



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

December 20, 2024

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

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

SUBJECT: Desk Review of the Kiowa Tribe of Oklahoma's Use of
Coronavirus Relief Fund Proceeds (OIG-CA-25-024)

Please find the attached desk review memorandum¹ on the Kiowa Tribe of Oklahoma's (Kiowa Tribe) use of Coronavirus Relief Fund (CRF) proceeds. The CRF is authorized under Title VI of the Social Security Act, as amended by Title V, Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under a contract monitored by our office, Castro & Company, LLC (Castro), a certified independent public accounting firm, performed the desk review. Castro performed the desk review in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Federal Offices of Inspector General* standards of independence, due professional care, and quality assurance.

In its desk review, Castro personnel reviewed documentation for a non-statistical selection of 20 transactions reported in the quarterly Financial Progress Reports (FPR) and identified a combination of unsupported and ineligible questioned costs of \$7,749,559 and \$780,595, respectively, resulting in total questioned costs of \$8,530,154 (see attached schedule of monetary benefits).²

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

² The amounts of unsupported and total questioned costs listed here differ from the Castro desk review amounts by \$1,000. Kiowa Tribe management provided additional information to Department of the Treasury Office of Inspector General during the exit conference. Based upon review of the additional supporting documentation, we determined that \$1,000 of unsupported questioned costs included in Castro's desk review relating to an Emergency Assistance Program hardship payment was now supportable. As such, we have removed \$1,000 from the unsupported questioned costs included in Castro's desk review report.

Castro determined that the expenditures related to the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000,³ and Aggregate Payments to Individuals⁴ payment types did not comply with the CARES Act and Department of the Treasury's (Treasury) Guidance. Castro also identified grant-reporting portal misclassification issues related to Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types that did not comply with Treasury's Guidance. Additionally, Castro determined that Kiowa Tribe's risk of unallowable use of funds is high.

Castro recommends that Treasury Office of Inspector General (OIG) follow-up with Kiowa Tribe's management to confirm if the \$7,749,559 noted as unsupported expenditures within the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types can be supported. If support is not provided, Treasury OIG should recoup the funds or request that Kiowa Tribe management provides support for replacement expenses, not previously charged, that were eligible during the CRF period of performance.

In addition, Castro recommends that Treasury OIG request that Kiowa Tribe management provides support for replacement expenses, not previously charged, that were eligible during the CRF period of performance for the \$780,595 of ineligible costs charged to the Contracts greater than or equal to \$50,000 and Aggregate Payments to Individuals payment types. If support is not provided, Treasury OIG should recoup the funds.

Further, based on Kiowa Tribe's responsiveness to Treasury OIG's requests and its ability to provide sufficient documentation and/or replace unsupported and ineligible transactions charged to CRF with valid expenditures, Castro recommends Treasury OIG determine the feasibility of conducting an audit for the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types.

Additionally, Castro identified other matters throughout the course of its desk review, which warrant recommendations to Treasury OIG for additional action. Castro recommends Treasury OIG follow-up on these issues:

³ Recipients are required to report CRF transactions greater than or equal to \$50,000 in detail in the grant-reporting 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).

⁴ Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the grant-reporting portal to prevent inappropriate disclosure of personally identifiable information.

- 1) Follow-up with Kiowa Tribe for the \$12,678 of contract costs not yet tested within the desk review related to payment of attorney's fees to determine if there are additional unsupported or ineligible questioned costs.
- 2) Castro identified questioned costs within all of Kiowa Tribe's hardship program payment types: Food Voucher Assistance Program, Pay My Bills Program, Elderly Emergency Assistance Program, and Emergency Assistance Program. Castro recommends Treasury OIG determine the feasibility of performing additional follow-up with the Kiowa Tribe to determine if there were other instances of ineligible or unsupported hardship balances related to these four hardship programs claimed within its Aggregate Payments to Individuals payment type.
- 3) In addition, as it relates to the hardship payments charged to the Aggregate Payments to Individuals payment type, Castro identified \$579,443 in hardship payment costs not yet questioned through its desk review that may have been included in Kiowa Tribe's most recently approved budget as of March 27, 2020. Castro recommends Treasury OIG determine the feasibility of following up with Kiowa Tribe over the \$579,443 of additional hardship payments to determine whether this balance charged to the CRF included previously budgeted expenditures and, if so, Castro recommends Treasury OIG recoup the funds or request that Kiowa Tribe management provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance.
- 4) Kiowa Tribe claimed expenses related to a hardship payment to a tribal citizen within its Aggregate Reporting less than \$50,000 payment type that was erroneously not included within its Aggregate Payments to Individuals payment type. Castro recommends Treasury OIG request that Kiowa Tribe perform an analysis over its Aggregate Reporting less than \$50,000 payment type claimed costs to determine if there are any additional hardship payments included within that payment type. Based on the results of this assessment, Castro recommends that Treasury OIG consider the feasibility of performing additional testing over these balances.

Treasury OIG and Castro held an exit conference with Kiowa Tribe management to discuss the report. Kiowa Tribe management provided additional information to Treasury OIG during the exit conference. Based upon review of the additional supporting documentation, we determined that \$1,000 of unsupported questioned costs included in Castro's desk review relating to an Emergency Assistance Program hardship payment was now supportable. As such, we have removed \$1,000 from the unsupported questioned costs included in Castro's desk review report. Treasury OIG will review the additional supporting documentation

provided by the Kiowa Tribe during the exit conference during follow-up procedures to be conducted in calendar year 2025.

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

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

cc: Michelle A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Danielle Christensen, Deputy Chief Program Officer, Office of Capital Access, Department of the Treasury
Jennifer Parisien, Policy Advisor, Office of Tribal & Native Affairs, Department of the Treasury
Wayne Ference, Partner, Castro & Company, LLC
Summer Palmer, Deputy Chief Financial Officer, Kiowa Tribe of Oklahoma
William Weaver, Chief Financial Officer, Kiowa Tribe of Oklahoma

Attachment

Schedule of Monetary Benefits

According to the Code of Federal Regulations,⁵ a questioned cost is a cost that is questioned due to a finding:

- (a) which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) where the costs, at the time of the review, are not supported by adequate documentation; or
- (c) where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Questioned costs are to be recorded in the Department of the Treasury's (Treasury) Joint Audit Management Enterprise System (JAMES).⁶ The amount will also be included in the Office of Inspector General (OIG) Semiannual Report to Congress. It is Treasury management's responsibility to report to Congress on the status of the agreed to recommendations with monetary benefits in accordance with 5 USC Section 405.

<u>Recommendation</u>	<u>Questioned Costs</u>
Recommendation No. 1	\$8,530,154

The questioned cost represents amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, \$8,530,154 is Kiowa Tribe's expenditures reported in the grant-reporting portal that were ineligible or lacked supporting documentation.

⁵ 2 CFR § 200.84 – Questioned Cost

⁶ JAMES is Treasury's audit recommendation tracking system.

Desk Review of Kiowa Tribe, Oklahoma

December 20, 2024

OIG-CA-25-024

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

FROM: Wayne Ference
Partner, Castro & Company, LLC

SUBJECT: Desk Review of the Kiowa Tribe of Oklahoma

On January 22, 2024, we initiated a desk review of the Kiowa Tribe of Oklahoma's (Kiowa Tribe) use of the Coronavirus Relief Fund (CRF) authorized under Title VI of the Social Security Act, as amended by Title V, Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).¹ The objective of our desk review was to evaluate Kiowa Tribe's documentation supporting its uses of CRF proceeds as reported in the GrantSolutions² portal and to assess the risk of unallowable use of funds. The scope of our desk review was limited to obligation and expenditure data for the period of March 1, 2020 through September 30, 2022,³ as reported in the GrantSolutions portal.

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

- 1) reviewed Kiowa Tribe's quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through September 30, 2022;
- 2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* as published in the Federal Register on January 15, 2021;⁴

¹ P.L. 116-136 (March 27, 2020).

