



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

October 1, 2026

OIG-CA-27-002

Ms. Stephanie Díaz-Vázquez
Director of Fiscal Recovery
Commonwealth of Puerto Rico Department of Treasury
10 PASEO COVADONGA EDIF INTENDENTE RAMIREZ
San Juan, PR 00901

Re: Final Determination on Corrective Actions for Desk Review of the
Commonwealth of Puerto Rico's Use of Coronavirus Relief Fund Proceeds
(OIG-CA-23-040)

Dear Ms. Díaz-Vázquez:

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 Commonwealth of Puerto Rico's (Puerto Rico) documentation supporting its use of CRF proceeds as reported in the GrantSolutions² portal. In the desk review memorandum,³ the IPA identified total unsupported questioned costs of \$33,681,692. Specifically,

- In the "contracts greater than or equal to \$50,000" category, the IPA identified unsupported questioned costs of \$1,587,873 related to expenses

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 the Commonwealth of Puerto Rico's Use of Coronavirus Relief Fund Proceeds*, OIG-CA-23-040 (August 8, 2023)

for medical supplies, COVID-19 related communication, and professional consulting services.

- In the “grants greater than or equal to \$50,000” category, the IPA identified unsupported questioned costs of \$20,670,220 related to a private hospital assistance grant program that covered medical and payroll expenses.
- In the “transfer greater than or equal to \$50,000” category, the IPA identified unsupported questioned costs of \$7,602,356 related to assistance for local municipalities to cover COVID-19 expenses.
- In the “aggregate reporting less than \$50,000” category, the IPA identified unsupported questioned costs of \$1,338,582 related to the payroll protection and tourism program.
- In the “aggregate payments to individuals” category, the IPA identified unsupported questioned costs of \$2,482,661 related to the economic benefit - student technology program.

In April 2025, we contacted Puerto Rico requesting the territory to provide supporting documentation for the questioned costs. Between May 2025 and May 2026, Puerto Rico provided adequate documentation for the \$33,681,692 questioned costs. As such, Puerto Rico’s 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 P. Battle
Assistant Inspector General for Audit

cc: Michelle A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Jeffrey 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