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Audit Report



OIG-26-031

CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS

Audit of Airline Worker Support Extension Certification – Air Center Helicopter, Inc.

May 11, 2026

Office of Inspector General
Department of the Treasury

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OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 11, 2026

**MEMORANDUM FOR JEFFREY STOUT
ACTING CHIEF PROGRAM OFFICER**

FROM: Pauletta Battle /s/
Assistant Inspector General for Audit

SUBJECT: Audit of Airline Worker Support Extension Certification – Air Center Helicopter, Inc.

Attached is our audit report for the *Audit of Airline Worker Support Extension Certification – Air Center Helicopter, Inc.* (Air Center Helicopter) (OIG-26-031; May 11, 2026). Under a contract monitored by our office, Saggar & Rosenberg, P.C. (S&R), a certified independent public accounting firm, performed the audit. The objective of this audit was to assess the accuracy, completeness, and sufficiency of Air Center Helicopter's sworn financial statement or other data used to certify the wages, salaries, benefits, and other compensation amounts submitted and approved by the Department of the Treasury (Treasury) for the Payroll Support Program Extension (PSP2). This audit was mandated by Title IV, Subtitle A, *Airline Worker Support Extension*, of the *Consolidated Appropriations Act, 2021*.¹ The scope of our audit covered the period from October 1, 2019, through March 31, 2020, and included the certified PSP2 Application, sworn financial statement, tax returns, and other documentation submitted to Treasury.

In its audit report, S&R found Air Center Helicopter, a passenger air carrier, included (1) employer-side payroll taxes, (2) per diem expenses, (3) corporate officer compensation, (4) the difference between the actual benefits paid and the PSP2 Application amount, and (5) an ineligible-employee expense, totaling \$1,141,917. The unallowable expenses were entirely offset by the company voluntarily withholding \$ [REDACTED] in eligible PSP2 compensation. Overall, Air Center Helicopter understated its requested amount by \$ [REDACTED]. Therefore, S&R is not making a recommendation.

Our contract required that the audit be performed in accordance with generally accepted government auditing standards. In connection with the contract, we reviewed S&R's report and related documentation and inquired of its representatives.

¹ P.L. 116-260 (December 27, 2020)

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 Air Center Helicopter's compliance with Treasury's PSP2 policies and procedures. S&R is responsible for the attached auditor's report and the conclusions expressed therein. Our review found no instances in which S&R did not comply, in all material respects, with generally accepted government auditing standards.

We appreciate the courtesies and cooperation provided to S&R and our staff during the audit. If you have any questions or require further information, please contact me at (202) 927-5400, or a member of your staff may contact Julie Wong, Acting Deputy Assistant Inspector General for Audit, at (202) 439-6354.

Attachment

cc: Thao P. Tran, Acting Chief Operating Officer, Department of the Treasury
Danielle Christensen, Deputy Chief Program Officer for State and Local
Programs, Office of Capital Access, Department of the Treasury
Jason Morrow, Senior Counsel, Department of the Treasury
Jeff Davis, Partner, Saggar & Rosenberg, P.C.

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Abbreviations

Air Center Helicopter	Air Center Helicopter, Inc.
CAA	Consolidated Appropriations Act
DOT	Department of Transportation
DUNS	Data Universal Numbering System
IRS	Internal Revenue Service
OIG	Treasury Office of Inspector General
PSP1	Payroll Support Program, Coronavirus Aid, Relief, and Economic Security Act
PSP2	Payroll Support Program Extension, Consolidated Appropriations Act, 2021
PSP2 Guidelines	Guidelines and Application Procedures for Payroll Support to Passenger Air Carriers and Contractors
S&R	Saggar & Rosenberg, P.C.
SOC 1	System and Organizational Controls
Treasury	Department of the Treasury

