



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

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OIG-27-016

MEMORANDUM FOR JEFFREY STOUT

ACTING CHIEF PROGRAM OFFICE, OFFICE OF CAPITAL
ACCESS

From: Julie Wong /s/
Acting Deputy Assistant Inspector General for Audit

Subject: Emergency Rental Assistance Program (ERA2) – Questioned
Cost Finding, State of Florida

During the coronavirus pandemic, Congress authorized and funded two Emergency Rental Assistance (ERA) programs administered by the Department of the Treasury (Treasury) to provide rental assistance to eligible households: (1) ERA1-Division N, Title V, Subtitle A, § 501 of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260), Dec. 27, 2020, and codified at 15 USC § 9058a; and (2) ERA2-Title III, Subtitle B, § 3201 of the American Rescue Plan Act (Pub. L. No. 117-2), Mar. 11, 2021, and codified as 15 USC § 9058c.

From February 2023 through January 2024, the Treasury Office of Inspector General (OIG) made inquiries to the State of Florida (Florida) regarding three complaints of suspected fraud related to its ERA2 award program reported to the OIG Hotline.¹ After reviewing documentation provided by the Our Florida ERA Program, we determined that Florida paid a total of \$12,616 in ERA2 award funds to three ineligible households in violation of the Use of Funds statute. Accordingly, we question these costs. In response to a draft of this questioned cost finding, Florida did not dispute our determinations and had no additional documentation to provide regarding the three subject cases that resulted in ineligible payments. We are recommending that Treasury's Office of Capital Access disallow these costs and direct Florida to reimburse the Federal Government \$12,616.

Background/Legal Authority

Under the ERA2 statute at 15 U.S.C. § 9058c(d)(1), Use of Funds, an eligible grantee shall use ERA2 award funds to provide eligible households with financial

¹ These inquiries were directed to the Florida Department of Children and Families (DCF), a state agency tasked to operate the Our Florida Program, Florida's ERA program.

assistance, housing stability services, administrative costs, and as applicable, other affordable rental housing and eviction prevention activities. The financial assistance includes the payment of: rent; rent arrears; utilities and home energy costs; utilities and home energy costs arrears; and other expenses related to housing, as defined by the Secretary of the Treasury. The aggregate amount of such assistance an eligible household may receive under an ERA2 award, when combined with financial assistance provided under an ERA1 award authorized by 15 U.S.C. § 9058a, shall not exceed 18 months. See 15 U.S.C. § 9058(d)(1)(A)(ii).

The ERA2 statute at 15 U.S.C. § 9058c(f)(2) defines eligible household as a household of one or more individuals who are obligated to pay rent on a residential dwelling and with respect to which the eligible grantee involved determines that: (1) one or more individuals within the household has (a) qualified for unemployment benefits or (b) experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic; (2) one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and (3) the household income is not more than 80 percent of the area median income for the jurisdiction.

Pursuant to the ERA2 statute at 15 U.S.C. § 9058c(g), the last day of the period of performance for ERA2 awards was September 30, 2025.

Facts and Analysis

Beginning February 2023 through January 2024, we made inquiries to Florida regarding three complaints of suspected fraud related to its ERA2 award reported to the OIG Hotline. Tenants reported two of the complaints and Our Florida ERA Program reported the third.² Based on Florida's response to our inquiries and documentation provided, we determined that Florida failed to comply with the Use of Funds requirements in the ERA2 statute (15 U.S.C. § 9058c(d)) when it paid out ERA2 assistance totaling \$12,616 for the three cases, as described below:

1. (Tenant-reported complaint) For application **(b) (6)** Florida paid \$8,686 in rental assistance with \$2,850 in ERA1 award funds and \$5,836 in ERA2 award funds to a landlord. Florida responded to our inquiry that it had previously determined that rental assistance was incorrectly paid to the wrong landlord. As a result, Florida sent the payee "Notices of Overpayment" on May 6, 2022, June 5, 2022, and July 5, 2022, seeking repayment of the \$8,686. As of February 7, 2025, Florida stated that the funds have not been repaid. Accordingly, we determined that the rental

