

Compliance and Reporting for COVID Response and Recovery

January 6, 2022

Speakers



Michael E. Horowitz,
Chair of the Pandemic Response
Accountability Committee (PRAC)
and Inspector General,
U.S. Department of Justice



Richard Delmar
Deputy Inspector General,
Department of the Treasury



Deborah Harker
Assistant Inspector General for Audit,
Office of Inspector General,
Department of the Treasury

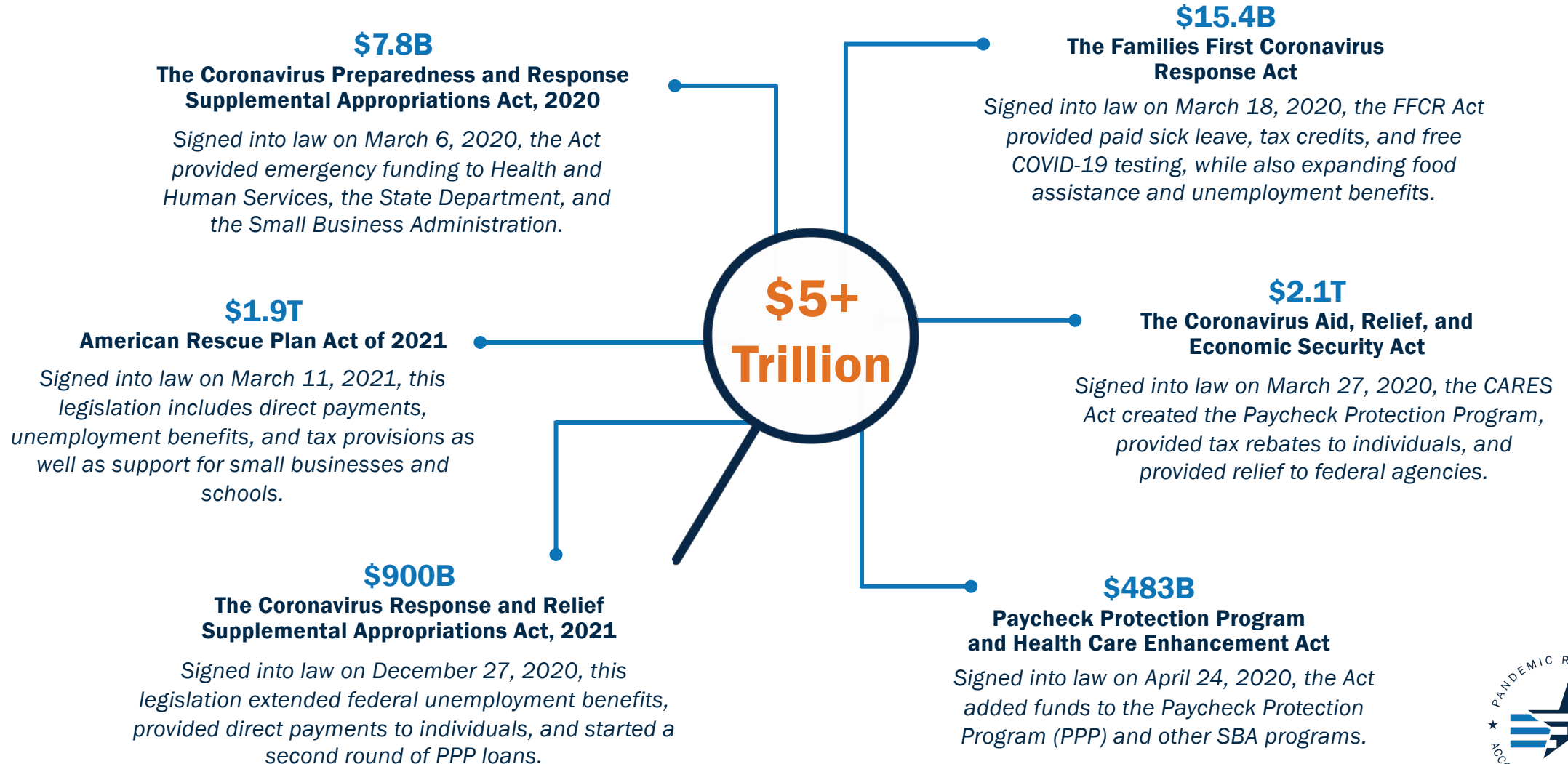


Dr. Joseph Cuffari
Inspector General,
Department of Homeland Security

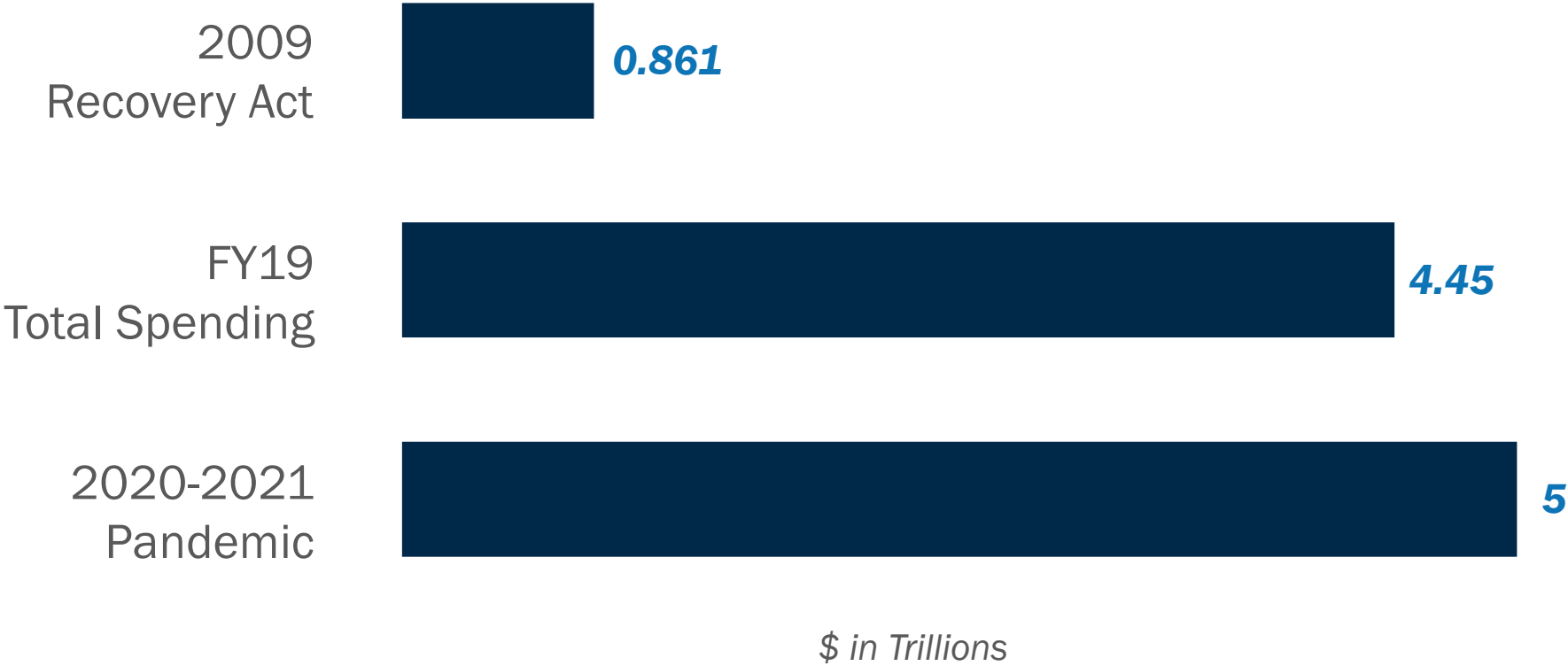
Pandemic Response Accountability Committee (PRAC)



