



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 14, 2025

OIG-CA-25-042

MEMORANDUM FOR GREGORY TILL
ACTING CHIEF PROGRAM OFFICER, OFFICE OF CAPITAL ACCESS

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

SUBJECT: Termination Memorandum – Audit of the Department of the Treasury 's Pre-Award Process for the State Small Business Credit Initiative (SSBCI) Main Capital Allocation and Distribution for States and U.S. Territories (Job Code S-SC-23-007)

In January 2023, we initiated an audit of the Department of the Treasury's (Treasury) Pre-Award Process of the SSBCI main capital allocation and distribution of funds for states and U.S. territories. Our audit objectives were to assess (1) Treasury's pre-award process for the SSBCI program related to the approval of main capital allocation agreements and (2) the distribution of funds of approximately \$6 billion for states and U.S. territories. The scope of our audit included all pre-award activities relating to the approval of main allocation agreements and SSBCI funds distributed from March 2021 to January 2023. This audit was included in our annual plan for fiscal year 2024. Shortly after issuing our engagement letter, our office temporarily paused this audit and focused on other pandemic-related programs created under the Coronavirus Aid, Relief, and Economic Security Act,¹ passed on March 27, 2020; and the American Rescue Plan Act of 2021, enacted on March 11, 2021.² During several meetings with the Government Accountability Office (GAO), we learned that GAO was conducting two audits of the SSBCI program and that their audit reports were scheduled to be issued in February 2023 and June 2024, respectively.

¹ P.L. 116-136 (March 27, 2020)

² P.L. 117-2 (March 11, 2021)

In February 2023, GAO issued the first of the two audit reports.³ In its report, GAO evaluated Treasury's implementation of the SSBCI, reauthorized by the American Rescue Plan Act of 2021. Specifically, GAO examined (1) jurisdictions' planned use of SSBCI funds to meet program objectives, (2) Treasury's completion of key implementation steps for SSBCI, and (3) Treasury's efforts to manage program risks and measure program performance.

In June 2024, GAO issued the second of the two audit reports.⁴ In its report, GAO examined (1) Treasury's disbursement of SSBCI funds and the status of the Minority Business Development Agency's grant awards; (2) Treasury's management of time frames for remaining implementation steps; (3) Treasury's efforts to ensure compliance with program requirements; and (4) Treasury's efforts to measure and report on program performance.

Based on our review of the GAO reports of the SSBCI program and after additional discussions with GAO about its level of review performed on these two audits, we determined that there is considerable overlap of audit objectives for our audit and GAO's audits. Therefore, we believe that it is redundant to devote resources to conduct an audit of Treasury's Pre-Award Process for the SSBCI Main Capital Allocation and Distribution for States and U.S. Territories. Accordingly, we are terminating this audit. Please note that the *Audit of the Department of the Treasury's Pre-Award Process for the State Small Business Credit Initiative Main Capital Allocation and Distribution for States and U.S. Territories* (S-SC-23-007) will be removed from our *Monthly Status Report*.

We appreciate the courtesies and assistance provided by your staff. If you have any questions, please contact me at (202) 927-5400 or Dianna Jones, Director, SSBCI, at (202) 997-4491.

cc: Jeffrey Stout, Deputy Chief Program Officer for Small Business and
Community Investment Programs, Office of Capital Access, Treasury
Michelle A. Dickerman, Deputy Assistant General Counsel Litigation,
Oversight, and Financial Stability, Treasury
Amanda Shulak, Attorney Advisor, Banking and Finance, Office of the
General Counsel, Treasury

³ GAO, *State Small Business Credit Initiative: Improved Planning Could Help Treasury Limit Additional Delays*, GAO-23-105293, (February 2023)

⁴ GAO, *State Small Business Credit Initiative: Treasury Made Progress on Disbursements and Improvements to Project Scheduling*, GAO-24-106671, (June 2024)