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May 11, 2026

Jeffrey Stout
Acting Chief Program Officer
Department of the Treasury

This report presents the results of our audit of Air Center Helicopter Inc.'s (Air Center Helicopter) certifications made to the Department of the Treasury (Treasury) as part of its participation in the Payroll Support Program Extension (PSP2). This audit was mandated by Title IV, Subtitle A, *Airline Worker Support Extension*, of the *Consolidated Appropriations Act, 2021* (CAA). Under the CAA, Treasury was to provide \$16 billion in financial assistance to passenger air carriers and certain contractors to be exclusively used for the continuation of payment of employee wages, salaries, and benefits, in response to the economic impact of the Coronavirus Disease 2019.² Furthermore, the Treasury Office of Inspector General (OIG) is required to audit certifications made by passenger air carriers that do not report salaries and benefits to the Department of Transportation (DOT) (hereinafter referred to as non-241 air carriers)³ and contractors.

Our audit objective was to assess the accuracy, completeness, and sufficiency of Air Center Helicopter's sworn financial statement or other data used to certify the wages, salaries, benefits, and other compensation amounts submitted and approved by Treasury for PSP2. The scope of our audit covered the period from October 1, 2019, through March 31, 2020, and included the certified PSP2 Application, sworn financial statement, tax returns, and other documentation submitted to Treasury on January 13, 2021.

To accomplish the objective, we reviewed applicable federal laws and regulations; and Treasury's policies, procedures and guidance, including but not limited to, Title IV, Subtitle A, *Airline Worker Support Extension of the CAA*; *Guidelines and Application*

² The financial assistance provided under the CAA was split between passenger air carriers (\$15 billion) and contractors (\$1 billion).

³ Passenger air carriers that are not required to report salaries and wages to DOT under 14 CFR Part 241, "Uniform System of Accounts and Reports for Large Certificated Air Carriers."

Procedures for Payroll Support to Passenger Air Carriers and Contractors (PSP2 Guidelines); PSP2 Agreement; and Question and Answer: Payroll Support Program Extension for Passenger Air Carriers and Contractors. We interviewed key personnel from Air Center Helicopter and Treasury. We conducted our fieldwork from January 2025 through July 2025. Appendix 1 contains a more detailed description of our objective, scope, and methodology.

Results in Brief

We found that Air Center Helicopter, a passenger air carrier, reported correct information for five of six sections reviewed on its PSP2 Application.⁴ These sections are: (1) Recipient Information, (2) Eligibility Questions, (3) Company Information, (4) Affiliates, and (5) Certification. We also found that Air Center Helicopter reported incorrect information in the Determining Awardable Amount section of the PSP2 Application.

We found that Air Center Helicopter included (1) \$ [REDACTED] in employer-side payroll taxes, (2) \$ [REDACTED] in per diem expenses, (3) \$ [REDACTED] in corporate officer compensation, (4) \$26,954 from the difference between the actual benefits paid and the PSP2 Application amount, and (5) \$ [REDACTED] from an ineligible-employee expense, totaling \$1,141,917. The unallowable expenses were entirely offset by the company voluntarily withholding \$ [REDACTED] in eligible PSP2 compensation. Overall, Air Center Helicopter understated their requested amount by \$ [REDACTED]. Therefore, we are not making a recommendation.

As part of our reporting process, we provided Air Center Helicopter's management with an opportunity to comment on a draft of this report. In a written response, Air Center Helicopter's management stated they are not contesting the conclusions or recommendations in the report. Air Center Helicopter's management's response, in its entirety, is included as appendix 2 of this report.

⁴ The PSP2 Application is comprised of ten sections. We did not review four sections because the Financial Information, Bankruptcy Information, and Employee Levels sections had no impact on Treasury's determination of recipients' award amounts; and the Validation of Payroll Support Program (PSP1) Award Amount section had no impact on Air Center Helicopter's PSP2 awarded amount because the company did not receive PSP1 financial assistance.

In a written response, Treasury management noted that Air Center Helicopter understated its awardable amount; therefore, no amounts are owed back to Treasury. Additionally, Treasury management appreciates the work on this engagement and looks forward to working with the OIG to protect the integrity of the PSP and other recovery programs. Treasury management's response, in its entirety, is included as appendix 3 of this report.