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

³ Kiowa Tribe fully expended their total CRF proceeds as of September 30, 2022. Castro set the scope end date to September 30, 2022, which was the date of Kiowa Tribe's last reporting submission within the GrantSolutions portal.

⁴ Coronavirus Relief Fund Guidance as published in the Federal Register (January 15, 2021).
https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

Desk Review of Kiowa Tribe, Oklahoma

- 3) reviewed Treasury's Office of Inspector General (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*;⁵
- 4) reviewed Treasury OIG's monitoring checklists⁶ of Kiowa Tribe's quarterly FPR submissions for reporting deficiencies;
- 5) reviewed other audit reports issued, such as Single Audit Act reports⁷, and those issued by the Government Accountability Office and other applicable Federal agency OIGs for internal control or other deficiencies that may pose risk or impact Kiowa Tribe's uses of CRF proceeds;
- 6) reviewed Treasury OIG Office of Investigations, the Council of the Inspectors General on Integrity and Efficiency Pandemic Response Accountability Committee,⁸ and Treasury OIG Office of Counsel input on issues that may pose risk or impact Kiowa Tribe's uses of CRF proceeds;
- 7) interviewed key personnel responsible for preparing and certifying Kiowa Tribe's GrantSolutions portal quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
- 8) made a non-statistical selection of Contracts, Aggregate Reporting⁹, and Aggregate Payments to Individuals¹⁰ data identified through GrantSolutions reporting; and

⁵ Department of the Treasury Office of Inspector General *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping* OIG-20-028R; March 2, 2021.

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

⁷ P. L. 104-156 (July 5, 1996) The Single Audit Act of 1984, as amended in 1996, requires entities who receive federal funds in excess of \$750,000 to undergo an annual audit of those Federal funds. The act was enacted for the purpose of promoting sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities and to establish uniform requirements for audits. This prime recipient was subject to those audit requirements, and Castro reviewed applicable prior year single audit reports as part of our desk review risk assessment procedures.

⁸ Section 15010 of P.L. 116-136, the CARES Act, established the Pandemic Response Accountability Committee within the Council of the Inspectors General on Integrity and Efficiency to promote transparency and conduct and support oversight of covered funds (see Footnote 15 for a definition of covered funds) and the coronavirus response to (1) prevent and detect fraud, waste, abuse, and mismanagement; and (2) mitigate major risks that cut across program and agency boundaries.

⁹ Prime recipients were required to report CRF transactions greater than or equal to \$50,000 in detail in the GrantSolutions portal. Transactions less than \$50,000 could be reported as an aggregate lump-sum amount by type (contracts, grants, loans, direct payments, and transfers to other government entities).

¹⁰ Obligations and expenditures for payments made to individuals, regardless of amount, were required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information.

Desk Review of Kiowa Tribe, Oklahoma

- 9) evaluated documentation and records used to support Kiowa Tribe's quarterly FPRs.

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

We identified unsupported and ineligible questioned costs of \$7,750,559 and \$780,595, respectively, resulting in total questioned costs of \$8,531,154. Additionally, Kiowa Tribe's risk of unallowable use of funds is high.

Castro recommends that Treasury OIG follow-up with Kiowa Tribe's management to confirm if the \$7,750,559 noted as unsupported expenditures within the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types can be supported. If support is not provided, Treasury OIG should recoup the funds or request Kiowa Tribe management to provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance.

In addition, Castro recommends that Treasury OIG request Kiowa Tribe management to provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance for the \$780,595 of ineligible costs charged to the Contracts greater than or equal to \$50,000 and Aggregate Payments to Individuals payment types. If support is not provided, Treasury OIG should recoup the funds.

Further, based on Kiowa Tribe's responsiveness to Treasury OIG's requests and its ability to provide sufficient documentation and/or replace unsupported and ineligible transactions charged to CRF with valid expenditures, Castro recommends Treasury OIG determine the feasibility of conducting an audit for the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types.

Non-Statistical Transaction Selection Methodology

Treasury issued a \$22,586,666 CRF payment to Kiowa Tribe. As of September 30, 2022, Kiowa Tribe expended all of its CRF funds. Kiowa Tribe’s cumulative obligations and expenditures by payment type are summarized below.

Payment Type	Cumulative Obligations	Cumulative Expenditures
Contracts >= \$50,000	\$ 9,163,388	\$ 9,163,388
Grants >= \$50,000	\$ -	\$ -
Loans >= \$50,000	\$ -	\$ -
Transfers >= \$50,000	\$ -	\$ -
Direct Payments >= \$50,000	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 450,928	\$ 450,928
Aggregate Payments to Individuals (in any amount)	\$ 12,972,350	\$ 12,972,350
Totals	\$ 22,586,666	\$ 22,586,666

Castro made a non-statistical selection of payments in the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types. Selections were made using auditor judgment based on information and risks identified in reviewing audit reports, the GrantSolutions portal reporting anomalies¹¹ identified by the Treasury OIG CRF monitoring team, and review of Kiowa Tribe’s FPR submissions. Kiowa Tribe did not obligate or expend CRF proceeds to the Grants greater than or equal to \$50,000, Loans greater than or equal to \$50,000, Transfers greater than or equal to \$50,000,¹² and Direct Payments greater than or equal to \$50,000 payment types; therefore, we did not make a selection of transactions from these payment types.

The number of transactions (20) we selected to test were based on Kiowa Tribe’s total CRF award amount and our overall risk assessment of Kiowa Tribe. To allocate the number of transactions (20) by payment type (Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals), we compared the payment type dollar amounts as a percentage of cumulative expenditures as of September 30, 2022. The transactions selected for testing were not selected statistically, and therefore results could not be extrapolated to the total universe of transactions.

¹¹ Treasury OIG had a pre-defined list of risk indicators that were triggered based on data submitted by prime recipients in the FPR submissions that met certain criteria. Castro reviewed these results provided by Treasury OIG for the prime recipient.

¹² A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

Desk Review of Kiowa Tribe, Oklahoma

Background

The CARES Act appropriated \$150 billion to establish the CRF. Under the CRF, Treasury made payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories, including the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and tribal governments (collectively referred to as “prime recipients”). Treasury issued a \$22,586,666 CRF payment to Kiowa Tribe. The CARES Act stipulates that a prime recipient may only use the funds to cover costs that—

- (1) were necessary expenditures incurred due to the public health emergency with respect to the coronavirus disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020; and
- (3) were incurred during the covered period between March 1, 2020 and December 31, 2022.¹³

Section 15011 of the CARES Act required each covered recipient¹⁴ to submit to Treasury and the Pandemic Response Accountability Committee, no later than 10 days after the end of each calendar quarter, a report that contained (1) the total amount of large, covered funds^{15,16} received from Treasury; (2) the amount of large, covered funds received that were expended or obligated for each project or activity; (3) a detailed list of all projects or activities for which large, covered funds were expended or obligated; and (4) detailed information on any level of sub-contracts or sub-grants awarded by the covered recipient or its sub-recipients.

¹³ P.L. 116-260 (December 27, 2020). The covered period end date of the CRF was extended through December 31, 2021 by the Consolidated Appropriations Act, 2021. The covered period end date for tribal entities was further extended to December 31, 2022 by the State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act, Division LL of the Consolidated Appropriations Act, 2023, P.L. 117-328, December 29, 2022, 136 Stat. 4459.

¹⁴ Section 15011 of P.L. 116-136, the CARES Act, defined a covered recipient as any entity that received large, covered funds and included any State, the District of Columbia, and any territory or possession of the United States.

¹⁵ Section 15010 of P.L. 116-136, the CARES Act, defined covered funds as any funds, including loans, that were made available in any form to any non-Federal entity, not including an individual, under Public Laws 116-123, 127, and 136, as well as any other law which primarily made appropriations for Coronavirus response and related activities.

