Department of the Treasury
Office of Inspector General

Semiannual Report to Congress
April 1, 2025 – September 30, 2025
OIG-CA-26-019

Highlights

During this semiannual reporting period, the Department of the Treasury (Treasury) Office of Inspector General (OIG) identified $50 million in potential monetary benefits. The Office of Audit issued 24 products and work by the Office of Investigations resulted in 12 indictments and 8 convictions. Some of our more significant results for the period are described below:

- In a review overseen by our office, the Defense Contract Audit Agency (DCAA) examined a Bureau of Engraving and Printing (BEP) contract proposal and reported $49.1 million in questioned costs.
- Office of Audit performed desk reviews of the use of Emergency Rental Assistance (ERA)1 and ERA2 funds. In addition to determining whether ERA recipients complied with the use of ERA fund requirements, we also identified $918,745 in total questioned costs based on our desk reviews and other information received for the following State and Local governments:
    - State of North Carolina;
    - City of Moreno Valley, California (Moreno Valley);
    - State of Florida.
- Office of Audit performed desk reviews of the receipt, disbursement, and use of Coronavirus Relief Fund (CRF) proceeds by State and Local governments. In addition to determining whether the State and Local governments complied with the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Treasury Coronavirus Relief Fund Guidance, we also identified $32,554 in total questioned costs.
- Office of Investigations provided OIG Systemic Observations for the Departmental Offices of the Treasury. This document provided recommendations to strengthen policy regarding the usage of Treasury issued mobile devices, usage of third-party messaging applications and record retention, and security concerns regarding the download and maintenance of third-party applications on Treasury issued mobile devices.
- Office of Investigations completed an investigation into the defrauding of an Indiana ERA Program whereby a local nonprofit submitted 28 fraudulent applications over $200,000. The director of the nonprofit pled guilty and received a sentence of five years, two years of probation and was required to pay $221,897 in restitution.
- Office of Investigations, with assistance from Office of Audit, completed an investigation into a US Airline company abusing the Payroll Support Program (PSP) under the CARES Act program. The airline inaccurately certified compliance with the PSP requirements. The airline agreed to pay an $8.1 million civil settlement to resolve the allegations.

Message from the Inspector General

During this reporting period, Treasury OIG continued its rigorous oversight of pandemic recovery programs administered by Treasury. A total of 24 oversight products were issued, five of which specifically addressed pandemic-related activities.

In addition, Treasury OIG conducted an audit to evaluate the Treasury Office of Intelligence and Analysis's (OIA) compliance with Title 67 of the James M. Inhofe National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2023. The audit determined that OIA did not develop, acquire, or adopt any artificial intelligence (AI) capabilities during the period under review due to the Director of National Intelligence not issuing any AI-related guidance pursuant to section 6702(a) of the NDAA for FY 2023. Accordingly, there are no AI systems within OIA requiring maintenance or oversight.

Treasury OIG is also actively engaging with stakeholders to explore the current applications, opportunities, and risks of AI in the financial sector. As OIG operations evolve, AI presents a promising avenue to enhance efficiency—allowing teams to achieve more with fewer resources.

This technological shift naturally prompts reflection on the future of traditional roles within Treasury OIG. Crucially, the successful implementation of AI in Treasury functions still depends on human judgment. Skilled professionals are essential for training AI systems and embedding the logic and domain-specific knowledge required for responsible and effective decision-making. Successful implementation of AI will require strategic oversight, innovation, and thoughtful governance.

Treasury OIG remains steadfast in its mission to investigate fraud, waste, and abuse across Treasury programs, including those related to pandemic relief, employee misconduct, and cyber-related fraud. Our efforts extend beyond internal oversight, as we actively participate in multiple law enforcement working groups and task forces dedicated to addressing fraud on Treasury programs and operations perpetrated by outside parties.

Beyond our investigative work, Treasury OIG continues to provide leadership and administrative support to the Council of Inspectors General on Financial Oversight.

