



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 5, 2026

OFFICE OF
INSPECTOR GENERAL

OIG-27-007

MEMORANDUM FOR **JEFFREY W. STOUT, ACTING CHIEF PROGRAM
OFFICER, OFFICE OF CAPITAL ACCESS,
DEPARTMENT OF THE TREASURY**

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

SUBJECT: Desk Review of the State of Alaska's Use of Coronavirus
Relief Fund Proceeds

On February 17, 2021, we initiated a desk review of the State of Alaska's (Alaska) use of Coronavirus Relief Fund (CRF) proceeds, 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 This review was initiated in response to a complaint referral submitted to the Department of Treasury (Treasury) Office of Inspector General (OIG), Office of Investigations. The objective of our desk review was to evaluate Alaska'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 covered Alaska's obligation and expenditure data for the period March 1, 2020, through December 31, 2020 (cycles 1-3), as reported in GrantSolutions.

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

- 1) reviewed Alaska's quarterly Financial Progress Reports (FPRs) submitted in GrantSolutions through December 31, 2020;
- 2) reviewed the Treasury's *Coronavirus Relief Fund Guidance* (Guidance) as published in the Federal Register on January 15, 2021;³
- 3) reviewed Treasury's *OIG Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*;⁴

¹ P.L. 116-136 (March 27, 2020)

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

³ 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

⁴ Treasury OIG, [Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping](#) OIG-20-028R (March 2, 2021)

- 4) reviewed Treasury OIG's *Coronavirus Relief Fund Reporting and Record Retention Requirements*;
- 5) reviewed Treasury OIG's monitoring checklists⁵ of Alaska's quarterly FPR submissions for reporting deficiencies;
- 6) reviewed other audit reports issued, such as Single Audit reports, and those issued by the Government Accountability Office and other applicable Federal agency OIGs for internal control or other deficiencies that may pose a risk or impact to Alaska's use of CRF proceeds;
- 7) reviewed Treasury OIG Office of Investigations, the Council of the Inspectors General on Integrity and Efficiency Pandemic Response Accountability Committee (PRAC),⁶ and Treasury OIG Office of Counsel input on issues that may pose risks or impact to Alaska's use of CRF proceeds;
- 8) interviewed key personnel responsible for preparing and certifying Alaska's quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
- 9) made a non-statistical selection of Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, and Aggregate Reporting less than \$50,000⁷ data identified through GrantSolutions reporting; and
- 10) evaluated documentation and records used to support Alaska's quarterly FPRs.

Based on the results of our desk review, Alaska's documentation supporting the uses of CRF proceeds complied with the CARES Act and Treasury's Guidance. Additionally, we determined that Alaska's risk of unallowable use of funds is low. Accordingly, we will not be conducting an audit of Alaska.

⁵ 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 follows the *CRF Prime Recipient Quarterly GrantSolutions Submissions Monitoring and Review Procedures Guide*, OIG-CA-20-029R to monitor the prime recipient on a quarterly basis.

⁶ Section 15010 of P.L. 116-136 established the PRAC within the Council of the Inspectors General on Integrity and Efficiency to promote transparency and conduct and support oversight 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.

⁷ 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).

Non-Statistical Transaction Selection Methodology

Treasury issued a total of \$1,250,000,000 in CRF payments to Alaska. As of December 31, 2020, Alaska reported cumulative expenditures totaling \$641,038,148. We made a non-statistical selection of 40 transactions totaling \$214,674,938 from Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Direct payments greater than or equal to \$50,000, and Aggregate Reporting less than \$50,000. We made selections using auditor judgment based on the total CRF award amount, amounts claimed within each payment type, and our overall risk assessment of Alaska. Because the transactions tested were non-statistically selected, results could not be extrapolated to the total universe of transactions.

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 total of \$1,250,000,000 CRF payments to Alaska. The CARES Act stated that a prime recipient may only use the funds to cover costs that were—

- 1) necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- 2) not accounted for in the budget most recently approved as of March 27, 2020; and
- 3) incurred during the period between 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).

Section 15011 of the CARES Act, required each covered recipient⁸ to submit to Treasury and the PRAC, no later than 10 days after the end of each calendar

⁸ Section 15011 of P.L. 116-136 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.

quarter, a report that contained (1) the total amount of large covered funds^{9,10} 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.

The CARES Act assigned the Treasury OIG the responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF proceeds.

Desk Review Results

We reviewed the GrantSolutions portal and found that Alaska timely filed quarterly FPRs for the period March 1, 2020, through December 31, 2020 (cycles 1-3), as required under Treasury OIG's Guidance, *Coronavirus Relief Fund Reporting and Record Retention Requirements*.

