



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

October 5, 2026

OIG-27-011

MEMORANDUM FOR **JEFFREY 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 Maine's Use of Coronavirus
Relief Fund Proceeds

On March 29, 2022, we initiated a desk review of the State of Maine's (Maine) 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 The objective of our desk review was to evaluate Maine'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 Maine's obligation and expenditure data for the period March 1, 2020, through December 31, 2022 (cycles 1-11), as reported in GrantSolutions.

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

- 1) reviewed Maine's quarterly Financial Progress Reports (FPRs) submitted in GrantSolutions through December 31, 2022;
- 2) reviewed the Treasury's *Coronavirus Relief Fund Guidance* (Guidance) as published in the Federal Register on January 15, 2021;³
- 3) reviewed Treasury OIG's *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 Maine's quarterly FPR submissions for reporting deficiencies;
- 6) reviewed other audit reports issued, such as Single Audit Act 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 Maine's use of CRF proceeds;
- 7) reviewed Treasury OIG Office of Investigations, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Pandemic Response Accountability Committee (PRAC),⁶ and Treasury OIG Office of Counsel input on issues that may pose risks or impact to Maine's use of CRF proceeds;
- 8) interviewed key personnel responsible for preparing and certifying Maine'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, Aggregate Reporting less than \$50,000,⁷ and Aggregate Payments to Individuals⁸ data identified through GrantSolutions reporting; and
- 10) evaluated documentation and records used to support Maine's quarterly FPRs.

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

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

⁶ Section 15010 of P.L. 116-136 established the PRAC within the CIGIE 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).

⁸ Obligations and expenditures for payments made to individuals, regardless of amount, were required to report in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information.

Non-Statistical Transaction Selection Methodology

Treasury issued a total of \$1,250,000,000 in CRF payment to Maine. As of December 31, 2022, Maine expended all its CRF funds. We made a non-statistical selection of 58 transactions 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, Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals.

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 Maine. 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 Maine. 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 recipient⁹ to submit to Treasury and the PRAC, no later than 10 days after the end of each calendar

⁹ 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^{10,11} 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 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 Maine timely filed quarterly FPRs for the period March 1, 2020, through December 31, 2022 (cycles 1 – 11), 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, Aggregate Reporting Less Than \$50,000 and Aggregate Payments to Individuals payment types 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. Additionally, we identified ineligible questioned costs of \$29,517 reported under Grants greater than or equal to \$50,000, and unsupported questioned costs of \$6,103 related to a variance between Maine’s general ledger and the amount reported under Direct Payments greater than or equal to \$50,000.

Maine subsequently provided eligible replacement expenses documentation for the \$35,620 questioned costs. As a result, Maine’s documentation supporting the uses of CRF proceeds complied with the CARES Act and Treasury’s Guidance. We determined that Maine’s risk of unallowable use of funds is low. Accordingly, we will not be conducting an audit of Maine. Table 1 shows a summary of expenditure totals and the results of our testing.

¹⁰ 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 makes appropriations for Coronavirus response and related activities.

¹¹ 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	\$ 377,462,604	\$ 1,027,541	12	\$ -	\$ -	\$ -
Grants > = \$50,000	\$ 375,378,634	\$ 104,010	10	\$ -	\$ -	\$ -
Direct Payments > = \$50,000	\$ 8,329,184	\$ 6,459,816	3	\$ -	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 13,284,481	\$ 288,777	6	\$ -	\$ -	\$ -
Aggregate Payments to Individuals	\$ 475,545,097	\$ 43,361	27	\$ -	\$ -	\$ -
Totals	\$ 1,250,000,000	\$ 7,923,506	58	\$ -	\$ -	\$ -

Source: Treasury OIG

Contracts Greater Than or Equal to \$50,000

We tested 12 transactions totaling \$1,027,541 without exception. Transactions tested included expenditures that supported economic recovery from the impacts and operational disruption to local businesses and non-profit organizations experienced due to COVID-19; and provided mobile laboratory services for COVID-19 testing.