² Although the complainant filed its complaint anonymously with the OIG hotline, we determined that the information reported originated from the Our Florida ERA Program. The complaint contains detailed information including application data, award details, case summary, and contact information for a DCF employee who did provide further information.

assistance paid, in the amount of \$5,836, is an ineligible ERA2 expenditure that failed to comply with the requirements of the ERA2 statute because the payment was sent to the wrong payee.³

2. (Tenant-reported complaint) For application (b) (6) Florida paid \$7,500 in rental assistance with \$3,750 in ERA1 award funds and \$3,750 in ERA2 award funds to a landlord. Florida responded to our inquiry that it had previously identified "Invalid Lease/Landlord Documentation in File – Inconsistency between documents." Florida sent a letter to the landlord on July 29, 2022, seeking valid copies of the documents and advising funds would be required to be returned for failure to respond. Florida did not receive a response and sent the landlord a "Notice of Overpayment and Recoupment" on August 9, 2022, asking for repayment of the \$7,500. As of February 7, 2025, Florida stated that the funds have not been repaid. Florida paid ERA2 assistance on an application that lacked valid lease/landlord documentation to establish an obligation to pay rent; therefore, Florida cannot establish that this expenditure is an eligible use of funds. Accordingly, we determined that the rental assistance paid, in the amount of \$3,750, was an ineligible ERA2 expenditure that failed to comply with the requirements of the ERA2 statute.⁴
3. (Florida-reported complaint) For application (b) (6) Florida paid \$8,380 in rental assistance with \$5,350 in ERA1 award funds and \$3,030 in ERA2 award funds to a landlord. After the payment, Florida identified "Invalid Lease/Landlord Documentation in File – Inconsistency between documents." Florida sent a letter to the landlord on July 29, 2022, seeking valid copies of the documents and advising funds would be required to be returned for failure to respond. Florida did not receive a response and sent the landlord a "Notice of Overpayment and Recoupment" on August 9, 2022, asking for repayment of the \$8,380. As of February 7, 2025, Florida stated that the funds have not been repaid. Florida paid ERA2 assistance on an application that lacked valid lease/landlord documentation to establish an obligation to pay rent; therefore, Florida cannot establish that this expenditure is an eligible use of funds. Accordingly, we determined that the rental assistance paid, in the amount of \$3,030, was an ineligible ERA2

³ Pursuant to the Inspector General authorities under 15 U.S.C. § 9058a(i), Inspector General Oversight; Recoupment, we issued a Notice of Recoupment for the ERA1 award funds, in the amount of \$2,850, that were sent to the wrong payee, and was ineligible under the ERA1 statute at 15 U.S.C. § 9058a(c), Use of Funds. See Treasury OIG, *Emergency Rental Assistance (ERA 1) Program Notice of Recoupment - State of Florida* ([OIG-CA-25-056](#); August 25, 2025)

⁴ Pursuant to the Inspector General authorities under 15 U.S.C. § 9058a(i), Inspector General Oversight; Recoupment, we issued a Notice of Recoupment for the ERA1 award funds, in the amount of \$3,750, that we determined was ineligible under the ERA1 statute at 15 U.S.C. § 9058a(c), Use of Funds. See Treasury OIG, *Emergency Rental Assistance (ERA 1) Program Notice of Recoupment - State of Florida* ([OIG-CA-25-056](#); August 25, 2025)

expenditure that failed to comply with the requirements of the ERA2 statute.⁵

This table lists the total questioned cost identified for the 3 cases.

Case	State of Florida Application No.	Ineligible ERA2 Financial Assistance Payments
1	(b) (6)	\$5,836
2		3,750
3		3,030
Total		\$12,616

Based on the information provided, we determined that Florida failed to comply with the use of funds requirement in the ERA2 statute when it paid out ERA2 award funds totaling \$12,616 to ineligible households. Accordingly, OIG is questioning these costs.

Grantee Response

We provided Florida an opportunity to respond to our Questioned Cost Findings. On May 23, 2025, the Assistant Secretary, Office of Economic Self Sufficiency, Florida Department of Children and Families, provided its written response by email, which is included verbatim as follows:

The Emergency Rental Assistance (ERA) program was originally authorized under the Consolidated Appropriations Act of 2021 and continued under the American Rescue Plan of 2021.