Established under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Council of Inspectors General on Financial Oversight plays a key role in overseeing and monitoring the activities of the Financial Stability Oversight Council, chaired by the Secretary of the Treasury.

The OIG plays a vital role in safeguarding integrity and enhancing the efficiency of Treasury's programs and operations. This impact is made possible by the exceptional expertise, professionalism, and dedication of our employees. Their contributions are not only commendable, but they are also central to our mission. I proudly recognize their commitment and salute their outstanding accomplishments.

Loren J. Sciurba
Deputy Inspector General

Contents

Treasury Office of Inspector General Overview

Treasury OIG was established pursuant to the 1988 amendments to the Inspector General Act of 1978.[1] Treasury OIG is headed by an Inspector General appointed by the President with the advice and consent of the Senate.

Treasury OIG performs independent, objective reviews of Treasury programs and operations, except for those of the Internal Revenue Service (IRS), and keeps the Secretary of the Treasury and Congress fully informed of problems, deficiencies, and the need for corrective action. The Treasury Inspector General for Tax Administration and the Government Accountability Office perform oversight related to the IRS. The Government Accountability Office performs oversight of loans, loan guarantees, and other investments under the Coronavirus Economic Stabilization Act of 2020.

Treasury OIG also performs independent oversight of programs and operations funded by the Gulf Coast Restoration Trust Fund established within Treasury by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act).[2] In addition, Treasury OIG performs oversight of programs and operations administered by the Gulf Coast Ecosystem Restoration Council (Council), established as an independent federal entity, and the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program (Science Program) administered by the National Oceanic and Atmospheric Administration (NOAA). With regard to the Council and the Science Program, Treasury OIG keeps the appointed Chairperson of the Council, the NOAA Science Program Administrator, and Congress fully informed of problems, deficiencies, and the need for corrective actions.

Treasury OIG has four components: Office of Audit, Office of Investigations, Office of Counsel, and Office of Management. Treasury OIG is headquartered in Washington, DC.

The Office of Audit, under the leadership of the Assistant Inspector General for Audit, performs and supervises financial and performance audits, attestation engagements, and evaluations to detect and prevent fraud, waste, and abuse in programs and operations within Treasury OIG's jurisdictional boundaries. Reporting to the Assistant Inspector General for Audit are Deputy Assistant Inspectors General responsible for

---

[1] 5 U.S.C. §§401-424

[2] Public Law 112-141

managing a diverse range of audit activities. These activities include financial sector audits, fiscal management and transparency audits, cybersecurity, and financial assistance audits. Areas of responsibility span banking supervision, revenue collection activities, financial statements, anti-money laundering and sanctions programs, intelligence operations, information systems, and domestic assistance programs.

The Office of Investigations, under the leadership of the Assistant Inspector General for Investigations, performs investigations and conducts initiatives to detect and prevent fraud, waste, and abuse in programs and operations within Treasury OIG's jurisdictional boundaries; and to investigate threats against Treasury personnel and assets in designated circumstances as authorized by the Inspector General Act. The Office of Investigations also manages the Treasury OIG Hotline to facilitate reporting of allegations involving these programs and operations.

The Office of Counsel, under the leadership of the Counsel to the Inspector General, provides legal advice to the Inspector General and all Treasury OIG components. The office represents Treasury OIG in administrative legal proceedings and provides a variety of legal services, including (1) processing Freedom of Information Act and *Giglio*[3] requests; (2) conducting ethics training; (3) ensuring compliance with financial disclosure requirements; (4) reviewing proposed legislation and regulations; (5) reviewing administrative subpoena requests; and (6) preparing for the Inspector General's signature cease and desist letters and monetary assessments against persons and entities misusing the Treasury seal and name. The Office of Counsel also responds to media and Congressional inquiries and serves as the Whistleblower Protection Coordinator for Treasury.

The Office of Management, under the leadership of the Assistant Inspector General for Management, provides administrative services to maintain the Treasury OIG administrative infrastructure, including facilities, human resources, information technology, procurement, records management, and security.