¹⁶ Section 15011 of P.L. 116-136 defined large, covered funds as covered funds that amounted to more than \$150,000.

Desk Review of Kiowa Tribe, Oklahoma

The CARES Act assigned Treasury OIG the responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF proceeds. Treasury OIG also has the authority to recoup funds in the event that it is determined a recipient failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)).

Desk Review Results

Financial Progress Reports

We reviewed Kiowa Tribe's quarterly FPRs through September 30, 2022, and found that Kiowa Tribe timely filed its quarterly FPRs in the GrantSolutions portal in compliance with Treasury OIG's reporting requirements for the periods ending June 30, 2020 through September 30, 2022.

Financial Reporting Control Issues

Kiowa Tribe provided their overall general ledger (GL) detail populations that agreed to the total CRF proceeds of \$22,586,666. However, due to misclassifications, we could not agree the underlying GL detail populations to the amounts reported in the GrantSolutions portal for its Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types. We have included a summary of the balances that Kiowa Tribe should have reported in the GrantSolutions portal below, which did not comply with Treasury's Guidance. However, since these misclassifications did not affect the total amount claimed in the GrantSolutions portal, we did not consider these to be questioned costs.

Payment Type	Cumulative Expenditures per FPR	Cumulative Expenditures Per GL Populations	Difference
Contracts >= \$50,000	\$ 9,163,388	\$ 9,197,338	\$ (33,949)
Grants >= \$50,000	\$ -	\$ -	\$ -
Loans >= \$50,000	\$ -	\$ -	\$ -
Transfers >= \$50,000	\$ -	\$ -	\$ -
Direct Payments >= \$50,000	\$ -	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 450,928	\$ 583,528	\$ (132,600)
Aggregate Payments to Individuals (in any amount)	\$ 12,972,350	\$ 12,805,800	\$ 166,549
Totals	\$ 22,586,666	\$ 22,586,666	\$ -

Desk Review of Kiowa Tribe, Oklahoma

Summary of Testing Results

We found that the expenditures related to the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types did not comply with the CARES Act and Treasury's Guidance because we were unable to determine if all tested expenditures were necessary due to the COVID-19 public health emergency, were not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the covered period. The transactions selected for testing were not selected statistically, and therefore results could not be extrapolated to the total universe of transactions.

Within Table 1 below, we have included a summary of \$7,149,952 in unsupported and ineligible expenditures identified as questioned costs through our testing of detailed transactions, which did not comply with the CARES Act and Treasury's Guidance. Castro also identified other matters throughout the course of our desk review procedures which we considered to be questioned costs that were not part of our testing of detailed transactions. Table 2 below combines the questioned costs identified in Table 1 with the other questioned costs of \$1,381,202 identified separately from our detailed transaction testing to account for total questioned costs of \$8,531,154. See the Desk Review Results section below Table 2 for a detailed discussion of questioned costs and other issues identified throughout the course of our desk review.

**Table 1 - Summary of Expenditures Testing and Recommended Results
As of September 30, 2022**

Payment Type	Corrected Cumulative Expenditure GL Populations Amount	Cumulative Expenditure Tested Amount	Unsupported Tested Questioned Costs	Ineligible Tested Questioned Costs	Total Tested Questioned Costs
Contracts >= \$50,000	\$ 9,197,338	\$ 7,319,569	\$ 6,982,563	\$ 124,535	\$ 7,107,098
Grants >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Payments >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 583,528	\$ 1,832	\$ 1,832	\$ -	\$ 1,832
Aggregate Payments to Individuals (in any amount)	\$ 12,805,800	\$ 41,022	\$ 39,162	\$ 1,860	\$ 41,022
Totals	\$ 22,586,666	\$ 7,362,423	\$ 7,023,557	\$ 126,395	\$ 7,149,952

Desk Review of Kiowa Tribe, Oklahoma

**Table 2 - Summary of Tested and Other Matters Identified Questioned Costs
As of September 30, 2022**

Payment Type	(A) Unsupported Questioned Costs (Tested)	(B) Unsupported Questioned Costs Real Estate Purchase (Other Matter)	(C = A+B) Total Unsupported Questioned Costs	(D) Ineligible Questioned Costs (Tested)	(E) Ineligible Questioned Costs Hardship Analysis (Other Matter)	(F=D+E) Total Ineligible Questioned Costs	(G=C+F) Total Questioned Costs
Contracts >= \$50,000	\$ 6,982,563	\$ 727,002	\$ 7,709,565	\$ 124,535	\$ -	\$ 124,535	\$ 7,834,100
Grants >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to Other Government Agencies >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Payments => \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 1,832	\$ -	\$ 1,832	\$ -	\$ -	\$ -	\$ 1,832
Aggregate Payments to Individuals (in any amount)	\$ 39,162	\$ -	\$ 39,162	\$ 1,860	\$ 654,200	\$ 656,060	\$ 695,222
Totals	\$ 7,023,557	\$ 727,002	\$ 7,750,559	\$ 126,395	\$ 654,200	\$ 780,595	\$ 8,531,154

Contracts Greater Than or Equal to \$50,000

We determined Kiowa Tribe's Contracts greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. We tested a total of \$7,319,569 in transaction expenditures for eight contracts and identified six exceptions. The transactions tested included expenditures for hotel rooms for the Kiowa Tribe COVID-19 response team to use as an off-site office and center to support essential functions for critical services to tribal citizens during emergency and non-emergency conditions in an effort to help mitigate disruption; purchases of personal protective equipment (i.e., supplies, disinfectant spray, air purification units); real estate purchases; building renovations; and attorney's fees.

We identified total tested questioned costs of \$7,107,098, which consisted of tested ineligible costs of \$124,535 and tested unsupported questioned costs of \$6,982,563, respectively, as detailed below. We also identified other matter unsupported questioned costs of \$727,002 that increased our unsupported questioned costs to \$7,709,565, resulting in total questioned costs of \$7,834,100.

Contract Acquisition of Property and Construction Costs Exceptions Summary (Contract Exception #'s 1-5)

We noted Kiowa Tribe executed multiple contracts to acquire property or procure construction services for building retrofits during the pandemic. Kiowa Tribe management asserted the acquisition of property and retrofits to these buildings were related to the COVID-19 response efforts. Upon inspection of the supporting documentation provided, we determined Kiowa Tribe management failed to provide adequate evidence to justify the expenditures were eligible and allowable in conformity with the CARES Act and Treasury's Guidance. We requested Kiowa Tribe management provide the following supporting documents to satisfy Castro's transaction selections:

- Fully executed real estate contracts;
- Listing of buyers final closing costs (settlement);
- Transfer of ownership documentation;
- Cost Effective Analysis (Fair Market Value Analysis of Property);
- Invoices to support the construction costs;
- External proof of payment such as wire transfers or checks;
- Justification/narrative statements on how Kiowa Tribe determined that these expenditures were necessary due to the public health emergency with respect to COVID-19; and
- an explanation on how it was determined that the expenditures were not accounted for in the budget most recently approved as of March 27, 2020.

Desk Review of Kiowa Tribe, Oklahoma

For all five contracts, we noted Kiowa Tribe did not provide documentation of any considerations of other cost-effective alternatives, such as leasing property or improving property already owned. Therefore, we are questioning the entire amount tested for each contract. We also were not provided some of the above requested documentation for certain of the contracts to verify eligibility, which is discussed in Table 3 below. Treasury's Guidance in the Federal Register Notice Volume 86, Number 10, for the CRF, Frequently Asked Questions (FAQ) #58,¹⁷ states that "a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination." As a result, we identified exceptions related to five contracts totaling \$6,919,819 of unsupported questioned costs.