Background

Title IV, Subtitle A, of the CAA, *Airline Worker Support Extension*, requires Treasury to provide financial assistance to air carriers and contractors that must exclusively be used for the continuation of payments of employees' wages, salaries, and benefits. Financial assistance is to be provided to:

- (1) passenger air carriers, in an aggregate amount up to \$15 billion; and
- (2) contractors, in an aggregate amount up to \$1 billion.

According to the CAA, Treasury is required to provide financial assistance to passenger air carriers that file financial reports to DOT (referred to as 241 air carriers),⁵ in an amount equal to: (1) the amount such air carrier was approved to receive (without taking into account any pro-rata reduction) under the Payroll Support Program (PSP1);⁶ or (2) at the request of such air carrier, or in the event such air carrier did not receive financial assistance under PSP1, the amount of the salaries and benefits reported by the air carrier to DOT, for the period from October 1, 2019, through March 31, 2020.

⁵ 14 CFR Part 241, *Uniform System of Accounts and Reports for Large Certificated Air Carriers* defines large certificated air carrier as an air carrier holding a certificate issued under 49 U.S.C 41102, as amended, that: (1) operates aircraft designed to have a maximum passenger capacity of more than 18,000 pounds; or (2) conducts operations where one or both terminals of a flight stage are outside the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. These air carriers are required to report financial information to DOT. Air Center Helicopter is not a large certificated air carrier.

⁶ The *Coronavirus Aid, Relief, and Economic Security Act* (P.L. 116-136) enacted on March 27, 2020, created the *Air Carrier Worker Support*. The program provided payroll support to passenger air carriers, cargo air carriers, and certain contractors for the continuation of payment of employee wages, salaries, and benefits in response to the economic impact of Coronavirus Disease 2019. Treasury referred to this as Payroll Support Program (PSP1).

Passenger air carriers that do not file financial reports to DOT (referred to as non-241 passenger air carriers) were provided with the alternative methods for calculating the awardable amount under PSP2. Financial assistance was required in an amount equal to:

(1) The amount such air carrier was approved to receive (without taking into account any pro-rata reduction) under PSP1, plus an additional 15 percent of such amount;

(2) The sum of (a) the amount that such air carrier certifies, using sworn financial statements or other appropriate data, as the amount of total salaries and related fringe benefits that such air carrier incurred and would be required to be reported to DOT pursuant to such part 241, if such air carrier was required to transmit such information during the period from April 1, 2019, through September 30, 2019; and (b) an additional amount equal to the difference between the amount certified under part (a) and the amount the air carrier received under PSP1; or

(3) In the event such air carrier did not receive financial assistance under PSP1, an amount such an air carrier certifies, using sworn financial statements or other appropriate data, as the amount of total salaries and related fringe benefits that such air carrier incurred and would be required to be reported to DOT pursuant to such part 241, if such air carrier was required to transmit such information during the period from October 1, 2019, through March 31, 2020.

The amounts submitted with the application to Treasury were considered sworn financial statements. To be eligible for payments, passenger air carriers must enter into agreements with Treasury certifying that they meet certain required assurances, terms, and conditions.

On December 29, 2020, Treasury posted on its website the PSP2 Guidelines. Afterwards, Treasury posted a web-based PSP2 Application for applicants to complete and submit. The PSP2 Application was comprised of ten sections:

1. Recipient Information — (1) indication of whether the applicant is an eligible passenger air carrier or an eligible

contractor; (2) Form-41 filer indication;⁷ (3) applicant's name; (4) applicant's taxpayer identification number; and (5) PSP1 Applicant indication, if applicable, by listing the PSP1 Application number, whether PSP1 Application was approved, and financial assistance received.