Grants Greater Than or Equal to \$50,000

We tested 10 transactions totaling \$104,010 with one exception identifying total ineligible questioned costs of \$29,517. Transactions tested included expenditures that supported a safe learning environment for public school students when they could not attend school due to COVID-19 restrictions; public schools additional costs related to COVID-19; a rent relief program for those facing potential housing disruption due to circumstances related to the COVID-19 pandemic; and university costs for deploying COVID-19 testing plans, purchasing personal protective equipment, and quarantining students affected by COVID-19 throughout the campus.

We identified that Maine expended CRF proceeds to purchase a 3-year license for learning software for a total amount of \$48,300.00. The license was for the period covering August 24, 2021, through August 21, 2024, which we deemed ineligible because it was incurred outside of the covered period to use the funds. Since CRF proceeds were expended to purchase the license beyond September 30, 2022, we questioned \$29,517 as ineligible costs.

Subsequently, Maine provided eligible replacement expenses documentation for the \$29,517 questioned costs. The replacement expenses were related to services for mobile hotspots/connectivity used for remote learning.

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

We tested three transactions totaling \$6,459,816 with one exception identifying total unsupported questioned costs of \$6,103. Transactions tested included expenditures related to data and equipment services for students and educators to safely return to classroom-based instruction.

We identified a variance between Maine's general ledger and the amount reported under Direct Payments greater than or equal to \$50,000 in the GrantSolutions portal. Maine reported \$6,459,816 with supporting documentation of \$6,453,713, resulting in a variance of \$6,103. Since Maine did not provide supporting documentation for the variance, we questioned \$6,103 as unsupported costs.

Subsequently, Maine provided eligible replacement expenses documentation for the \$6,103 questioned costs. The replacement expenses were related to substantially dedicated payroll¹² expenditures.

Aggregate Reporting Less Than \$50,000

We tested six transactions totaling \$288,777 without exception. Transactions tested included expenditures for food delivery to vulnerable residents to comply with COVID-19 public health precautions; replacement of equipment needed to achieve increased air exchanges in buildings; a back to work program assisting businesses facing workforce shortages due to COVID-19; assistance to childcare providers with personal protective equipment, additional administrative, public health, and food expenses related to COVID-19; and the purchase of equipment and software to enhance video conference capabilities during the COVID-19 pandemic.

¹² Substantially dedicated payroll costs are defined as employees whose services were substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Aggregate Payment to Individuals

We tested 27 transactions totaling \$43,361 without exception. Transactions tested included expenditures for financial assistance payments to citizens due to hardship or loss of income; unemployment insurance expenditures; payroll costs for public health and safety personnel; and substantially dedicated payroll costs.

Conclusion

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

State of Maine's Response

The State of Maine concurred with our assessment. On September 24, 2026, the State of Maine 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.¹³

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

¹³ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%20208-20-12r.pdf>

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RE: Desk Review of the State of Maine's Use of Coronavirus Relief Fund Proceeds
(Project Code: A-CM-22-061)

The State of Maine appreciates the opportunity to respond to the U.S. Department of the Treasury Office of Inspector General's DRAFT report concerning its desk review of the State's administration and use of Coronavirus Relief Fund (CRF) proceeds.

The State recognizes the importance of sound stewardship, accountability, and compliance in administering federal funds. Throughout the COVID-19 public health emergency, the State worked diligently to ensure that CRF proceeds were used in accordance with applicable federal requirements while addressing unprecedented public health and economic needs.

The draft report identifies a limited amount of questioned costs. After reviewing Treasury OIG's questions and the underlying transactions, the State identified eligible CRF expenditures to substitute for the questioned expenditures. These substitute expenditures are supported by appropriate documentation and satisfy the applicable federal requirements governing the use of CRF proceeds.

Accordingly, the substitute expenditures fully address the questioned costs while preserving the State's use of CRF proceeds for eligible purposes. The State respectfully requests that Treasury OIG recognize the questioned costs as being resolved without the need for further corrective action.

The State appreciates Treasury OIG's review and its recognition of the State's overall compliance environment. The State remains committed to the responsible, transparent, and accountable administration of federal funds.

Sincerely,

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