¹⁷ Treasury's Guidance in the Federal Register Notice Volume 86, Number 10, for the CRF, FAQ #58, stated: "May payments from the Fund be used for real property acquisition and improvements and to purchase equipment to address the COVID-19 public health emergency? The expenses of acquiring or improving real property and of acquiring equipment (e.g., vehicles) may be covered with payments from the Fund in certain cases. For example, Treasury's initial guidance referenced coverage of the costs of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs, as an eligible use of funds. Any such use must be consistent with the requirements of section 601(d) of the Social Security Act as added by the CARES Act. As with all uses of payments from the Fund, the use of payments to acquire or improve property is limited to that which is necessary due to the COVID- 19 public health emergency. In the context of acquisitions of real estate and acquisitions of equipment, this means that the acquisition itself must be necessary. In particular, a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination. Likewise, an improvement, such as the installation of modifications to permit social distancing, would need to be determined to be necessary to address the COVID-19 public health emergency."

Desk Review of Kiowa Tribe, Oklahoma

Table 3 – Contracts Exception #'s 1-5 Summary

Contracts Exception Number	Contract Description (Acquired Property/Construction Costs)	Amount Tested	Unsupported Questioned Costs
<p>Contract Exception #1 – Real Estate Purchase for COVID-19 Response Program/Senior Center</p>	<p>Kiowa Tribe claimed \$5,649,506 in contract expenditures related to construction costs of a Kiowa Tribe COVID-19 Response Program Center/Senior Center that was utilized for tasks needed to respond to the COVID-19 pandemic such as additional office space to provide sufficient space between individuals when emergency situations such as ice storms require individuals to congregate during COVID. Castro tested five invoices totaling \$4,922,504 related to this contract. We received four invoices for \$4,640,504 that agreed to the amounts claimed but were not provided an invoice for \$282,000 of the amount tested. Also, Kiowa Tribe did not provide a sufficient justification that the purchase of a \$5.6 million building was needed due to COVID-19.</p>	<p>\$ 4,922,504</p>	<p>\$ 4,922,504</p>
<p>Contract Exception #2 – Real Estate Purchase for Two Continuity of Operations Buildings</p>	<p>Kiowa Tribe claimed and Castro tested \$950,000 in expenditures related to a contract to purchase two buildings for Continuity of Operations. Continuity of Operations was a directive of the Kiowa Tribe’s Safety Management Plan to continue performance of essential functions under a broad range of circumstances, including to provide storage of an emergency food supply, as well as a command center. Kiowa Tribe did not provide a complete and fully executed, signed contract; final closing cost documents; evidence of the transfer of ownership; and external proof of payment, such as a wire transfer receipt or a canceled check. Without these details, we had insufficient support that Kiowa Tribe purchased these properties.</p>	<p>\$ 950,000</p>	<p>\$ 950,000</p>
<p>Contract Exception #3 - Real Estate Purchase of Additional Continuity of Operations Building</p>	<p>Kiowa Tribe claimed and Castro tested \$686,088 in contract expenditures related to four invoices for the purchase of an additional continuity of operations building. The building was a directive of the Kiowa Tribe Safety Management Plan to continue performance of essential functions for COVID-19 operations. Kiowa Tribe did not provide a sufficient justification that the expenditures were needed due to COVID-19.</p>	<p>\$ 686,088</p>	<p>\$ 686,088</p>
<p>Contract Exception #4 - Renovations of Additional Continuity of Operations Building</p>	<p>Kiowa Tribe claimed and Castro tested three invoices totaling \$109,219 in contract expenditures related to renovation of the Continuity of Operations building related to Exception #3. Kiowa Tribe did not provide an invoice to support the renovation expenditures claimed.</p>	<p>\$ 109,219</p>	<p>\$ 109,219</p>
<p>Contract Exception #5 - Real Estate Purchase of Additional Continuity of Operations Building</p>	<p>Kiowa Tribe claimed and Castro tested one invoice for \$252,008 of contract expenditures related to a purchase of an additional Continuity of Operations building to provide emergency food and a location for tribal citizens to submit applications for assistance. Kiowa Tribe did not provide a bilaterally signed final master settlement statement or the title document showing that Kiowa Tribe was the new owner of this property. Without this detail, Castro could not determine whether the transaction was fully completed, to include transfer of ownership of the property.</p>	<p>\$ 252,008</p>	<p>\$ 252,008</p>
<p>Total</p>	<p>\$ 6,919,819</p>	<p>\$ 6,919,819</p>	

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The above contracts were for 5 separate buildings. Castro provided Kiowa Tribe management ample time to respond to our follow-up requests for the aforementioned documents and documentation of any considerations of other cost-effective alternatives to support that it was more cost-effective for the Kiowa Tribe to purchase instead of leasing the property or improve property already owned. Without this detail, we did not obtain sufficient information to determine if Kiowa Tribe complied with Treasury's Guidance. As a result, we identified unsupported questioned costs of \$6,919,819 related to the above five contracts.

Other Matter for Treasury OIG Consideration – Additional Questioned Costs Related to the Purchase for COVID-19 Response Program Center/Senior Center

Castro tested \$4,922,504 that Kiowa Tribe claimed under the \$5,649,506 contract related to construction of the COVID-19 Response Program Center/Senior Center, as stated above for Contracts Exception #1. We also question the remaining \$727,002 of the contract as unsupported, because Kiowa Tribe did not provide Castro with documentation of any considerations of other cost-effective alternatives to support that it was more cost-effective to purchase this building rather than leasing or improving property already owned.

Contract Exception #6 - Legal and Compliance Services

Kiowa Tribe claimed \$199,957 in contract expenditures related to legal and compliance services for the following: all legal fees for Kiowa Tribe receiving and reviewing forensic audit resolutions, COVID-19 related discussions and decisions, mileage charges, time spent reviewing contracts, time spent reviewing the Kiowa Tribe constitution, and time spent reviewing and delivering weekly reports. Castro tested five invoices totaling \$187,279 in expenditures that Kiowa Tribe claimed under this \$199,957 contract. We received four invoices for \$124,535 that agreed to amounts claimed, but Kiowa Tribe did not provide an invoice for \$62,744 of the \$187,279 tested.

For the four invoices received and tested, Castro noted the itemized descriptions on the invoices included various tasks performed by the law firm Kiowa Tribe hired for services regarding resolutions for a forensic audit, discussions regarding the discharge of employees, and the impeachment of the former Kiowa Tribe Chairman.

Castro requested justification for how Kiowa Tribe personnel determined these legal fees to be eligible, but Kiowa Tribe did not sufficiently respond to our requests. As such, Castro performed independent online research for litigative issues between Kiowa Tribe and the former Chairman and found that Kiowa Tribe allegedly accused the former Chairman of mishandling the Tribe's CRF proceeds,

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wrongfully terminating Kiowa Tribe gaming employees, failing to go through the proper process on the annual tribal audit, failing to ensure that the Kiowa Tribe Treasurer was properly bonded, providing salary increases without approval, and the wrongful and unapproved appointment of an Executive Director. Based on the invoiced tasks mentioned above, it appeared that the legal fees tested were due to the former Chairman's alleged illegal use of COVID-19 proceeds. As such, Castro determined the support provided by Kiowa Tribe did not demonstrate these expenditures were necessary to respond to the COVID-19 pandemic and we questioned \$124,535 as ineligible. Kiowa Tribe also did not provide one of five invoices totaling \$62,744. As such, Castro questioned costs of \$62,744 as unsupported.

Other Matter for Treasury OIG Consideration – Additional Potential Questioned Costs Related to the Legal and Compliance Services Contract

We recommend Treasury OIG follow-up with Kiowa Tribe for the \$12,678 of additional contract costs that were not yet tested within our desk review related to payment of attorney's fees related to the legal and compliance services contract to determine if there are additional unsupported or ineligible questioned costs.