2. Eligibility Questions — selection of whether the applicant is a direct passenger air carrier, an indirect passenger air carrier, a direct contractor, or a subcontractor.⁸
3. Company Information — (1) applicant's Data Universal Numbering System (DUNS) number;⁹ (2) indication of whether the applicant is registered with the System for Award Management;¹⁰ (3) applicant's entity type; (4) applicant's address; and (5) contact person name, title, phone number, and email address.
4. Financial Information — (1) the applicant's account type, number, and routing number; and (2) the financial institution's name, address, and telephone number.
5. Bankruptcy Information — applicant's indication as to whether they have taken or is contemplating taking action to commence bankruptcy, to include explanation, debtor name, bankruptcy court, case number, type of bankruptcy filing, and date of bankruptcy filing.
6. Employee Levels — (1) applicant's average number of employees for 2019 and 2020; (2) employee count as of the date of the PSP2 Application; (3) if applicant did not apply for PSP1, number of involuntary reductions after

⁷ A Form-41 filer is a large certificated air carrier, who is required to report financial information to DOT.

⁸ Direct air carrier means a certificated commuter, foreign air carrier, an air taxi operator, or a Canadian charter air taxi operator; that directly engages in the operation of aircraft under a certificate, authorization, permit or exemption issued by DOT. Indirect air carriers are organizers and service providers who use services of a direct air carrier but do not operate or own the aircraft. A direct contractor is hired directly by the client to complete a project, whereas a subcontractor is hired by the contractor to complete tasks within the contract.

⁹ A DUNS number is a unique nine-digit identifier associated with a company's credit profile.

¹⁰ Entities registered on the System for Award Management, which is administered by the General Services Administration, are allowed to bid on government contracts and apply for federal assistance.

March 27, 2020; and (4) if applicant applied for PSP1, number of involuntary reductions after October 1, 2020.

7. Determining Awardable Amount — applicant’s decision on which method will be used to calculate the PSP2 awardable amount.
8. Validation of PSP1 Award Amount — applicant’s recertification to whether unallowable expenses were included in its PSP1 Application, to include corporate officer compensation, independent contractors, employer-side payroll taxes, and amounts other than wages, salaries, benefits, and other compensation.
9. Affiliates — (1) affiliate name; (2) affiliate applicant type; (3) affiliate taxpayer ID; and (4) affiliate DUNS number.
10. Certification — names, titles, and signatures of two certifying officials¹¹ and application submission date.

Treasury Disbursement Processes

The total PSP2 requested amount (also referred to as awardable amount) by all passenger air carrier applicants exceeded the \$15 billion available financial assistance. As a result, Treasury applied a preliminary pro-rata rate of 40 percent to the requested amount. Because its preliminary estimated pro-rata rate was low, Treasury calculated an additional 6 percent, a top-off amount, making the final pro-rata rate 46 percent. Generally, Treasury disbursed two payments—each half of the awarded amount.

Air Center Helicopter, Inc.

Headquartered in Burleson, Texas, Air Center Helicopter is a passenger air carrier that provides a variety of airlift support services to U.S. Government and commercial clients.

Air Center Helicopter submitted its PSP2 Application totaling \$ [REDACTED] on January 13, 2021. The company received

¹¹ The certifying officials attested under penalty of perjury that the information and certifications provided in the application and its attachments are true and correct.

\$6,432,457, or 46 percent of the requested amount. Treasury's disbursements to Air Center Helicopter were as follows:

- March 25, 2021: \$2,796,720
- April 5, 2021: \$2,796,720
- April 22, 2021: \$839,017

In addition to PSP2, Treasury awarded Air Center Helicopter \$5,999,552 under Payroll Support Program 3 authorized by the American Rescue Plan Act of 2021.¹² Payroll Support Program 3 was not the subject of this audit.

Audit Results

We found that Air Center Helicopter reported correct information for five of six sections reviewed on its PSP2 Application. These sections are: (1) Recipient Information, (2) Eligibility Questions, (3) Company Information, (4) Affiliates, and (5) Certification. We compared information provided in each section of the PSP2 Application to supporting documentation, including general ledger data, company sworn financial statement, Internal Revenue Service (IRS) Form 941,¹³ executive-level business charts, payroll registers, and third-party benefit claim and invoice data, among other items.

We also found that Air Center Helicopter incorrectly reported information in the Determining Awardable Amount section. Specifically, the company included: (1) unallowable employer-side payroll taxes, (2) per diem expenses, (3) corporate officer compensation, (4) the difference between the actual benefits paid and the PSP2 Application amount, and (5) an ineligible-employee expense, totaling \$1,141,917; however, the unallowable expenses were entirely offset by the company voluntarily withholding \$[REDACTED] in eligible PSP2 compensation. Overall, Air Center Helicopter understated its requested amount by \$[REDACTED].