In the state of Florida, the Florida Department of Children and Families (Department) oversaw the statewide ERA program and was successful in providing more than \$1.4 billion in ERA benefits to Floridians through implementation and completion of the program in September 2022.

During the rollout and implementation of ERA during the Biden Administration, the program was operated through federal regulation and “Frequently Asked Questions” that evolved throughout the program and lacked important specificities, and provided inadequate requirements that did not consider the overall integrity of the program. Specifically, guidance regarding the verification of individual’s eligibility included self-attestations.

⁵ Pursuant to the Inspector General authorities under 15 U.S.C. § 9058a(i), Inspector General Oversight; Recoupment, we issued a Notice of Recoupment for the ERA1 award funds, in the amount of \$5,350, that we determined was ineligible under the ERA1 statute at 15 U.S.C. § 9058a(c), Use of Funds. See Treasury OIG, *Emergency Rental Assistance (ERA 1) Program Notice of Recoupment - State of Florida* ([OIG-CA-25-056](#); August 25, 2025)

Communication from federal partners was to obligate and spend the funds as quickly as possible, while under continuous threat of funds being removed if certain benchmarks were not met.

Additionally, the Department hired a vendor to amplify the administration of the program to ensure eligible Floridians who were impacted were able to access the funds. The Department took a methodical approach utilizing federal guidance available at the time to develop requirements, ensure and enforce integrity within the program, and implement additional steps in the eligibility process to rectify the otherwise lax guidance provided by the Biden Administration that did not require landlord participation and relied on self-attestations.

With a proven performance record in Florida of prioritizing both timeliness and integrity, the Department went a step further and developed a multi-step eligibility determination process which included a higher-level quality assurance review process, and an additional post-payment review to monitor and track eligibility determinations. The implementation of both the second-level quality assurance review process prior to the eligibility determination and payment coupled with the post payment review ensured the program upheld the State's commitment to effective and efficient service delivery and conservative stewardship of taxpayer dollars. Moreover, if at any point in the Department-implemented post-payment review process it was determined that a payment was made in error, either by the applicant or staff, the process required that attempts be made to recover the funds through recoupment letters.

Florida's quality assurance review process on both the front and back end of the eligibility determination was developed and executed as a leading practice when the program was implemented in 2021. Three years later and after the last ERA payment in the State of Florida was made in September 2022, the U.S. Department of Treasury provided updated guidance in November 2024 stating "Treasury recognizes the unique emergency circumstances in which the ERA programs were implemented and that attempts to recoup non-fraudulent improper payments from ERA beneficiaries could undermine the purpose of the ERA program if collection efforts place tenants at risk of eviction or housing instability..."

Florida has a demonstrated track record of delivery for the people we serve which includes safeguarding taxpayer dollars for the

people who need it most. Again, providing efficient service delivery that keeps program integrity at the forefront and demanding government run effectively. Florida far surpassed the provided federal guidelines and developed integrity and recoupment processes that prevented potential errors. However, in these identified 3 applications out of the 224,266 total approved applications (.001%), and despite utilizing the self-imposed eligibility determination and post-payment review processes, the Department was unable to recoup the identified funds, due to lack of response from recipients. The Department went above and beyond the federal guidance to ensure the safeguarding of funds and made every attempt to recoup funds when identified. Therefore, the state of Florida should not be required to repay funds three years after the conclusion of the program, when every effort was made to recoup the funds.

OIG Evaluation

We considered Florida's response in finalizing this memorandum. It should be noted that Florida characterized these application payments as "invalid" in its recapture letters to beneficiaries. Florida's response did not provide any additional evidence to demonstrate that the financial assistance provided for the subject applications was eligible.

In its written response, Florida makes certain references to Treasury's ERA FAQs and guidance that are not contextually accurate or applicable. According to Florida, this guidance "lacked important specificities and provided inadequate requirements that did not consider the overall integrity of the program. Specifically, guidance regarding the verification of individual's eligibility included self-attestations." The implication here is that Treasury's FAQs did not provide adequate instructions on how grantees were to establish eligibility using self-attestations. We reject this implication.