Aggregate Reporting Less Than \$50,000

We determined Kiowa Tribe's Aggregate Reporting less than \$50,000 did not comply with the CARES Act and Treasury's Guidance. We tested one aggregate reporting transaction totaling \$1,832 and identified an exception, resulting in unsupported questioned costs totaling \$1,832, as detailed below. The aggregate reporting transaction tested included expenses for payments made to reimburse a tribal citizen for car payments through the Kiowa Tribe Emergency Assistance Program.

Also, Castro identified reporting misclassification errors that did not comply with Treasury's Guidance, where transactions were reported in the Aggregate Reporting less than \$50,000 payment type within the GrantSolutions portal but should have been classified in the Aggregate Payments to Individuals payment type.

Aggregate Reporting Exception - Hardship Reimbursement for Car Payments

For the one transaction tested totaling \$1,832, Kiowa Tribe spent CRF proceeds for an Emergency Assistance Program payment made to reimburse a tribal citizen for car payments. Castro reviewed the tribal citizen's completed General Assistance Program (GAP)¹⁸ hardship application, household monthly income statement (Pre-COVID-19 and Post-COVID-19), justification letter from the tribal citizen detailing the hardship experienced due to COVID-19, vehicle sales contract, and a canceled check. Castro noted that the amounts on the supporting documentation agreed to amounts claimed without exception.

Castro followed up with Kiowa Tribe to obtain all past requirements for the GAP and the Emergency Assistance Program, but Kiowa Tribe did not sufficiently respond to this request. Castro searched the Kiowa Tribe's website to get more eligibility requirements for each program. The Emergency Assistance Program application explicitly stated, "The Kiowa Tribe Emergency Assistance Program is available to all Kiowa Tribal Members 18 years and older. The program begins July 1st through June 30th every year. All applicants must complete their own application. The Emergency Assistance Program will only pay up to \$250."

On Kiowa's website, the general requirements for the Emergency Assistance Program were as follows: a completed application, Certificate of Degree of Indian Blood, and current bill from a utility company, current medical bill and/or invoice for medical supplies, or lease agreement, and landlord's W-9¹⁹ for rent assistance. Castro noted that car payments were not listed explicitly as an eligible expense under the program. Castro followed up with Kiowa Tribe to obtain the underlying documents to support eligibility (such as Certificate of Degree of Indian Blood) and verification of loss of income, evidence of past due car payments, and how the hardship payment amount of \$1,832 was determined. Kiowa Tribe did not provide any response to our requests by the end of fieldwork. Castro considers the evidence provided by Kiowa Tribe insufficient to support the amount claimed and as a result, we question the \$1,832 as unsupported.

¹⁸ To reduce the number of applications tribal citizens were required to complete to receive hardship assistance, Kiowa Tribe designed their GAP, which was a broad hardship application program tailored to help applicants apply for CRF funding. When a tribal citizen applied to the GAP, Kiowa Tribe reviewed the GAP application and performed a search on the tribal citizen's behalf to determine eligibility and make awards under the hardship programs for which the citizen qualified. Therefore, some tribal citizens may not have applied directly to the hardship programs if they chose to apply to the GAP. See Hardship Analysis below within the Aggregate Payments to Individuals section for additional information on Kiowa Tribe's hardship program costs claimed as CRF expenditures.

¹⁹ A W-9 is a U.S. Internal Revenue Service document utilized to obtain the tax identification number of an individual or business entity and is utilized for eligibility verification purposes.

Other Matter Recommended Follow-Up: Hardship Program Payment Reported in Aggregate Reporting less than \$50,000

Kiowa Tribe claimed expenses related to an Emergency Assistance Program hardship payment within its Aggregate Reporting less than \$50,000 payment type that should have been reported within the Aggregate Payments to Individuals payment type, which did not comply with Treasury's Guidance. We recommend Treasury OIG request that the Kiowa Tribe perform an analysis over its Aggregate Reporting less than \$50,000 claimed costs to determine if there were any additional hardship payments included within that payment type. Based on the results of this assessment, we recommend that Treasury OIG consider the feasibility of performing additional testing over these balances.

Aggregate Payments to Individuals

CRF payments made to individuals, regardless of amount, were required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information. Castro notes that Aggregate Payments to Individuals consists of the following broad types of potential costs which we have defined from the Treasury's Guidance as published in the Federal Register.²⁰ Prime recipients may or may not have claimed all of these types of expenditures.

²⁰ CRF Guidance as published in the Federal Register (January 15, 2021).
https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

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- **Public Safety/Health Payroll**²¹ – consisted of payroll costs for public health and safety department personnel.
- **Substantially Dedicated Payroll**²² – consisted of payroll costs for non-public health and safety personnel who were substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- **Non-Substantially Dedicated Payroll**²³ – consisted of payroll costs for personnel who performed COVID-19 related tasks on a part-time basis.
- **Non-Payroll Expenditures** – consisted of financial assistance payments to citizens due to hardship or loss of income, unemployment claims, and other non-payroll related expenditures made to individuals.

²¹ Treasury’s Federal Register guidance provided the following examples of public health and safety employees: “police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel... employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.”

²² Substantially dedicated payroll costs meant that personnel must have dedicated over 50 percent of their time to responding or mitigating COVID-19. Treasury’s Federal Register guidance indicated that: “The full amount of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what “substantially dedicated” means given that there is not a precise way to define this term across different employment types. The relevant unit of government should maintain documentation of the “substantially dedicated” conclusion with respect to its employees.”

²³ Payroll costs that were not substantially dedicated were payroll costs that were not public health and safety, and which were not substantially dedicated to performing COVID-19 related tasks. Treasury’s Federal Register guidance defined more stringent tracking requirements for these types of payroll costs. Specifically, Treasury’s Federal Register guidance stated: “track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department. This means, for example, that a government could cover payroll expenses allocated on an hourly basis to employees’ time dedicated to mitigating or responding to the COVID-19 public health emergency.”

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Kiowa Tribe's Aggregate Payments to Individuals balance consisted of payroll transactions from the following categories of claimed costs.

Aggregate Payments to Individuals Category Types ²⁴	Total Expenses Claimed
Substantially Dedicated Payroll	\$ 545,495
Non-Substantially Dedicated Payroll	\$ 426,942
Non-Payroll Expenditures	\$ 11,833,363
Totals²⁵	\$ 12,805,800

Castro tested substantially dedicated payroll transactions by reviewing the prime recipient's "substantially dedicated" conclusion with respect to its employees and payroll distribution files, and also by performing tests over specific employee timesheet submissions. Castro tested non-substantially dedicated payroll transactions by reviewing payroll distribution files, and by performing tests over specific employee timesheet submissions.

²⁴ Kiowa Tribe did not report any public health and safety payroll within its Aggregate Payments to Individuals payment type, and so these were not included within the Aggregate Payments to Individuals Category Types.

²⁵ Castro attempted to reconcile the expenditures identified within the GrantSolutions portal to the GL detail provided by Kiowa Tribe and although there wasn't an overall variance resulting in any questioned costs, Castro did identify misclassifications between GL details and amounts reported in the GrantSolutions portal. The amount reported by Kiowa Tribe in its FPR for Aggregate Payments to Individuals was \$12,972,350, but the amount reported in its GL details was \$12,805,800. Castro did not consider this misclassification error to be a questioned cost because the total amount claimed did not change. We utilized the amounts reported by Kiowa Tribe in the GL details for transaction testing purposes. See **Financial Reporting Control Issues** section above for additional discussion.

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We determined that Kiowa Tribe's Aggregate Payments to Individuals did not comply with the CARES Act and Treasury's Guidance. We tested 11 transactions totaling \$41,022, which consisted of the following: one substantially dedicated payroll, one non-substantially dedicated hazard pay entry, and nine non-payroll hardship transactions, please see **Kiowa Tribe Hardship Summary below** for hardship programs. Castro identified exceptions for all 11 transactions selected for testing, and identified total questioned costs of \$41,022, which consisted of total ineligible costs of \$1,860 and total unsupported costs of \$39,162, respectively. We also identified other matter ineligible questioned costs of \$654,200 that increased our ineligible questioned costs to \$656,060, resulting in total questioned costs of \$695,222. See **Other Matter for Treasury OIG Consideration – Hardship Analysis of Aggregate Payments to Individuals** section below for additional discussion.