¹² The American Rescue Plan of 2021 (P.L. 117-2), enacted on March 11, 2021, 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 referred to this as Payroll Support Program 3.

¹³ IRS Form 941 is a tax form that businesses file quarterly to report income taxes, Social Security taxes, and Medicare taxes they withheld from employees' paychecks.

Finding

Air Center Helicopter Did Not Over-Request PSP2 Financial Assistance Despite Partial Non-Compliance With Application Requirements

Treasury's PSP2 Application instructs non-241 passenger air carriers, who did not receive financial assistance under PSP1 to complete a *Form 41 Worksheet*. The *Form 41 Worksheet* requested the following information: (1) salaries for general management personnel, flight personnel, maintenance labor, aircraft and traffic handling personnel, and other personnel; (2) personnel expenses; (3) employee benefits and pensions; and (4) payroll taxes. The amounts reported in the worksheet were for October - December of tax year 2019 and January - March of tax year 2020.

Treasury's PSP2 Guidelines defines:

benefits as without duplication of any amounts counted as salary or wages, pension expenses in respect of employees, all expenses for accident, sickness, hospital, and death benefits to employees, and the cost of insurance to provide such benefits; any severance pay or other benefits payable to employees pursuant to a bona fide voluntary early retirement program or voluntary furlough; and any other similar expenses paid by a passenger air carrier or contractor for the benefit of employees, including any other fringe benefit expense described in lines 10 and 11 of Financial Reporting Schedule P-6,¹⁴ Form-41, as published by the Department of Transportation, but excluding any federal, state, or local payroll taxes paid by a passenger air carrier or contractor;

employee as an individual who is employed by an air carrier or a contractor and whose principal place of employment is in the United States (including its territories and possessions), including salaried, hourly, full-time, part-time, temporary, and leased employees, but excluding any individual who is a corporate officer or independent contractor;

corporate officer as with respect to a passenger air carrier, a president; any vice president in charge of a principal business unit, division, or function (such as sales, administration or

¹⁴ The Schedule P-6 is one of the financial reports 241 air carriers must submit to DOT. The schedule contains data for a company's quarterly operating expenses and is separated into categories such as salaries and fringe benefits.

finance); any other officer who performs a policy-making function; or any other person who performs similar policy-making functions for the passenger air carrier or contractor. Executive officers of subsidiaries or parents of a passenger air carrier or contractor may be deemed corporate officers of the passenger air carrier or contractor if they perform such policy-making functions for the passenger air carrier or contractor;

salaries as without duplication of any amounts counted as benefits, a predetermined regular payment, typically paid on a weekly or less frequent basis but which may be expressed as an hourly, weekly, annual or other rate, as well as cost-of-living differentials, vacation time, paid time off, sick leave, and overtime pay, paid by a passenger air carrier or contractor to its employees, but excluding any federal, state, or local payroll taxes paid by the passenger air carrier or contractor;

wages as without duplication of any amounts counted as benefits, a payment, typically paid on an hourly, daily, or piecework basis, including cost-of-living differentials, vacation, paid time off, sick leave, and overtime pay, paid by a passenger air carrier or contractor to its employees, but excluding any federal, state, or local payroll taxes paid by the passenger air carrier or contractor.

According to the *Question and Answer: Payroll Support Program Extension for Passenger Air Carriers and Contractors* dated January 19, 2021, PSP2 applicant's requested awardable amount must not include per diem expenses.