In FAQ1, Treasury states that "grantees may be flexible as to the particular form of documentation they require to determine eligibility, including by permitting photocopies or digital photographs of documents, e-mails, or attestations from employers, landlords, caseworkers, or others with knowledge of the household's circumstances." Treasury also directs that grantees "must require all applications for assistance to include an attestation from the applicant that all the information included is correct and complete." In short, this FAQ provides specific instructions that require eligibility to be documented, with attestations as to the veracity of the information provided. We do note that FAQ1 does not require grantees to

document a household's eligibility for the provision of housing stability services.⁶ Also, Treasury's FAQ4 does provide for grantees to rely on written self-attestations of a household's income if the household is unable to provide income documentation; however, Treasury directs in this situation that the grantee must reassess the household's income every 3 months, by obtaining appropriate documentation or a new self-attestation. These FAQs explicitly state the requirements when using self-attestations to establish eligibility.

Despite Treasury's self-attestation requirements, Florida determined these applications were invalid based on the applicants' inadequate lease/landlord documentation or payment to the incorrect landlord, not self-attestations for eligibility.

Florida also asserts that per Treasury guidance "attempts to recoup non-fraudulent improper payments from ERA beneficiaries could undermine the purpose of the ERA program if collection efforts place tenants at risk of eviction or housing instability." This statement is from Treasury's ERA FAQ49. While accurate, it has no bearing on Florida's obligation to return funds in the amount of the ineligible payments made with ERA2 award funds to the federal government. As Treasury's ERA FAQ49 also states "... grantees are responsible for improper payments made with ERA funds, including those that were not the result of fraud or deliberate misrepresentations ..."

Based on our evaluation of Florida's response to OIG's Draft Questioned Cost Findings, Florida has not provided sufficient evidence to demonstrate that the financial assistance provided for the subject applications were for eligible households. Accordingly, OIG questions the cost of \$12,616 for the ERA2 financial assistance paid for these applications.

Recommendation

We recommend that Treasury's Office of Capital Access disallow the questioned cost amount of \$12,616 and instruct Florida to return this amount to the federal government.

Methodology

We conducted our review of these ERA cases from February 2023 to August 2025. We inquired of the grantee and other relevant parties, reviewed related documentation, and performed other appropriate procedures. We believe the

⁶ According to Treasury's FAQ1: "the ERA2 statute does not restrict the provision of housing stability services to "eligible households." As a result, grantees are not required to document a household's eligibility if the grantee provides the household with no assistance other than housing stability services paid with ERA2 award funds."

evidence obtained is sufficient and appropriate to provide a reasonable basis for our findings and conclusions in this memorandum.

In conducting our review, we followed the OIG's system of quality management for ensuring that the information in this Notice is accurate. We also followed the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Federal Offices of Inspector General* which require that our work adheres to its general standards for integrity to include objectivity, independence, professional judgment, and confidentiality as well as its general standard for receiving and reviewing allegations.

Schedule of Monetary Benefits

According to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at Title 2 of the Code of Federal Regulations § 200.1 a “questioned cost” is an amount, expended or received from a Federal award, that in the auditor's judgment:

- (i) is noncompliant or suspected noncompliant with Federal statutes, regulations, or the terms and conditions of the Federal award;
- (ii) at the time of the audit, lacked adequate documentation to support compliance; or
- (iii) appeared unreasonable and did not reflect the actions a prudent person would take in the circumstances.

Questioned costs will be recorded in Treasury’s Joint Audit Management Enterprise System. The amount will also be included in the OIG Semiannual Report to Congress. It is Treasury management’s responsibility to report to Congress on the status of the agreed to recommendations with monetary benefits in accordance with 5 USC § 405(c) of the Inspector General Act of 1978, as amended.

Recommendation

Questioned Costs

Recommendation No. 1

\$12,616.00

The questioned costs represent ERA2 award amounts provided by Treasury under the American Rescue Plan Act of 2021 that were paid by Florida to ineligible households in violation of the ERA2 statute at 15 U.S.C. § 9058c(d), Use of Funds.

Distribution

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