The PRAC oversees \$5 trillion in pandemic relief



U.S. pandemic relief spending in context



The pandemic by the numbers

53M+
Cases in US

819K+
Deaths in US

44
Federal agencies
involved

\$3.5T
Dollars spent

14.7M
Award recipients

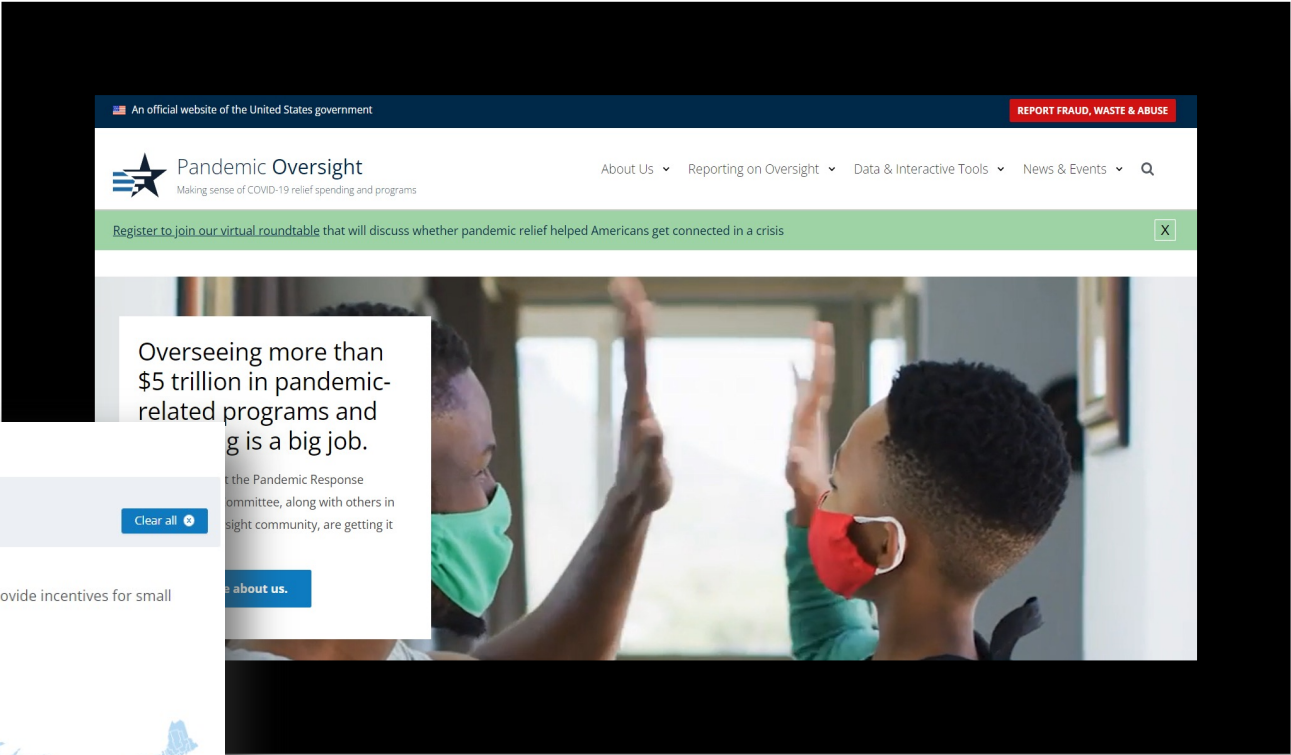
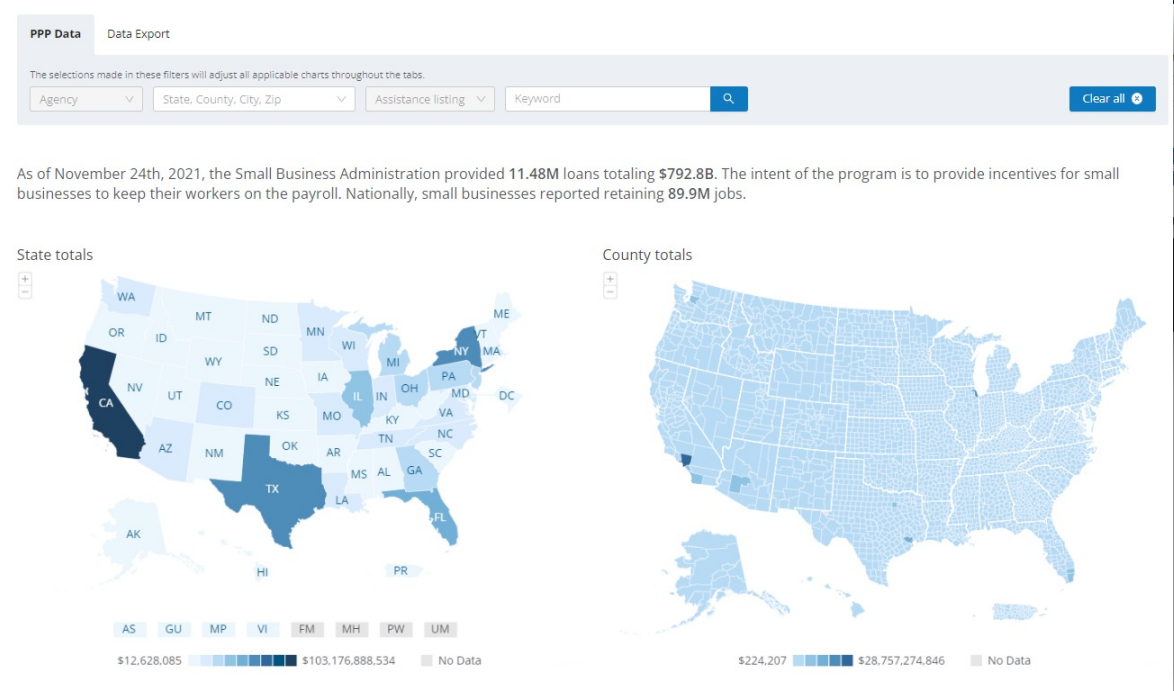
\$793B
PPP loans