Air Center Helicopter incorrectly certified its PSP2 awardable amount, resulting in an overstatement of \$1,141,917. Specifically, Air Center Helicopter included:

- Employer-side payroll taxes, resulting in an overstatement of \$ [REDACTED];
- Per diem expenses, resulting in an overstatement of \$ [REDACTED];
- Corporate officer compensation, resulting in an overstatement of \$ [REDACTED];

- Differences between the actual benefits paid and the application figures compiled using accrual-based financial information, resulting in an overstatement of \$26,954, as detailed below:
 - Overstatement of \$ [REDACTED] in benefits requested for April 2020, which is outside of the October 1, 2019, through March 31, 2020 timeframe; and
 - Understatement of \$ [REDACTED] in unknown discrepancies; and
- Ineligible-employee (a member of the Board of Directors) transportation expense, resulting in an overstatement of \$ [REDACTED].

The \$1,141,917 overstatement was entirely offset due to \$ [REDACTED] of eligible compensation paid to company employees that Air Center Helicopter voluntarily withheld from the PSP2 Application. Overall, Air Center Helicopter understated its awardable amount by \$ [REDACTED] as illustrated in Table 1.

Table 1: Aggregate Understatement

Description	Amount
PSP2 Application Requested Amount	\$ [REDACTED]
Less Employee Payroll Tax	\$ [REDACTED]
Less Per Diem Expenses	\$ [REDACTED]
Less Corporate Officer Compensation	\$ [REDACTED]
Less Differences between Application and Actual Benefits Paid	\$(26,954)
Less Ineligible-Employee Expense	\$ [REDACTED]
Plus Eligible Compensation Excluded	\$ [REDACTED]
PSP2 Calculated Amount	\$14,011,784
Understatement	\$ [REDACTED]

Source: S&R Calculation of Awardable Amount.

Treasury's *Form 41 Worksheet* instructed applicants to provide employer-side payroll taxes; however, employer-side payroll taxes were an unallowable expense per PSP2 Guidelines. Additionally, Air Center Helicopter's management stated that the inclusion of per diem expenses, corporate officer compensation, an ineligible-employee expense, and the differences between the actual benefits paid and the PSP2 Application amount was due to unintentional oversight. Air Center Helicopter's management also stated that eligible PSP2 employee compensation was excluded from its PSP2 Application to exercise conservatism. Ultimately, the company did not over-request PSP2 financial assistance; therefore, we are not making a recommendation.

* * * * *

We appreciate the courtesies and cooperation provided to our staff during the audit. A distribution list for this report is provided as appendix 4.

Saggar & Rosenberg, P.C. /s/

Appendix 1: Objective, Scope, and Methodology

Our objective was to assess the accuracy, completeness, and sufficiency of Air Center Helicopter Inc.'s (Air Center Helicopter) sworn financial statement or other data used to certify the wages, salaries, benefits, and other compensation amounts submitted and approved by the Department of the Treasury (Treasury) for the Payroll Support Program Extension (PSP2).

The scope of our audit covered the period from October 1, 2019, through March 31, 2020, and included the certified PSP2 Application, sworn financial statement, tax returns, and other documentation submitted to Treasury on January 13, 2021.

To accomplish this objective, Saggar & Rosenberg, P.C. performed the following activities during audit fieldwork from January 2025 through July 2025:

- Reviewed applicable federal laws and regulations, including:
 - *Title IV, Subtitle A, Airline Worker Support Extension, of the Consolidated Appropriations Act, 2021*; and
 - 14 CFR Part 241, *Uniform System of Accounts and Reports for Large Certificated Air Carriers*, amended April 2, 2025.
- Reviewed Treasury's policies, procedures, and guidance related to PSP2:
 - *Guidelines and Application Procedures for Payroll Support to Passenger Air Carriers and Contractors*, December 29, 2020;
 - PSP2 Agreement;
 - *Question and Answer: Payroll Support Program Extension for Passenger Air Carriers and Contractors*, (January 19, 2021, and March 10, 2021, versions).
- Performed 100 percent testing for six of the ten sections of the PSP2 Application—specifically, the Company Information, Recipient Information, Eligibility Questions, Affiliates, Determining Awardable Amount, and Certification sections. We did not review four sections because the Financial Information, Bankruptcy Information, and Employee Levels sections had no

Appendix 1: Objective, Scope, and Methodology

impact on Treasury's determination of recipients' award amounts; and the Validation of Payroll Support Program Award Amount section had no impact on Air Center Helicopter's PSP2 awarded amount because the company did not receive Payroll Support Program financial assistance.