For FY 2025, Treasury OIG received $48.3 million in direct appropriations. Of this amount, up to $2.8 million is designated for audits and investigations under the RESTORE Act. As of September 30, 2025, Treasury OIG had 199 full-time staff, before the departure of Deferred Resignation Program employees.

---

[3] *Giglio* information refers to material that may call into question the character or testimony of a prosecution witness in a criminal trial.

Management and Performance Challenges

The Reports Consolidation Act of 2000 requires that the Treasury Inspector General annually provides his perspective on the most serious management and performance challenges facing Treasury and the Council. The following is a synopsis of our annual assessments, which are available in their entirety on the Treasury OIG website.

Treasury

In a December 4, 2025, memorandum to Secretary of the Treasury, Scott Bessent, Deputy Inspector General Loren Sciurba reported the following five challenges facing the Department, of which two were new:

- Resource Optimization (New)
- Cyber Threats (Repeat)
- Artificial Intelligence Adoption (New)
- Anti-Money Laundering/Terrorist Financing and Bank Secrecy Act Enforcement (Repeat)
- Crypto and Digital Assets Growth (Repeat)

Gulf Coast Ecosystem Restoration Council

In a November 20, 2025, letter to the Honorable David Fotouhi, Deputy Administrator of the U.S. Environmental Protection Agency, Deputy Inspector General Loren Sciurba, serving as Chairperson of the Council, reported three challenges.

- Recruiting and Retaining a Highly Skilled Workforce (Repeat)
- Federal Statutory and Regulatory Compliance (Repeat)
- Grant and Interagency Agreement Compliance Monitoring (Repeat)

Office of Audit – Significant Audits and Other Products

CARES Act Compliance Monitoring

The CARES Act assigned our office responsibility for monitoring and oversight of the receipt, disbursement, and use of CRF proceeds. To carry out our monitoring responsibilities, we developed a portal via GrantSolutions, a grants management system under the U.S. Department of Health and Human Services, for CRF recipients to report expenditures quarterly. CRF data was collected through September 30, 2023, for payment types related to Contracts greater than or equal to $50,000, Grants greater than or equal to $50,000, Loans greater than or equal to $50,000, Transfers greater than or equal to $50,000, Direct Payments greater than or equal to $50,000, Aggregate Reporting less than $50,000, and Aggregate Payments to Individuals, in any amount. This data was displayed on the Pandemic Response Accountability Committee's website (**https://www.pandemicoversight.gov/**).

During this semiannual reporting period, as part of our compliance monitoring of CRF payments, we performed the following activities and outreach efforts for CRF recipients.

Desk Review of the State of Wisconsin's Use of Coronavirus Relief Fund Proceeds

We found that the Financial Progress Report submissions were timely. Transactions selected for detailed review were supported by documentation and were allowable expenditures in accordance with the CARES Act and Treasury's Coronavirus Relief Fund Guidance. We noted that the tested Aggregate Payments to Individuals were necessary expenditures due to the Coronavirus Disease 2019 (COVID-19) public health emergency, were not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the covered period of March 1, 2020, to December 31, 2021.

We determined that the State of Wisconsin's risk of unallowable use of funds is low and we will not be conducting an audit. The State of Wisconsin concurred with our assessment. (**OIG-CA-25-041**)

Desk Review of the State of Oregon's Use of Coronavirus Relief Fund Proceeds

We determined that the State of Oregon's (Oregon) risk of unallowable use of funds was low; therefore, we will not be conducting an audit of the State. However, we identified a matter of concern regarding a sub-recipient, the City of Lakeside, Oregon (Lakeside). We reviewed a complaint about CRF expenditures Oregon provided to Lakeside. We determined that $18,889 of the $51,443 in grant funds Lakeside received were spent in accordance with the CARES Act and Treasury's Coronavirus Relief Fund Guidance. Accordingly, we identified $32,554 in questioned costs. We recommended that the Acting Chief Program Officer of the Treasury Office of Capital Access (OCA) coordinate with the Treasury OIG to ensure that Oregon returns to Treasury the $32,554 of CRF proceeds that were improperly used by Lakeside. Treasury OIG will seek recoupment under its authority granted by the CARES Act. **(OIG-CA-25-049)**
$32,554 Questioned Cost

