



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

May 13, 2026

OIG-CA-26-033

Mr. Warren Collier
Director of Financial Services
Office of the Governor
1100 San Jacinto
Austin, TX 78701

Re: Final Determination on Corrective Actions for Desk Review of State of Texas' Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-034)

Dear Mr. Collier:

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act),¹ 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 (IPA) performed a desk review to evaluate Texas' documentation supporting its use of CRF proceeds as reported in the GrantSolutions² portal. In the desk review memorandum,³ the IPA identified total unsupported and ineligible questioned costs of \$17,288,575. Specifically,

- In the "grants greater than or equal to \$50,000" category, the IPA identified unsupported questioned costs of \$12,876,985 related to a distant learning grant program.

¹ P.L. 116-136 (March 27, 2020)

² 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.

³ Treasury OIG, *Desk Review of State of Texas' Use of Coronavirus Relief Fund Proceeds*, OIG-CA-23-034 (July 21, 2023)

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- In the “aggregate reporting less than \$50,000” category, the IPA identified unsupported questioned costs of \$3,924,220 related to a variance between Texas’ general ledger and the expenditures recorded in GrantSolutions.
- In the “contracts greater than or equal to \$50,000” category, the IPA identified ineligible questioned costs of \$487,370 related to audit services.

In April 2025, we contacted Texas requesting the state to provide supporting documentation for the questioned costs. In July 2025 and March 2026, Texas provided adequate documentation for \$15,546,454 and returned the remaining \$1,742,121 questioned costs to the Department of the Treasury. As such, Texas’ corrective actions addressed the questioned costs identified in the desk review.

We appreciate the courtesies and cooperation provided to our staff during the desk review follow-up. If you have any questions or require further information, please contact me at (202) 927-5400, or a member of your staff may contact Olivia Scott, Acting Audit Director, at (202) 277-1196.

Sincerely,

/s/

Pauletta Battle
Assistant Inspector General for Audit

cc: Michelle A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Danielle Christensen, Deputy Chief Program Officer for State and Local Programs, Office of Capital Access, Department of the Treasury
Jeffery W. Stout, Acting Chief Program Officer, Office of Capital Access, Department of the Treasury
Thao P. Tran, Acting Chief Operating Officer, Department of the Treasury