds from programs or operations; (3) costs not incurred by implementing recommended improvements related to operations; (4) avoidance of unnecessary expenditures noted in pre-award review of contract or grant agreements; (5) any other savings which are specifically identified; or (6) enhancements to revenues of the Federal Government.</p>				

Reports for Which No Management Comment was Returned Within 60 Days

As of September 30, 2024

There were no such reports issued for comment over 60 days as of the end of the reporting period.

Reports Issued Over 6 Months for Which No Management Decision Has Been Made

As of September 30, 2024

As of the end of this semiannual reporting period, Treasury and OIG management had not decided on recommendations with monetary benefits for 19 reports issued over 6 months:

Desk Review of Chippewa Cree Tribe's Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-018, 6/26/2023) \$75,091 Questioned Costs

Desk Review of Lancaster County, Pennsylvania's Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-024, 6/29/2023) \$38,793,071 Questioned Costs

Desk Review of State of California's Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-025, 7/7/2023) \$6,952 Questioned Costs

Desk Review of Turtle Mountain Band of Chippewa Indians' Use of Coronavirus Relief Fund Proceeds (Redacted)
(OIG-CA-23-026, 7/7/2023) \$32,333,620 Questioned Costs

Desk Review of Los Angeles County, California's Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-027, 7/7/2023) \$249,052,032 Questioned Costs

Desk Review of City of Dallas, Texas' Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-028, 7/20/2023) \$2,211,594 Questioned Costs

Desk Review of State of Florida’s Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-029, 7/20/2023) \$893,154,358 Questioned Costs

Desk Review of San Bernardino County, California’s Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-030, 7/20/2023) \$4,151,612 Questioned Costs

Desk Review of Phoenix, Arizona’s Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-032, 7/21/2023) \$147,379 Questioned Costs

Desk Review of Pleasant Point Indian Reservation, Maine’s Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-033, 7/21/2023) \$339,672 Questioned Costs

Desk Review of State of Texas’ Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-034, 7/21/2023) \$17,288,575 Questioned Costs

Desk Review of the State of Tennessee’s Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-035, 7/26/2023) \$1,162,364 Questioned Costs

Desk Review of State of Ohio’s Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-037, 7/27/2023) \$86,801 Questioned Costs

Desk Review of Native Village of Point Hope’s Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-038, 7/28/2023) \$2,348,064 Questioned Costs

Desk Review of the Commonwealth of the Northern Mariana Islands Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-039, 8/8/2023) \$11,146,813 Questioned Costs

Desk Review of the Commonwealth of Puerto Rico’s Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-040, 8/8/2023) \$33,681,692 Questioned Costs

Desk Review of Navajo Nation Tribal Government’s Use of Coronavirus Relief Fund Proceeds (Redacted) (OIG-CA-23-041, 8/8/2023) \$80,844,218 Questioned Costs

Desk Review of the Commonwealth of Virginia’s Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-042, 8/9/2023) \$870,559,763 Questioned Costs

City of Springfield, Massachusetts - Use of Coronavirus Relief Fund Proceeds
(OIG-CA-24-003, 10/17/2023) \$300,000 Questioned Costs

Significant Revised Management Decisions

April 1, 2024, through September 30, 2024

There were no significant revised management decisions during the reporting period.

Significant Disagreed Management Decisions

April 1, 2024, through September 30, 2024

There were no significant disagreed management decisions during the reporting period.

Peer Reviews

April 1, 2024, through September 30, 2024

Office of Audit

Audit organizations that perform audits and attestation engagements of Federal Government programs and operations are required by generally accepted government auditing standards to undergo an external peer review every 3 years. The objectives of an external peer review are to determine, during the period under review, whether the audit organization was complying with its quality control system to provide the audit organization with reasonable assurance that it was conforming to applicable professional standards. Federal audit organizations can receive a peer review rating of Pass, Pass with Deficiencies, or Fail.

The most recent peer review of our office was performed by the U.S. Department of Health and Human Services (HHS) OIG. In its report dated September 27, 2021, HHS OIG rendered a Pass rating for our system of quality control in effect for the year ended March 31, 2021. External audit peer review reports of our office are available on Treasury OIG's [website](#).

The U.S. Department of Energy OIG's review of our office's system of quality control in effect for the year ended March 31, 2024, was ongoing as of the end of the reporting period. Treasury OIG's review of the U.S. Environmental Protection Agency

OIG's system of quality control as of September 30, 2023, was also ongoing as of the end of the reporting period.