Emergency Rental Assistance Oversight

Section 501 of the Consolidated Appropriations Act, 2021 assigned our office the responsibility to conduct monitoring and oversight of the receipt, disbursement, and use of ERA1 and ERA2 funds and the authority to recoup funds used in violation of the Consolidated Appropriations Act, 2021 and Treasury's guidance. The ERA1 statute, codified at 15 USC § 9058a, and the ERA2 statute, codified at 15 USC § 9058c, direct Treasury to make allocations and payments to eligible grantees such as State and Local governments, who in-turn, make funding available in the form of rental assistance to eligible households. As part of its oversight authority for ERA1, if Treasury OIG determines that a grantee failed to comply with the use of funds requirements in the statute, the amount equal to the amount of funds used in violation shall be booked as a debt of such entity owed to the Federal Government (i.e., recoup the misused funds). Under ERA2, Treasury OIG reports misused funds to Treasury management as questioned costs for its action.

During this reporting period we performed the following activities for ERA1 and ERA2:

Emergency Rental Assistance (ERA1) Program Notice of Recoupment – State of North Carolina

The State of North Carolina is a recipient of funds under the ERA1 statute. In April 2023, we made an inquiry to the State about a complaint reported to the OIG Hotline. We learned that the State maintained a database of substantiated ERA fraud, waste, and abuse cases. We requested and reviewed documentation for five of those cases. Based on the information provided, we determined that the State's ERA1 program paid out ERA1 funds totaling $803,160 that did not comply with the ERA1 statute because the funds were disbursed to ineligible households. On August 12, 2025, Treasury's Bureau of the Fiscal Service (Fiscal Service) issued an invoice for $803,160 to the State of North Carolina establishing a debt to the Federal Government. **(OIG-CA-25-054, Redacted) $803,160 Questioned Cost**

Emergency Rental Assistance Program (ERA1) – Notice of Recoupment, City of Moreno Valley, California

Moreno Valley is a recipient of funds under the ERA1 statute. In December 2022 and August 2023, OIG received reports from a subrecipient of Moreno Valley, about four cases of potential improper payments made with ERA1 award funds. We determined that the payments for two cases were eligible and the payments for the other two cases, totaling $16,975, failed to comply with the Use of Funds requirements in the ERA1 statute.

Moreno Valley informed us that as instructed by Treasury and OIG in a Joint Notice issued on October 4, 2024,[4] they repaid the $16,975, as part of a $28,889 payment, to Treasury on December 10, 2024, from city funds. Moreno Valley's response and action addressed our recoupment finding. Accordingly, we make no recommendation in this memorandum. **(OIG-CA-25-055, Redacted) $16,975 Questioned Cost**

[4] The Joint Notice was issued as a reminder to all ERA financial assistance award recipients of responsibilities and requirements for reporting fraud and reimbursing fraud losses and unallowable costs from non-ERA funds. The Joint Notice is available on OIG's website at https://oig.treasury.gov/system/files/2024-10/ERA-Joint-Treasury-OIG-Notice.pdf and Treasury's website at https://home.treasury.gov/system/files/136/ERA-Joint-Treasury-OIG-Notice.docx.