- Interviewed key Treasury personnel.
- Interviewed Air Center Helicopter's management responsible for the completion and submission of the sworn financial statement in the Determine Awardable Amount section of the PSP2 Application.
- Reviewed sworn financial statement and documents to support the requested payroll support amount. The documentation included but was not limited to: (1) general ledger data, (2) company pay registers, (3) benefit claim information, (4) Internal Revenue Service Form 941 – *Employer's Quarterly Federal Tax Return*, and (5) organizational hierarchy.
- Reviewed Government Accountability Office's *Standards for Internal Control in the Federal Government* to identify the components of internal control that are significant to the audit objective. Understanding internal control within the context of an entity's internal control framework can help auditors determine whether internal control deficiencies exist. We concluded that one of the five internal control components, Control Activities, as related to Air Center Helicopter's payroll system, was significant to the audit objective.¹⁵ This component states that control activities are the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system. To assess the controls over Air Center Helicopter's payroll system, we examined Air Center Helicopter's response to Data Supplier Questionnaires,¹⁶ reviewed a System and Organizational Controls 1 (SOC 1) report,¹⁷ and interviewed Air Center

¹⁵ The five components of internal control are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

¹⁶ A Data Reliability Assessment is completed to assess the reliability of data originating from a system to determine if it is reliable for the purposes of the audit of a third-party vendor's accounting and financial controls. The Data Supplier Questionnaire would be one of the tools used during the Data Reliability Assessment.

¹⁷ SOC 1 report addresses a company's internal control over financial reporting, which pertains to the application of checks-and-limits. Essentially, it is the audit of a third-party vendor's accounting and financial controls.

Appendix 1: Objective, Scope, and Methodology

Helicopter's management responsible for generating and using the data. Additional details regarding our assessment of the reliability of the data are reported in the section below.

- Reviewed Government Accountability Office's *Assessing Data Reliability* guidance, which states that a data reliability determination does not involve attesting to the overall reliability of the data or database. For this audit, the audit team has only determined the reliability of the specific data needed to support the findings, conclusions, or recommendations in the context of the audit objective. Air Center Helicopter prepared the PSP2 Application using payroll and benefit information from Air Center Helicopter's payroll and financial accounting systems. We compared details generated from the payroll registers at the individual employee level, as well as third-party benefit data from October 1, 2019, through March 31, 2020, to the amounts presented in the Determine Awardable Amount section of the PSP2 Application.

To assess data reliability of these sources, we (1) reviewed the Data Supplier Questionnaires for the payroll and financial accounting systems, (2) reviewed the SOC 1 report for the payroll system, and (3) interviewed Air Center Helicopter's management responsible for generating and using the data. Based on our assessment, we determined that the data was sufficiently reliable to support the findings and conclusions to answer the objective of this audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix 2: Air Center Helicopter Inc.'s Management Response



April 14, 2026

Saggar & Rosenberg, P.C.
One Church Street, Suite 700
Rockville, MD 20850

Re: Management Response – Audit of Air Carrier Worker Support Certifications - Air Center Helicopters, Inc.

We are writing in response to the formal draft of the Audit Report that you circulated to us on April 9, 2026 (the "Report") following Saggar & Rosenberg's audit of Air Center Helicopters, Inc. in respect of its Payroll Support Program application. We are not contesting the conclusions or recommendations set forth in the Report, and as a result we are happy to consider the Report final.

We appreciate your and Treasury's professionalism and courtesy through the audit process.

Sincerely,


James Jensen
EVP/COO

Appendix 3: Treasury Management Response



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 4, 2026

Pauletta Battle
Assistant Inspector General for Audit
U.S. Department of the Treasury – Office of Inspector General
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Ms. Battle:

I write regarding the Office of Inspector General's (OIG) draft *Audit of Air Carrier Worker Support Certifications* (Draft Report), regarding Air Center Helicopter, Inc. (the Recipient), a recipient of funds under Treasury's Payroll Support Program (PSP). The U.S. Department of the Treasury (Treasury) appreciates OIG's efforts.