Office of Investigations

Council of the Inspectors General on Integrity and Efficiency (CIGIE) mandates that the investigative law enforcement operations of all OIGs undergo peer reviews every 3 years to ensure compliance with (1) Council of the Inspectors General on Integrity and Efficiency investigations quality standards and (2) the relevant guidelines established by the Office of the Attorney General of the United States.

In its report dated January 5, 2021, the Federal Housing Finance Agency OIG found our office to be in compliance with all relevant guidelines for fiscal year 2020. During this reporting period, our office did not perform a peer review of another OIG.

Other Reporting Requirements and Requests

This section addresses certain reporting requirements of our office that are separate from the reporting requirements in the Inspector General Act of 1978 (as amended).

Reviews of Bank Failures with Nonmaterial Losses

We conduct reviews of failed banks supervised by the Office of the Comptroller of the Currency (OCC) with losses to the Federal Deposit Insurance Corporation's (FDIC) Deposit Insurance Fund (DIF) that do not meet the definition of a material loss in the Federal Deposit Insurance Act. The reviews are performed to fulfill the requirements found in 12 U.S.C. §1831o(k). The term "material loss" triggers a material loss review if a loss to the DIF exceeds \$50 million (with provisions to increase that trigger to a loss that exceeds \$75 million under certain circumstances). For losses that are not material, the Federal Deposit Insurance Act requires that each 6-month period, the Office of Inspector General (OIG) of the federal banking agency must (1) identify the estimated losses that have been incurred by the DIF during that 6-month period and (2) determine the grounds identified by the failed institution's regulator for appointing the FDIC as receiver, and whether any unusual circumstances exist that might warrant an in-depth review of the loss. For each 6-month period, we are also required to prepare a report to the failed institutions' regulator and the Congress that identifies (1) any loss that warrants an in-depth review, together with the reasons why such a review is warranted and when the review will be completed; and (2) any losses where we determine no in-depth review is warranted, together with an explanation of how we came to that determination.

During this reporting period, there were no banks supervised by the OCC that failed.

Operation Inherent Resolve Quarterly Summary Memorandums to the Department of Defense OIG

During this reporting period, we issued two summary memorandums to the Department of Defense OIG regarding information we obtained on the Department of the Treasury's (Treasury) activities with respect to disrupting the Islamic State of Iraq and Syria's (ISIS) finances. The memorandums included specific examples of activities to disrupt ISIS's financing, information on

Other Reporting Requirements and Requests

Treasury programs that combat terrorist financing, and work we performed or plan to perform to review these programs. ([OIG-CA-24-017](#), [OIG-CA-24-026](#))

References to the Inspector General Act

Section	Requirement	Page
Section 404(a)(2)	Review of legislation and regulations	31
Section 405(b)(1)	Significant problems, abuses, and deficiencies	5-29
Section 405(b)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	5-29
Section 405(b)(3)	Significant unimplemented recommendations described in previous semiannual reports	32-52
Section 405(b)(4)	Matters referred to prosecutive authorities	31
Section 406(c)(2)	Summary of instances where information was refused	53
Section 405(b)(6)	List of audit reports	55-59
Section 405(b)(7)	Summary of significant reports	5-29
Section 405(b)(8)	Audit reports with questioned costs	60
Section 405(b)(9)	Recommendations that funds be put to better use	61
Section 405(b)(8)(A)	Summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period for which no management decision was made	32-52
Section 405(b)(10)(B)	Summary of each audit, inspection, and evaluation report issued for which no management comment was returned within 60 days	62
Section 405(b)(10)(C)	Summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period for which there are outstanding unimplemented recommendations, including the aggregate potential cost savings	62-63
Section 405(b)(11)	Significant revised management decisions made during the reporting period	64
Section 405(b)(12)	Management decisions with which the Inspector General is in disagreement	64
Section 405(b)(13)	Instances of unresolved Federal Financial Management Improvement Act noncompliance	22
Section 405(b)(14)	Results of peer reviews conducted of Treasury OIG by another OIG	64-65
Section 405(b)(15)	List of outstanding recommendations from peer reviews	64-65
Section 405(b)(16)	List of peer reviews conducted by Treasury OIG, including a list of outstanding recommendations from those peer reviews	64-65
Section 405(b)(17)(A-D)	Statistics for the period related to the number of (A) investigative reports issued, (B) persons referred to the Department of Justice for criminal prosecution, (C) persons referred to state and local authorities for criminal prosecution, and (D) criminal indictments/informations	31
Section 405(b)(18)	Description of metrics used to develop investigative statistics	31
Section 405(b)(19)	Summary of each investigation involving a senior Government employee where allegation of misconduct was substantiated	52