Emergency Rental Assistance Program (ERA1) – Notice of Recoupment, State of Florida

The State of Florida is a recipient of funds under the ERA1 statute. Beginning February 2023 through January 2024, we made inquiries to the state regarding 12 complaints of suspected fraud related to its ERA1 award reported to the OIG hotline. Based on the information provided, we determined that the State 's ERA1 program paid out ERA1 funds totaling $98,610 in violation of the ERA 1 statute because the funds were disbursed to ineligible households. On August 20, 2025, Fiscal Service issued an invoice for $98,610 to State of Florida establishing a debt to the Federal Government. **(OIG-CA-25-056, Redacted) $98,610 Questioned Cost**

Cyber/Information Technology

Federal Information Security Modernization Act of 2014

The Federal Information Security Modernization Act (FISMA) requires Inspectors General to perform an annual, independent evaluation of their agency's information security program and practices. During this semiannual reporting period, Treasury OIG issued the following reports on Treasury's and the Council's compliance with FISMA.

Audit of the Department of the Treasury Federal Information Security Modernization Act, Fiscal Year 2025 Performance Audit for the Unclassified Systems

A certified independent public accounting firm (IPA), working under a contract with and supervised by our office, performed this year's annual FISMA audit of Treasury's unclassified systems, except for those of the Internal Revenue Service, which were evaluated by the Treasury Inspector General for Tax Administration, for the period April 1, 2024, through March 31, 2025. The IPA conducted its audit in accordance with generally accepted government auditing standards. In connection with our contract with the IPA, we reviewed its report and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted auditing standards, was not intended to enable us to conclude on the effectiveness of Treasury's information security program or its compliance with FISMA. The IPA was responsible for its report and the conclusions expressed therein.

For FY 2025, the IPA reported that consistent with applicable FISMA requirements, Office of Management and Budget (OMB) policy and guidance, and the National Institute of Standards and Technology standards and guidelines, Treasury's information security program and practices for its unclassified systems were established and maintained in alignment with the six Cybersecurity Functions and ten FISMA Metric Domains. However, the program was deemed ineffective based on Department of Homeland Security (DHS) criteria, as evidenced by five deficiencies identified by the IPA across three of the six Cybersecurity Functions and four of the ten FISMA Metric Domains.

Accordingly, the IPA made 12 recommendations to the responsible officials to address the identified deficiencies. Treasury management agreed with the recommendations and prepared corrective action plans that met the intent of IPA's recommendations. Due to the sensitive nature of these findings, this report is designated Sensitive But Unclassified. **(OIG-25-029, Sensitive But Unclassified)**

Audit of the Department of the Treasury Federal Information Security Modernization Act, Fiscal Year 2025 Performance Audit for the Collateral National Security Systems

An IPA firm, working under a contract with and supervised by our office, performed this year's annual FISMA audit of Treasury's Collateral National Security Systems for the period April 1, 2024, through March 31, 2025. In connection with our contract with the IPA, we reviewed its report and related documentation and inquired about its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted auditing standards, was not intended to enable us to conclude on the effectiveness of Treasury's information security program or its compliance with FISMA. The IPA is responsible for its report and the conclusions expressed therein.

The IPA reported that consistent with applicable FISMA requirements, OMB and the Committee on National Security Systems policy and guidance, and the National Institute of Standards and Technology standards and guidelines, Treasury established and maintained its information security program and practices for its Collateral National Security Systems for the six Cybersecurity Functions and ten FISMA Metric Domains. The IPA assessed Treasury's information security programs and practices for both of its Collateral National Security Systems as Consistently Implemented (Level 3), which was ineffective according to DHS criteria. While the IPA did not identify any new findings, most metrics were not assessed as Managed and Measurable (Level 4) due to a lack of identified qualitative and quantitative performance measures on the effectiveness of the security programs and practices. Treasury management agreed with the report. Due to the sensitive nature of these systems, this report is designated Sensitive But Unclassified. **(OIG-25-030, Sensitive But Unclassified)**

The Gulf Coast Ecosystem Restoration Council Federal Information Security Modernization Act of 2014 Evaluation Report for Fiscal Year 2025

An IPA working under a contract supervised by our office, performed the annual FISMA evaluation of' Council's security program and practices for the period April 1, 2024, through March 31, 2025. The IPA determined that the Council's information security program and practices, established and maintained for the six Cybersecurity Function Areas and ten FISMA Metric Domains, were effective during the evaluation period. The IPA did not make any recommendations to the Council. Council's management concurred with the report. **(OIG-CA-25-053)**

Anti-Money Laundering/Terrorist Financing and Intelligence

We conduct audits of Treasury anti-money laundering and terrorist financing programs. We issued the following report during this semiannual period.