\$840B
Economic Impact
Payments

\$860B
UI Benefits



Tracking the money on PandemicOversight.gov



Federal, state, and local oversight reports



Reporting on Oversight

Reports Library

Pandemic-Related Indictments & Convictions

Inspector General Reports

State & Local Reports

Our Publications & Reports

Reporting on Oversight

When programs are established, how do we know the money has been spent effectively, that critical program goals are being met, and that your taxpayer dollars aren't being swindled by fraudsters?

That's oversight, and that's what we do.

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DEPARTMENT OF JUSTICE

Charlestown Man Pleads Guilty to Identity Fraud Charges

BOSTON – A Charlestown man who has been living under a false identity pleaded guilty today in federal court in Boston to charges arising from his use of the name and Social Security number of a U.S. citizen.

Investigative Results | 12/22/2021

DEPARTMENT OF THE TREASURY OIG

CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of the Community Development Financial Institutions Fund's Implementation of the CDFI Rapid Response Program

Full Details: Oversight.gov Report Page

Audit | 12/21/2021

+ Recommendations

325+
Federal IG
Reports

173+
State and
Local Reports

PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

8

Fighting pandemic-related fraud



Pandemic Analytics
Center of Excellence
(PACE)



Fraud Task Force



Identity Fraud Reduction
& Redress Working Group

1194
Indictments

818
Arrests

391
Convictions



Connecting federal, state, and local oversight entities

- Regular listening posts meet monthly
- Participants include:
 - PRAC
 - State Auditors
 - Local Auditors
 - NASACT
 - GAO
 - Federal OIG Staffs
 - AICPA
 - OMB
 - Auditors for Tribes
- Discuss key issues or areas of priority
 - Single Audit Requirements
 - OMB Guidance
 - Fraud Alerts and “Early Warnings”



Connecting with State Auditors: State Auditor-in-Residence

WHAT: 6- to 12-month detail with the PRAC

Work on cross-cutting projects

Network with federal OIG staff

Participate in subcommittee and other coordination meetings



WHO: Piloting with 1 or 2 mid-level or senior auditor staff from state auditors' offices on rotation



Identifying lessons learned and risks that cross agency and program boundaries

What we've learned overseeing \$5 trillion in pandemic relief funds



The PRAC and its members have issued 325+ oversight reports. We've covered a lot and recommended a lot.

Our new report breaks it all down to five basics.


1. Verify eligibility before sending money
2. Give underserved communities better access to relief funds
3. Use existing data to prevent fraud
4. Get guidance out quickly and accurately
5. Let the public see who got grants and loans



Resources: Stakeholder Listening Sessions



Did pandemic relief reach the underserved?

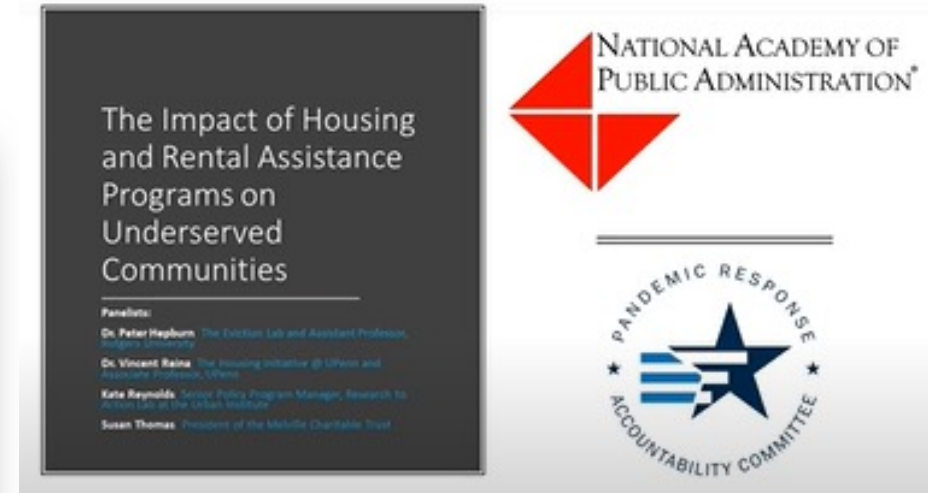
**Pandemic Response
Accountability Committee**