Kiowa Tribe Hardship Summary

Kiowa Tribe claimed costs for the following four types of hardship programs as CRF expenditures primarily within its Aggregate Payments to Individuals payment type, but also in the Aggregate Reporting less than \$50,000 payment type.²⁶

1. **Food Voucher Assistance Program** for tribal citizens who qualified based on household size.
2. **Pay My Bills Program**, which was limited to a one-time \$500 payment per household to assist tribal citizens and prevent utility cut-offs, restore services, or to bring certain personal financial obligations current.
3. **Elderly Emergency Assistance Program** that offered \$900 to each citizen of the Tribe over the age of 62 years old.
4. **Emergency Assistance Program** that paid eligible tribal citizens \$1,000 due to financial hardship endured from loss of income and increased costs due to COVID-19.

²⁶ Castro identified one Emergency Assistance Program hardship payment made to a tribal citizen to assist with a car payment, which was reported within the Aggregate Reporting less than \$50,000 payment type and should have been reported within the Aggregate Payments to Individuals payment type. Due to the reporting classification error, this additional payment was not captured in Castro's below hardship analysis of the Aggregate Payments to Individuals payment type.

Other Matter for Treasury OIG Consideration – Hardship Analysis of Aggregate Payments to Individuals

Castro identified a total of \$11,833,363 of hardship program payments charged to the CRF in the Kiowa Tribe's GL details for their four hardship programs. Castro performed detailed testing on a total of \$18,272 of hardship program payments across all four programs and questioned all \$18,272 of payments tested, as detailed below in the Aggregate Payments to Individuals testing results section. Additionally, Castro performed an analysis of Kiowa Tribe's total hardship program payments to determine whether the overall balances presented increased risk of ineligible uses of the CRF. Castro summarized the results of our testing of hardship payments and our hardship analysis in Table 4 below.

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Table 4 - Analysis of Aggregate Payments to Individuals Total Hardship Program Payments

Hardship Program	Additional Description	GL Detail Amount	Pre-March 27, 2020 Budgeted Amount	Tested Questioned Costs	Other Matter Questioned Costs	Questioned Costs (Combined Tested and Other Matter)	Other Matter Recommended TOIG Follow-Up (No Questioned Costs)	Total Payments to Tribal Citizens
Food Voucher Assistance Program	Up to \$2,500 based on household size	\$ 1,754,420	\$ 241,296	\$ 10,853	\$ -	\$ 10,853	\$ 230,443	3,657
Pay My Bills Program	Up to \$500 per household payment for bills assistance	\$ 3,030,377	\$ -	\$ 3,291	\$ -	\$ 3,291	\$ -	6,422
Elderly Emergency Assistance Program	Payment up to \$900 for tribal citizens over 62 years old	\$ 657,328	\$ 919,000	\$ 3,128	\$ 654,200	\$ 657,328	\$ -	2,229
Emergency Assistance Program	Up to \$1,000 payment due to financial hardship	\$ 6,391,238	\$ 350,000	\$ 1,000	\$ -	\$ 1,000	\$ 349,000	5,601
Grand Total		\$11,833,363	\$ 1,510,296	\$ 18,272	\$ 654,200	\$ 672,472	\$ 579,443	17,909

Hardship Analytic Results and Other Matter Additional Identified Questioned Costs: Elderly Emergency Assistance Program

During Castro's testing of individual hardship payments, Castro inquired whether Kiowa Tribe performed an individual assessment for hardship applicants to evidence the need for the payments. Kiowa Tribe provided Castro with applications signed by hardship applicants and Castro verified that hardship applications were required for all hardship programs, except for the Elderly Emergency Assistance Program. Castro determined that Kiowa Tribe paid all elders 62 years of age and older up to \$900 without tribal citizens having to apply for the assistance. In response to our follow-ups, Kiowa Tribe explained that they had an enrollment database for all tribal citizens over 62 years old. The enrollment clerk sent the elderly enrollment list to the Tribe's Department of Finance for all tribal citizens over the age of 62 by December 31, 2020. The Department of Finance then processed the checks which were paid out to tribal citizens. Based on the Tribe's responses, Castro determined the Tribe's Elderly Emergency Assistance Program payments appeared to be per capita payments, which would be an ineligible use of CRF based on Treasury's Guidance that stated a "per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund."

Castro questioned \$1,268 as unsupported costs and \$1,860 as ineligible costs in expenditures from our testing for a total of \$3,128 in questioned costs. Castro also identified \$654,200 in other matter ineligible questioned costs for the Elderly Emergency Assistance Program because of our hardship analysis resulting in a total of \$657,328 in unsupported and ineligible questioned costs.

Hardship Analytic Results and Other Matter Additional Follow-Up: Previously Budgeted Food Voucher Assistance and Emergency Assistance Program Costs

During our testing procedures, Castro identified that Kiowa Tribe prepared a budget on January 11, 2019, for fiscal years (FY) 2019 and 2020. Within this budget, Kiowa Tribe budgeted FY 2020 expenditures of \$350,000 for the Emergency Assistance Program and \$241,296 for the Food Voucher Assistance Program. The CARES Act explicitly disallowed claiming costs that "were accounted for in the budget most recently approved as of March 27, 2020."²⁷ After excluding questioned costs already tested under these hardship programs, Castro identified an additional \$579,443 in hardship payment costs not yet questioned

²⁷ Under the "Uses of Funds" requirements of Section 601(d) under Title VI of the Social Security Act, as amended by the Title V of Division A of the CARES Act, "payments from the Fund may only be used to cover costs that ... were not accounted for in the budget most recently approved as of March 27, 2020."

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through our desk review that may have been included in Kiowa Tribe's FY 2020 budget most recently approved as of March 27, 2020, as shown above in Table 4 above.

Castro recommends Treasury OIG determine the feasibility of following up with Kiowa Tribe over the \$579,443 of additional hardship payments to determine whether these amounts charged to the CRF included previously budgeted expenditures and, if so, Castro recommends Treasury OIG recoup the funds or request that Kiowa Tribe management provide support for eligible expenditures, not previously charged to CRF, that were incurred during the period of performance. This \$579,443 in hardship payments consisted of \$230,443 in Food Voucher Assistance Program and \$349,000 in Emergency Assistance Program costs.

Substantially Dedicated Payroll Testing Exception – COVID-19 Call Center

Castro tested one substantially dedicated payroll entry related to time entries for five employees totaling \$12,195 in expenditures with Personnel Action Requests coded to the "COVID-19 Call Center" department. Kiowa Tribe provided earnings statements, payroll distribution reports, Personnel Action Forms, and timesheets for the five selected employees; however, we noted the timesheets were not for the correct pay period ending date and did not agree to the hours or time periods for the CRF claimed expenditure amounts. We further requested activity logs and timesheets elaborating on the tasks completed by these substantially dedicated employees, to include descriptions of how those tasks related to COVID-19. Kiowa Tribe personnel responded that they had migrated to a new payroll system and no longer had access to the payroll system that was in place during the pandemic.

Castro considered these CRF expenditures to be unsupported because Kiowa Tribe personnel were unable to provide us any timesheets or activity logs that adequately supported our transaction selections or documentation of the Tribe's "substantially dedicated" conclusion with respect to its employees, as required by Treasury's Guidance.²⁸ We questioned the entire amount tested of \$12,195 as unsupported.