References to the Inspector General Act

Section 405(b)(20)	Instances of whistleblower retaliation	53
Section 405(b)(21)	Summary of attempts to interfere with Treasury OIG independence	54
Section 405(b)(22)(A)	Description of each inspection, evaluation, and audit that was closed and not publicly disclosed	55-59
Section 405(b)(22)(B)	Description of each investigation closed, involving a senior Government employee, that was not publicly disclosed	52
Section 405(e)	Serious or flagrant problems, abuses, or deficiencies	N/A
Section 406(c)(2)	Report to Secretary when information or assistance is unreasonably refused	54

Abbreviations

ACE	Automated Commercial Environment
ARC	Administrative Resource Center
ARP	American Rescue Plan of 2021
BEP	Bureau of Engraving and Printing
BSA	Bank Secrecy Act
CAA, 2021	Consolidated Appropriations Act, 2021
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CBP	U.S. Customs and Border Protection's
CDFI	Community Development Financial Institution
CDFI ERP	CDFI Equitable Recovery Program
CEAR	Commercial Enforcement Analysis and Response
<i>CFR</i>	<i>Code of Federal Regulations</i>
Council	Gulf Coast Ecosystem Restoration Council
COVID-19	Coronavirus Disease 2019
CRF	Coronavirus Relief Fund
CSC	Cargo Security and Controls Division
DATA Act	Digital Accountability and Transparency Act of 2014
DHS	Department of Homeland Security
DIF	Deposit Insurance Fund
DO	Departmental Offices
ECIP	Emergency Capital Investment Program
EIDL	Economic Injury and Disaster Loan
EO	Executive Order
ERA1	Emergency Rental Assistance
ERA2	Emergency Rental Assistance
ERAP	Emergency Rental Assistance Program
FAA	financial agency agreement
FBI	Federal Bureau of Investigation
FDIC	Federal Deposit Insurance Corporation
FinCEN	Financial Crimes Enforcement Network
Fiscal Service	Bureau of the Fiscal Service
FISMA	Federal Information Security Modernization Act of 2014
FY	fiscal year
GAO	Government Accountability Office
GDA	Geospatial Data Act of 2018
GDL	Good Delivery List
GLER	General Law, Ethics and Regulation
Green Book	Standards for Internal Control in the Federal Government

GSS	General Support Systems
HHS	Health and Human Services
ICE-HSI	Immigration and Customs Enforcement Homeland Security Investigations
IPA	certified independent public accounting firm
IRS	Internal Revenue Service
ISIS	Islamic State of Iraq and Syria
IT	Information Technology
LBMA	London Bullion Market Association
MHDC	Missouri Housing Development Commission
Mint	United States Mint
MOU	Memoranda of Understanding
NOAA	National Oceanic and Atmospheric Administration
OASIS	Office of Foreign Assets Control’s Administrative System for Investigations and Sanctions
OCC	Office of the Comptroller of the Currency
OFO	Office of Field Operations
OIG	Office of Inspector General
OMB	Office of Management and Budget
OT	Office of Trade
PIIA	Payment Integrity Information Act of 2019
P.L.	Public Law
PPP	Paycheck Protection Program
PRAC	Pandemic Response Accountability Committee
PSP	Payroll Support Program
PSP1	Air Carrier Payroll Support Program
PSP2	Payroll Support Program Extension
PSP3	Payroll Support Program 3
RESTORE Act	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012
SBLF	Small Business Leading Fund
Science Program	Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program
SLR	service level requirements
SOP	standard operating procedures
TARP	Troubled Asset Relief Program
Thurston County	Thurston County, Washington
TIGTA	Treasury Inspector General for Tax Administration

TMBCI	Turtle Mountain Band of Chippewa Indians
Treasury	Department of the Treasury
TRLED	Trade Remedy Law Enforcement Directorate
TTO	Trade Transformation Office
Uniform Guidance	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200
USAO	U.S. Attorney’s Office
Virginia	Commonwealth of Virginia



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875 15th Street, N.W., Suite 200
Washington, DC 20005



Report Waste, Fraud, and Abuse

Submit a complaint regarding Treasury OIG Treasury Programs and Operations and Gulf Coast Restoration using our online form: <https://oig.treasury.gov/report-fraud-waste-and-abuse>

Treasury Whistleblower Ombudsman

For information about whistleblowing and reprisal and about your rights and responsibilities as a Treasury employee or contractor, please contact the OIG Whistleblower Ombudsman Program at 202-927-0650 or Email:

OIGCounsel@oig.treas.gov

Treasury OIG Website

Access Treasury OIG reports and other information online: <https://oig.treasury.gov/>