We found that the transactions tested in Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, and Aggregate Reporting less than \$50,000 were: (1) necessary expenditures incurred due to the public health emergency with respect to COVID-19, (2) not accounted for in the budget most recently approved as of March 27, 2020, and (3) incurred during the covered period. Table 1 shows a summary of expenditure totals and the results of our testing.

⁹ Section 15010 of P.L. 116-136 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.

¹⁰ Section 15011 of P.L. 116-136 defined large, covered funds as covered funds that amounted to more than \$150,000.

Table 1 Summary Non-Statistical Testing Results

Payment Type	Cumulative Expenditure Population Amount	Cumulative Expenditure Tested Amount	Number of Transactions Tested	Unsupported Questioned Costs	Ineligible Questioned Costs	Total Questioned Costs
Contracts > = \$50,000	\$88,822,691	\$88,822,691	3	\$ -	\$ -	\$ -
Grants > = \$50,000	\$299,232,469	\$98,630,268	5	\$ -	\$ -	\$ -
Transfers > = \$50,000	\$ -	\$ -	-	\$ -	\$ -	\$ -
Direct Payments > = \$50,000	\$160,709,268	\$26,994,505	5	\$ -	\$ -	\$ -
Loans > = \$50,000	\$ -	\$ -	-	\$ -	\$ -	\$ -
Aggregate Reporting < \$50,000	\$92,273,720	\$227,474	27	\$ -	\$ -	\$ -
Aggregate Payments to Individuals	\$ -	\$ -	-	\$ -	\$ -	\$ -
Totals	\$641,038,148	\$214,674,938	40	\$ -	\$ -	\$ -

Source: Treasury OIG

Contracts Greater Than or Equal to \$50,000

We tested three transactions totaling \$88,822,691 without exception. Transactions tested included expenditures paid to a staffing agency for administrative services; and program operators contracted to provide structure for receipt, review, processing, funding, and administration of applications for emergency funding for local businesses.

Grants Greater Than or Equal to \$50,000

We tested five transactions totaling \$98,630,268 without exception. Transactions tested included expenditures for assistance to local governments and small businesses impacted by COVID-19 public health emergency.

Direct Payments Greater Than or Equal to \$50,000

We tested five transactions totaling \$26,994,505 without exception. Transactions tested included expenditures for equipment to facilitate distance learning; small business economic support; and personal protective equipment (i.e. disposable masks, face shields, gowns, wipes, disinfectant sprays).

Aggregate Reporting Less Than \$50,000

We tested 27 transactions totaling \$227,474 without exception. Transactions tested included expenditures for COVID-19 testing sites; medical equipment; personal protective equipment; and assistance to local governments and small businesses impacted by COVID-19 public health emergency.

Conclusion

We determined that Alaska's expenditures, as tested, 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 that began March 1, 2020, and ended on December 31, 2021.

Overall, we determined that Alaska's risk of unallowable use of funds is low. As a result, we will not be conducting an audit.

Alaska's Response

Alaska concurred with our assessment. On September 3, 2026, Alaska provided its written response which is included in its entirety as Appendix 1.

* * * * *

All work completed 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.¹¹

We appreciate the courtesies 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 Julie Wong, Acting Deputy Assistant Inspector General for Audit, at (202) 439-6354.

cc: Michelle A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Thao P. Tran, Acting Chief Operating Officer, Office of Capital Access, Department of the Treasury
Elizabeth Dunayski, Director, Division of Finance, Department of Administration

¹¹ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>

Elizabeth Pederson, State Single Audit Coordinator, Division of Finance,
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THE STATE
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Memorandum

Pauletta P. Battle
Assistant Inspector General for Audit
Office of Inspector General
U.S. Department of the Treasury

Date: September 3, 2026

Subject: **Desk Review of the State of Alaska's Use of Coronavirus Relief Fund Proceeds**

The State of Alaska appreciates the Office of Inspector General's review of our use of Coronavirus Relief Fund proceeds. We agree with the OIG's conclusion that Alaska's expenditures and supporting documentation complied with the CARES Act and Treasury guidance.

Thank you for the professionalism shown throughout this review. Alaska remains committed to sound financial management, strong internal controls, transparency, and accountability in the administration of federal funds.

Sincerely,

A black rectangular box redacting the signature of Elizabeth Dunanski.

Elizabeth Dunanski, Director
State of Alaska
Department of Administration
Division of Finance