²⁸ Treasury's Federal Register guidance indicated that: "The full amount of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what "substantially dedicated" means given that there is not a precise way to define this term across different employment types. The relevant unit of government should maintain documentation of the "substantially dedicated" conclusion with respect to its employees."

Non-Substantially Dedicated Payroll Testing Exception - Kiowa Tribe Chairman's Payroll

Kiowa Tribe claimed and Castro tested \$10,555 for non-substantially dedicated payroll costs for hazard pay to the former Chairman of Kiowa Tribe. The COVID-19 hazard pay timesheets and hazard pay calculation form included a total of 968 hours for the Chairman for the pay periods of May 29, 2020 through December 15, 2020, which was higher than the 965 total hazard pay hours associated with the payroll costs that Kiowa Tribe claimed in the GrantSolutions portal. The executive branch memo received from Kiowa Tribe dated November 19, 2020 stated the following requirement over the hazard pay program costs, "Those who worked remotely or those who worked but had no interaction with the public will not be eligible for the second payment." Castro also noted that even though the employee was claimed as non-substantially dedicated payroll, Kiowa Tribe claimed all of the former Chairman's hazard pay time as a CRF expense.

The hazard pay timesheets provided did not include any details on the tasks performed and how they related to the COVID-19 pandemic. Castro requested activity logs and payroll generated timesheets elaborating on the tasks completed by the former Chairman, to include descriptions of how those tasks related to COVID-19 and to verify compliance with Kiowa Tribe's hazard pay requirements. We also requested earnings statements and a hazard pay justification. Kiowa Tribe personnel responded that they had migrated to a new payroll system and no longer had access to the payroll system that was in place during the pandemic. They were unable to provide us any payroll system generated timesheets or activity logs related to the transaction that we selected for testing. Castro considered these CRF expenditures to be unsupported because Kiowa Tribe was unable to provide us any payroll system generated timesheets or activity logs with more detailed descriptions of tasks performed and justifications related to our transaction selection. Additionally, Kiowa Tribe did not maintain any documentation for the non-substantially dedicated payroll as required by Treasury's Federal Register, which stated that agencies must: "track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department. This means, for example, that a government could cover payroll expenses allocated on an hourly basis to employees' time dedicated to mitigating or responding to the COVID-19 public health emergency." We question the entire amount tested of \$10,555 as unsupported.

Non-Payroll Elder Emergency Assistance Program Testing Exception #'s 1-3

Exception #1

Kiowa Tribe claimed and Castro tested \$1,268 in expenditures under their Elderly Emergency Assistance Program. Based on the payment justification provided by the Kiowa Tribe, all elders 62 and older received \$900. Castro reviewed the payment memo and utility shut off notices for a tribal citizen. Castro was unable to agree the amount on the electricity shut off notice to the amount claimed in the GrantSolutions portal. The shut off notice stated the total amount due was \$1,668, but the amount claimed was \$1,268. Castro followed up with Kiowa Tribe to request the following: an explanation of how Kiowa Tribe calculated the claimed amount; an explanation as to why the tribal citizen received more than the \$900 issued by the Elderly Emergency Assistance Program; hardship applications signed and dated by the tribal citizen; and loss of income documentation. Kiowa Tribe provided a partial response stating that the \$900 Elderly Emergency Assistance Program was a separate program that paid all elders regardless of other assistance provided. Kiowa Tribe did not provide support related to our other inquiries by the end of fieldwork. We question the entire amount tested of \$1,268 as unsupported.

Exception #2

Kiowa Tribe claimed and Castro tested \$1,360 in expenditures under their Elderly Emergency Assistance Program for rent and bills of a tribal citizen. Based on the payment justification provided by the Kiowa Tribe, all elders 62 and older received \$900. Castro followed up with the Kiowa Tribe to request the following: an explanation of how the Kiowa Tribe calculated the claimed amount of \$1,360; an explanation as to why the tribal citizen received more than the \$900 issued by the Elderly Emergency Assistance Program; hardship applications completed by the tribal citizen; and underlying documentation related to the claimed amounts. Castro noted that the tribal citizen's GAP application listed that the applicant was 49 years old, and so we inquired as to how the Kiowa Tribe determined that this individual met the Elderly Emergency Assistance program requirements given the program was designed for elders aged 62 years and older. The Kiowa Tribe provided a response stating that the tribal citizen was not an elder and did not receive \$900 related to the elderly payments. Castro reviewed the GL detail to corroborate Kiowa Tribe's response, but we noted that the tribal citizen received three separate payments for the following three hardship programs: Food Voucher Assistance Program, Pay My Bills Program, and Elderly Emergency Assistance Program payments. Castro determined this transaction to be ineligible because the applicant was not old enough to qualify for an Elderly Emergency

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Assistance Program payment. We question the entire amount tested of \$1,360 as ineligible.

Exception #3

The Kiowa Tribe claimed and Castro tested \$500 in expenditures under their Elderly Emergency Assistance Program for “Christmas money” (this is the transaction description coded in the Kiowa Tribe’s GL) distributed to a tribal citizen. Based on the payment justification provided by the Kiowa Tribe, all elders 62 and older received \$900. Castro reviewed the eligibility justification for the payment, but the Kiowa Tribe did not provide any supporting documentation related to the expenditure. Castro followed up with the Kiowa Tribe requesting a signed and dated hardship application for the tribal citizen, any underlying documents required to evidence hardship expenses incurred by the elder to justify the need for an elderly hardship payment, evidence of underlying expenses or receipts that show how the “Christmas money” was spent, and loss of income documentation.

Kiowa Tribe personnel provided a partial response stating that no hardship application was submitted and the tribal citizen did not receive any additional payments. Kiowa Tribe personnel also stated that elders did not apply for elder payments, but Kiowa Tribe had an enrollment database for all tribal citizens over 62 years old as of December 31, 2020. The Kiowa Tribe finance clerk processed the checks for elders based on the enrollment database and sent them out to the respective tribal citizens. This indicated that this transaction was a per capita payment since no applications were required, which is explicitly disallowed per the Federal Register. The Treasury’s Federal Register guidance stated: “per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.” We question the entire amount tested of \$500 as ineligible.

Non-Payroll Pay My Bills Program Testing Exception #’s 4 and 5

Exception #4

The Kiowa Tribe claimed and Castro tested \$1,391 in expenditures under their Pay My Bills Program. The Kiowa Tribe stated the Kiowa Tribe’s Tax Commission initially paid the gas, internet, and electric bills for the Tribe’s COVID-19 Center building, and then CRF proceeds were used to reimburse the Tax Commission for the payments. The expenditures included the following bills incurred from June 2020 to July 2020: a natural gas bill in the amount of \$215, an internet bill for \$99, an electric bill for partial usage for \$102, and an electric bill for \$975. Castro reviewed the eligibility justification, utility bills, canceled checks, email

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communications, and accounts payable vouchers. However, the Kiowa Tribe did not provide any utility bill to support the electric bill of \$975.

Castro requested that the Kiowa Tribe provide the missing utility bill, and signed and dated hardship applications, but the Tribe was unable to provide sufficient documentation that showed how these expenses were eligible for CRF reimbursement under the Pay My Bills Program. Without the hardship application and other missing support, we question the entire amount tested of \$1,391 as unsupported.

Exception #5

The Kiowa Tribe claimed and Castro tested \$1,500 in expenditures to a tribal citizen under their Pay My Bills Program. Castro reviewed the eligibility justification, tribal citizen signed and dated hardship application, and accounts payable vouchers for a tribal citizen related to the \$1,500 in claimed expenditures. After review of the supporting documents, Castro noted that the Kiowa Tribe did not provide past due utility bills or any underlying documentation needed to support that the tribal citizen needed utility assistance. Castro followed up with the Kiowa Tribe requesting loss of income documentation, utility bills showing amounts claimed were past due, and to provide the different program requirements if this applicant had applied to multiple programs. The Kiowa Tribe did not provide support related to our inquiries by the end of fieldwork. Without this information, Castro could not verify these expenses were necessary due to the pandemic and that the applicant met the Kiowa Tribe's Pay My Bills Program requirements. We question the entire amount tested of \$1,500 as unsupported.

