



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

February 17, 2026

OIG-CA-26-021

Ms. Frances Parmelee  
Department of Finance  
Oversight and Accountability Unit  
915 L Street  
Sacramento, CA 95814

Re: Final Determination on Corrective Actions for Desk Review of the State of California's Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-025)

Dear Ms. Parmelee:

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act),<sup>1</sup> established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion for making payments to states, District of Columbia, local, territorial, and tribal government entities. CRF recipients may use the CRF award 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 government's budget most recently approved as of March 27, 2020; and
3. were incurred during the period that began on March 1, 2020, and ended on December 31, 2021, for states, local governments, and territories. In the case of tribal governments, were incurred during the period that began on March 1, 2020, and ended on December 31, 2022 (covered period).

Under a contract monitored by our office, a certified independent public accounting firm, performed a desk review to evaluate the State of California's documentation supporting its uses of CRF proceeds as reported in the GrantSolutions<sup>2</sup> portal. In the desk review memorandum,<sup>3</sup> the independent public accounting firm identified total unsupported and ineligible questioned costs of \$6,952 in the "aggregate reporting less than \$50,000" category for ineligible subscription costs incurred outside of the covered period.

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<sup>1</sup> P.L. 116-136 (March 27, 2020)

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

<sup>3</sup> Treasury OIG, *Desk Review of the State of California's Use of Coronavirus Relief Fund Proceeds*, OIG-CA-23-025 (July 7, 2023)

In December 2024, we requested supporting documentation from California. Between January and April 2025, California provided documentation demonstrating eligible replacement expenses for the \$6,952 in questioned costs. Accordingly, California's corrective actions addressed the questioned costs identified in the desk review.

We appreciate the courtesy and cooperation provided to our staff during the desk review. If you have any questions or require further information, please contact me at (202) 927-5400, or a member of your staff may contact Dianna Jones, Audit Director, at (202) 997-4491.

Sincerely,

/s/

Pauletta P. Battle  
Assistant Inspector General for Audit

cc: Danielle R. Christensen, Deputy Chief Program Officer for State and Local Programs, Office of Capital Access, Department of the Treasury  
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