



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

October 2, 2026

OIG-27-004

Ms. Felenceo M. Hill
Department Controller, Department of Finance & Administration
State of Tennessee
312 Rosa L Parks Avenue
Nashville, TN 37243-1102

Re: Final Determination on Corrective Actions for the Desk Review of State of Tennessee's Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-035)

Dear Ms. Hill:

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 the State of Tennessee's (Tennessee) documentation supporting its use of CRF proceeds as reported in the GrantSolutions² portal. In the desk review memorandum,³ the IPA identified total ineligible and unsupported questioned costs of \$1,162,363.61. Specifically,

- In the "grants greater than or equal to \$50,000" category, the IPA identified

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 Tennessee's Use of Coronavirus Relief Fund Proceeds*, OIG-CA-23-035 (July 26, 2023)

- ineligible questioned costs of \$1,000,800.75 related to the European Strategic Plan⁴ and advertising costs; and
- unsupported questioned costs of \$157,953.72 related to grant administrative costs.
- In the “aggregate payments to individuals” category, the IPA identified ineligible questioned costs of \$3,609.14 related to a longevity leave payroll expense and a bonus payment.

In April 2024, we contacted Tennessee requesting the state to provide supporting documentation for the questioned costs. In April 2026, Tennessee returned \$1,162,363.61 to the Department of the Treasury. As such, Tennessee’s corrective action 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
Jeffery W. Stout, Acting Chief Program Officer, Office of Capital Access, Department of the Treasury
Thao P. Tran, Acting Chief Operating Officer, Office of Capital Access, Department of the Treasury
Eugene H. Neubert, Deputy Commissioner, Department of Finance & Administration, State of Tennessee

⁴ A comprehensive framework designed to help increase travel and tourism visitation from European markets to rebuild short-term post pandemic business with mid to long-term sustainable growth.