Background on the Payroll Support Program

PSP was part of an effort to provide emergency assistance in response to the unprecedented challenges presented by the COVID-19 public health emergency and had three iterations:

- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted on March 27, 2020, and established the Payroll Support Program (PSP1) to provide financial assistance to America's passenger air carriers, cargo air carriers, and certain aviation contractors. Treasury disbursed more than \$28 billion to over 600 businesses in PSP1, directly supporting more than 600,000 American jobs.
- In December 2020, the Consolidated Appropriations Act, 2021, created the Payroll Support Program Extension (PSP2) for eligible passenger air carriers and certain aviation contractors. Treasury disbursed over \$15 billion to over 480 passenger air carriers and contractors under PSP2.
- In March 2021, the American Rescue Plan Act of 2021 provided an additional \$15 billion for Treasury to make further payroll support payments to entities that participated in PSP2 (PSP3). Treasury disbursed over \$14.5 billion to over 480 passenger air carriers and contractors under PSP3.

The CARES Act set forth two different methodologies for calculating awardable amounts for the largest carriers and for smaller air carriers and aviation contractors. For the largest air carriers, which received approximately 89% of the total PSP assistance, PSP1 amounts were based on reports the carriers had filed with the U.S. Department of Transportation under 14 C.F.R. part 241. In contrast, the statute required Treasury to provide financial assistance to smaller air carriers and aviation contractors in an amount that the applicants certified, using sworn financial statements or other appropriate data, as the amount of wages, salaries, and benefits that they paid to their employees during the time period from April 1, 2019, through September 30, 2019.

Appendix 3: Treasury Management Response

For awards to the smaller companies, the PSP1 application and Treasury's guidelines made clear that the awardable amounts should not include, inter alia, (1) any employer-side payroll taxes, which are not paid to employees, and (2) compensation paid to corporate officers and non-employee contractors. Before accepting PSP2 applications, Treasury published additional guidance further emphasizing that such amounts should not be included in the companies' awardable amount calculations.¹ In both PSP1 and PSP2, Treasury required two officials of each applicant, including at least one corporate officer, to certify that the information provided in the application was correct and did not contain any materially false or fraudulent statements.

In April 2020, OIG began a series of audits of PSP1 recipients to determine whether they had properly calculated their requested awardable amounts. In March 2021, OIG issued an Interim Audit Update, notifying Treasury that a number of recipients being audited had impermissibly included, in their PSP1 applications, employer-side payroll taxes or corporate officer compensation in the calculation of the awardable amount, which may have resulted in an overstatement of the amount of PSP1 funds requested. In response, Treasury promptly took a series of remedial actions, including requiring that all PSP1 applicants receiving awards on the basis of self-certification re-certify whether their awardable amounts included employer-side payroll taxes or corporate officer compensation. Where a company informed Treasury that it had improperly included those amounts in its application, Treasury either withheld future PSP1 disbursements or began pursuing debt recoupment. Through this process, Treasury has successfully recouped more than \$147 million of PSP overpayments.

OIG's Finding

The Draft Report describes the work performed by OIG to determine whether the Recipient's requested awardable amount for PSP2 complied with the guidelines provided by Treasury. The Draft Report notes the extensive fieldwork conducted for this review between January and July 2025 to determine the accuracy of the information in the Recipient's PSP2 application submitted to Treasury, including interviewing the Recipient's management and collecting and reviewing a wide range of the company's financial records and corporate documents. OIG found that the Recipient understated its awardable amount, and therefore no amounts are owed back to Treasury.

Again, Treasury appreciates OIG's work on these engagements. We look forward to working with you to protect the integrity of the PSP and other recovery programs.

Sincerely,



Jeffrey Stout
Deputy Chief Program Officer for Small Business
and Community Investment Programs

¹ Because awardable amounts in PSP3 were calculated as a percentage of each company's PSP2 award, companies were not required to calculate awardable amounts for PSP3.

Appendix 4: Report Distribution

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Treasury Audit Liaison
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Committee on Homeland Security and Governmental Affairs
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