PandemicOversight.gov

**We're holding a roundtable on the
impact of pandemic response programs
and spending to find out.**

What

A panel event examining the impact of pandemic response programs and spending on underserved communities. Since COVID-19 hit the country (along with the emergency relief money) it became clear that health and economic struggles were not experienced equally among Americans. For example, minority-owned and women-owned businesses had trouble accessing emergency business loans, and people in rural areas faced challenges accessing testing and vaccination sites.



You can watch video recaps of
9+ events at
PandemicOversight.gov

Receive invites right in your inbox by
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Other Data Sources

Oversight.gov
Federal Reserve Emergency Lending Programs
Provider Relief Fund Data
USASpending.gov
USASpending Data Dictionary

Coronavirus Resources

USA.gov Coronavirus Response Resource List
Coronavirus.gov
CDC Coronavirus Information
SBA Coronavirus Relief Options
Protecting Your Finances

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Feedback
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PRAC Job Opportunities



Department of the Treasury Office of Inspector General



Speakers

- Richard Delmar, Deputy Inspector General, Department of the Treasury Office of Inspector General
- Deborah Harker, Assistant Inspector General for Audit, Department of the Treasury Office of Inspector General

Agenda

- Coronavirus Relief Fund
- Emergency Rental Assistance Programs
- State and Local Fiscal Recovery Funds (ARPA)



CRF Uses of Funds

- *Consolidated Appropriations Act, 2021* extended the covered period for CRF recipients to use proceeds through December 31, 2021
- Accordingly subsection 601(d) requires that recipients of CRF proceeds must use funds for costs that:
 - are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
 - were not accounted for in the budget most recently approved as of March 27, 2020; and
 - were incurred between March 1, 2020 and December 31, 2021.



Treasury

Reporting Timeline for CRF

- Quarterly reporting due no later than 10 days after the end of each calendar quarter.
- Period of Performance Ended December 31, 2021. On December 14, 2021, the definition of costs “incurred” was changed to obligations made as of December 31, 2021.

CRF Desk Reviews

- Review of prime recipient's quarterly financial progress report submissions
- Review other audit reports (i.e. Single Audit, Oversight.gov., PandemicOversight.gov) to identify internal control deficiencies or other noncompliance matters, including CRF Risk Model
- Review referrals from Treasury OIG's Office of Investigations and Office of Counsel, the Pandemic Response Accountability Committee, and other external sources
- Selecting a sample of contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals
- Reviewing prime recipients' documentation to sufficiently support selected contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals

Treasury's Emergency Rental Assistance Program (ERA)

- ERA 1, Division N, Title V of the *Consolidated Appropriations Act, 2021* authorized Treasury to make Emergency Rental Assistance payments to eligible recipients (States, U.S. Territories, Units of Local Government, and Tribal Governments)
 - Provides \$25 billion in assistance for households that are unable to pay rent and utilities due to COVID-19. ALN (CFDA) 21.023
- ERA 2, American Rescue Plan Title III, Subtitle B - Housing Provisions
 - Section 3201 authorizes \$21.55 billion of Emergency Rental Assistance to eligible recipients. ALN (CFDA) 21.023

ERA Reporting Requirements

- Division N, Title V, Section 501(g) of the *Consolidated Appropriations Act, 2021* requires Treasury to report demographic information quarterly on the use of Emergency Rental Assistance funds
- CARES Act Requirements:
 - Sections 15010 and 15011 require the PRAC to publicly display obligations and expenditures of covered funds by project or activity and other detailed information each quarter at [PandemicOversight.gov](https://pandemicoversight.gov)



Treasury ERA Reporting Timeline

- Quarterly reporting due no later than 15 days after the end of each calendar quarter.
- Full reports for Q1, 2, and 3 were due October 29, 2021

State and Local Fiscal Recovery Fund

Title IX, Subtitle M, Section 9901, *Coronavirus State and Local Fiscal Recovery Funds* amends Title VI of the Social Security Act (42 U.S.C. 801 et seq) by adding the following:

- Section 602 *Coronavirus State Fiscal Recovery Fund*
- Section 603 *Coronavirus Local Fiscal Recovery Fund*



Treasury SLFRF Reporting

- States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents.
- Metropolitan cities and counties with a population below 250,000 residents which received more than \$10 million in SLFRF funding.
- Project and Expenditure Reports due January 31, 2022, and 30 days after the end of the quarter thereafter.