Non-Payroll Hardship Food Voucher Assistance Program Testing Exception #'s 6 and 7

Exception #6

Castro tested a Food Voucher Assistance Program claimed transaction totaling \$1,500, where the Kiowa Tribe provided a GAP hardship application completed by the tribal citizen. The Kiowa Tribe reviewed the GAP hardship application and awarded the applicant a hardship payment under the Food Voucher Assistance Program. This included a hardship applicant attestation to a \$700 decrease in income due to the pandemic and a \$300 increase in food costs due to the pandemic. The applicant did not provide any documentation to support increased food costs or decreased income. Castro reviewed documentation provided by the Kiowa Tribe from the accounting firm responsible for handling the Tribe's application review and noted that it indicated that "there has to be some kind of proof or documentation. Applicants MUST be able to prove:

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- A. Decrease in income; or
- B. Increase in other expenses, leaving less money for food; or
- C. Increase in food spending since March 2020 via receipts, bank statements, etc.;
- or
- D. All of the above."

Without underlying documentation evidencing the increase in food costs and the decrease in income, Castro determined that the Kiowa Tribe did not ensure that the applicant met its program requirements. Also, Castro could not determine that this transaction represented an expense that was necessary due to the pandemic. We question the entire amount tested of \$1,500 as unsupported.

Exception #7

Castro tested a Food Voucher Assistance Program transaction where the Kiowa Tribe claimed \$8,153 in expenditures for a "big box" store vendor. Based on the Kiowa Tribe's Food Voucher Assistance Program guidelines to receive the funds from the program, an application was required to be processed and the amount provided would be based on the household size. The Kiowa Tribe did not have a hardship application for this transaction, and so Castro did not consider this transaction to be appropriately coded as a hardship expenditure. Castro reviewed various supporting documentation and was not able to agree the documentation provided to the claimed expenditure amount. The Kiowa Tribe did not provide any invoices related to the "big box" store, which was the vendor listed for our transaction selection. Rather, the invoice provided was for a water and coffee vendor for 22 pallets of drinking water. Castro requested an invoice for the "big box" store selected transaction that agreed to the amount reported in its GL and claimed in the GrantSolutions portal, but the Kiowa Tribe did not provide this requested information by the end of fieldwork. We question the entire amount tested of \$8,153 as unsupported.

Combined Food Voucher Assistance Program, Pay My Bills Program, and Emergency Assistance Program Payments Testing Exception #'s 8 and 9

For two non-payroll transactions tested, Kiowa Tribe claimed and Castro tested \$1,600 and \$1,000 in expenditures, respectively, for a total of \$2,600 in transactions tested, as detailed below.

Exception #8

The Kiowa Tribe claimed \$1,600 in expenditures, which consisted of \$1,200 under the Food Voucher Assistance Program and \$400 under the Pay My Bills Program. Castro reviewed various supporting documentation, but noted the Kiowa Tribe did not follow its own guidelines of providing proof of income loss and increase in applicant expenses. After review of the supporting documents, Castro also noted that in the tribal citizen's bank statements, their claimed Pay My Bills hardship payment of \$400 was for their incurred Internal Revenue Service (IRS) tax payment which was returned with a net cash outflow to the IRS of \$0. Castro reviewed the list of reasons for hardship and did not see tax payments listed within the Pay My Bills hardship payment eligible expenses, as typical expenses claimed within this hardship payment type included past due rent and utilities. Castro followed up with the Kiowa Tribe requesting a determination as to why the IRS tax payment was included in the hardship claimed amount, how the payment was deemed eligible, and why the funds were claimed if the IRS payment was returned. The Kiowa Tribe "could not determine" the answers to any of our follow-up requests. Castro did not consider this response sufficient to support that these hardship payments were needed and properly supported. We question the entire amount tested of \$1,600 as unsupported.

Exception #9

The Kiowa Tribe claimed \$1,000 in expenditures under the Emergency Assistance Program. Castro reviewed various supporting documentation; however, the Kiowa Tribe did not provide the applicant's proof of income loss and increase in expenses, as required by the program's guidelines, by the end of fieldwork. We question the entire amount tested of \$1,000 as unsupported.

Conclusion

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

We identified unsupported and ineligible questioned costs of \$7,750,559 and \$780,595, respectively, resulting in total questioned costs of \$8,531,154. Also, we identified GrantSolutions portal misclassification reporting issues related to the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payment to Individuals payment types that did not comply with Treasury's Guidance.

Additionally, Kiowa Tribe's risk of unallowable use of funds is **high**.

Castro recommends that Treasury OIG follow-up with Kiowa Tribe's management to confirm if the \$7,750,559 noted as unsupported expenditures within the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types can be supported. If support is not provided, Treasury OIG should recoup the funds or request Kiowa Tribe management to provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance.

In addition, Castro recommends that Treasury OIG request Kiowa Tribe management to provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance for the \$780,595 of ineligible costs charged to the Contracts greater than or equal to \$50,000 and Aggregate Payments to Individuals payment types. If support is not provided, Treasury OIG should recoup the funds.

Further, based on Kiowa Tribe's responsiveness to Treasury OIG's requests and its ability to provide sufficient documentation and/or replace unsupported and ineligible transactions charged to CRF with valid expenditures, Castro recommends Treasury OIG determine the feasibility of conducting an audit for the Contracts greater than or equal to \$50,000, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals payment types.

Desk Review of Kiowa Tribe, Oklahoma

Castro also identified other matters throughout the course of our desk review, which warrant recommendations to Treasury OIG for additional action. Castro recommends Treasury OIG follow-up on these issues:

- Follow-up with Kiowa Tribe for the \$12,678 of contract costs not yet tested within our desk review related to payment of attorney's fees to determine if there are additional unsupported or ineligible questioned costs.
- As a result of our testing, Castro identified questioned costs within all of Kiowa Tribe's hardship payment types: Food Voucher Assistance Program, Pay My Bills Program, Elderly Emergency Assistance Program, and Emergency Assistance Program. We recommend Treasury OIG determine the feasibility of performing additional follow-up with Kiowa Tribe to determine if there were other instances of ineligible or unsupported hardship balances within all four of the aforementioned hardship payment types claimed within its Aggregate Payments to Individuals payment type.
- In addition, as it relates to the hardship payments charged to the Aggregate Payments to Individuals payment type, Castro identified \$579,443 in hardship payment costs not yet questioned through our desk review that may have been included in Kiowa Tribe's most recently approved budget as of March 27, 2020. Castro recommends Treasury OIG determine the feasibility of following up with Kiowa Tribe over the \$579,443 of additional hardship payments to determine whether this balance charged to the CRF included previously budgeted expenditures and, if so, Castro recommends Treasury OIG recoup the funds or request that Kiowa Tribe management provide support for replacement expenses, not previously charged, that were eligible during the CRF period of performance.
- Kiowa Tribe claimed expenses related to a hardship payment to a tribal citizen within its Aggregate Reporting less than \$50,000 payment type that was erroneously not included within its Aggregate Payments to Individuals payment type. We recommend Treasury OIG request Kiowa Tribe perform an analysis over its Aggregate Reporting less than \$50,000 payment type claimed costs to determine if there are any additional hardship payments included within that payment type. Based on the results of this assessment, we recommend that Treasury OIG consider the feasibility of performing additional testing over these balances.

Desk Review of Kiowa Tribe, Oklahoma

All work completed with this letter complies with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspectors General*, which require that the work adheres to the professional standards of independence, due professional care, and quality assurance to ensure the accuracy of the information presented.²⁹ We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,



Wayne Ference
Partner, Castro & Company, LLC

²⁹ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>