



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

December 2, 2025

OIG-CA-26-002

Ms. Courtney Espinoza
Business Manager
City of Fresno, California
2600 Fresno St.
Fresno, CA 93721-3620

Re: Final Determination on Corrective Actions for Desk Review of City of Fresno, California's Use of Coronavirus Relief Fund Proceeds (OIG-CA-25-013)

Dear Ms. Espinoza:

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 governments 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 City of Fresno's (Fresno) documentation supporting its use of CRF proceeds as reported in the GrantSolutions² portal. In the desk review memorandum,³ the IPA identified total questioned costs of \$272,083. In the "contracts greater than or equal to \$50,000" category, the IPA determined that Fresno was unable to provide sufficient supporting documentation for \$269,142 in expenditures related to the distribution of grant assistance relief for small businesses due to service reduction and closures; vouchers issued to childcare centers for necessary COVID-19 related supplies; and payroll costs of employees that worked to assist with food purchases

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 City of Fresno, California's Use of Coronavirus Relief Fund Proceeds*, OIG-CA-25-013, (December 12, 2024)

and delivery to vulnerable populations who could not shop or obtain food because of the risks surrounding COVID-19. Also, in the “aggregate payments to individuals” category, Fresno was unable to provide adequate support for \$2,941 in expenditures related to non-substantially dedicated payroll costs⁴ for the city’s planning and response to the COVID-19 pandemic.

In April 2025, we contacted Fresno requesting the city to provide supporting documentation for the questioned costs. In May 2025, Fresno provided eligible replacement expenses documentation for the \$272,083 questioned costs. The replacement expenses were related to cleaning and disinfecting supplies for COVID-19. As such, Fresno’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) 927-5792, or a member of your staff may contact Olivia Scott, Acting Audit Director, at (202) 927-9635.

Sincerely,

/s/

Pauletta Battle
Acting Assistant Inspector General for Audit

cc: Michelle A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Danielle Christensen, Deputy Chief Program Officer for State and Local Programs, Office of Capital Access, Department of the Treasury
Jeffery W. Stout, Acting Chief Program Officer, Office of Capital Access, Department of the Treasury
Thao P. Tran, Acting Chief Operating Officer, Department of the Treasury

⁴ Payroll costs that are not substantially dedicated means that the costs are not related to public health and safety; and not substantially dedicated to performing COVID-19 related tasks.