Treasury SLFRF Reporting

- Metropolitan cities and counties with a population below 250,000 residents which received less than \$10 million in SLFRF funding.
- NEUs
- Project and Expenditure Report due by April 30, 2022, and annually thereafter.

Reporting Issues

- Subrecipient and Beneficiary Definitions
- FEMA Cost Share Reporting Under CRF
- Definition of Incurred Costs for CRF
- Lost Revenue Under SLFRF

Department of Homeland Security OIG's Oversight of FEMA Disaster Management



Overview



- Important Questions – FEMA COVID Funding Reimbursement
- Tips to Ensure FEMA COVID Funding Compliance
- Recent DHS OIG Audits and Investigations
- DHS/FEMA COVID Funding Sources
- Fraud Indicators
- Hotline Information

Important Questions – FEMA COVID Funding Reimbursement



- Are claimed costs COVID-related?
- Was work authorized under the project scope?
- Are costs adequately supported by documentation, such as canceled checks, payroll, contracts?
- Are costs reasonable and necessary?
- Are costs reduced by credits, such as insurance, salvage value, and refunds?
- Does the contract meet all Federal Procurement Regulations?
- Are there any signs of fraud by the applicant or contractor?
 - “If you see something, say something”
 - Report potential fraud to my office

FEMA COVID Funding Compliance Tips



1. Designate a person or team to coordinate the accumulation of records.
2. Establish a separate and distinct account for recording revenue and expenditures, and a unique identifier for each distinct FEMA project. ***Remember you may be receiving Federal assistance from other Federal agencies.***
3. Ensure that the final claim for each project is supported by amounts recorded in the accounting system.
4. Ensure each expenditure is recorded in the accounting books and is referenced to supporting source documentation (e.g., checks and invoices).
5. Ensure that expenditures claimed under the FEMA project are reasonable and necessary, are authorized under the scope of work, and directly benefit the project.
6. Ensure proper grant administration is established and enforced throughout the duration of the grant.

*Disclaimer: This list does not constitute legal advice. It is merely a resource. It is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law by any party or litigant.

Joplin, Missouri



“Inadequate Management and Oversight Jeopardized \$187.3 Million in FEMA Grant Funds Expended by Joplin Schools, Missouri”(OIG-20-41)



Source: Joplin Schools (Joplin, Missouri)

Hurricane Harvey



“Harris County, Texas, Needs Continued Assistance and Monitoring to Ensure Proper Management of Its FEMA Grant” (OIG-20-27)



Figure 1: Storm Debris from Hurricane Harvey in Harris County, TX

Source: Harris County, Budget Management Department (left) and Department of Homeland Security Office of Inspector General (OIG) (right)

DHS OIG Investigation of FEMA COVID Fraud



SCAM
ALERT

FEMA COVID Funding Sources



- Coronavirus Aid, Relief, and Economic Security (CARES) Act (March 2020)
 - \$45B FEMA/Disaster Relief Fund (\$44B Lost Wages Assistance)
- Consolidated Appropriations Act, 2021 (December 2020)
 - \$2B FEMA/Disaster Relief Fund – Funeral Assistance
- American Rescue Plan (March 2021)
 - \$50B FEMA/Disaster Relief Fund (Includes a Provision for Funeral Assistance)

Report to DHS OIG Signs of FEMA COVID Fraud:



- Citizens contacted regarding benefits for which they did not apply.
- Unusual or unknown credit report notifications.
- Multiple unemployment benefit requests from the same IP address or concealed IP addresses.
- Multiple benefit debit cards mailed to the same address.
- Unemployment benefits sent to out-of-state recipients, sometimes from multiple states.
- Benefits being paid to virtual wallets, e.g., Cash App, Venmo, PayPal, or Green Dot.

OIG HOTLINE



Reporting allegations of fraud, waste, abuse, mismanagement, or misconduct by phone, fax, online, or by mail.

- **OIG Hotline can be reached by:**
 - **Phone (800) 323-8603**
 - **Fax (202) 254-4292**
 - **www.oig.dhs.gov**
 - **Mail - DHS OIG HOTLINE, Mail Stop 2600
245 Murray Drive, SW, Building 410,
Washington, DC 20528**

OIG protects the identity of referrals, consistent with the law