Office of Intelligence and Analysis Does Not Have Artificial Intelligence Capabilities and Faces Barriers to its Accelerated Adoption

The NDAA for FY 2023 mandated that we evaluate: (1) the efforts of such element to develop, acquire, adopt, and maintain AI capabilities for the purpose of improving intelligence collection and analysis in a timely manner and the extent to which such efforts are consistent with the policies and principles described in section 6702(a)(2); (2) the degree to which the element has implemented each of the provisions of Title LXVII of the NDAA for FY 2023; and (3) any administrative or technical barriers to the accelerated adoption of AI by such element. This semiannual reporting period, we issued our report of OIA's compliance with Title 67 of the FY 2023 NDAA.

We found that OIA did not develop, acquire, or adopt any AI capabilities; therefore, OIA has no AI capabilities to maintain. Additionally, we determined that of the seven provisions that OIA had a responsibility to implement, OIA implemented three, but two provisions were not implemented timely, resulting in two audit findings. OIA did not implement the four remaining provisions. Three of these provisions were not implemented because the Director of National Intelligence had not established necessary guidelines, and the fourth provision was not implemented due to an oversight. Furthermore, we identified five barriers to the accelerated adoption of AI by OIA and discussed an "other matter" related to one of those barriers.

We recommended the Assistant Secretary for OIA ensure that OIA personnel implement a standard operating procedure that defines roles and responsibilities for legislative requirements. OIA management concurred with our recommendation and provided their planned corrective action. OIA's planned corrective action meets the intent of our recommendation. **(OIG-25-025)**

Manufacturing and Revenue

We conduct audits of the Treasury coin, currency, and alcohol, and tobacco tax and trade programs. We issued the following report during this semiannual period.

Price Proposal in Response to a Bureau of Engraving and Printing Solicitation

In an examination overseen by our office, the DCAA reviewed a price proposal submitted in response to a BEP contract solicitation. In its report, DCAA identified $49.1 million in questioned costs. The examination results were submitted to BEP, and we made one recommendation. Due to the proprietary nature of contractor bid and proposal information, this report is designated Sensitive But Unclassified. **(OIG-CA-25-058, Sensitive But Unclassified)**
$49,146,917 Questioned Costs

Financial Management

Payment Integrity Information Act of 2019

We reported on Treasury's and the Council's overall compliance with improper payment reporting as required by the Payment Integrity Information Act of 2019 (PIIA).

Treasury Payment Integrity Information Act FY 2024

An IPA firm, under a contract monitored by our office, audited Treasury's compliance with PIIA for FY 2024. The IPA determined that Treasury was not in compliance with the applicable requirements of PIIA for FY 2024. Treasury did not comply with 1 of 10 PIIA reporting requirements. Specifically, Treasury did not comply with the requirement to report an improper payment rate of less than 10 percent for four IRS programs identified as susceptible to significant improper payments: (i) Earned Income Tax Credit; (ii) American Opportunity Tax Credit; (iii) Additional Child Tax Credit; and (iv) Net Premium Tax Credit. Treasury complied with the remaining nine PIIA requirements.

The IPA also found:

- OCA management's control activities were inefficient and ineffective in identifying overpayments for the ERA and Homeowners Assistance Fund programs.
- OCA management identified overpayments $9,129 related Homeowners Assistance Fund program that were inadvertently omitted in OCA's reporting of overpayments identified outside of payment recapture audits for FY 2024.
- Four bureau management responses to certain questions in their qualitative risk assessment were inaccurate in determining the payment types' susceptibility to improper payments. However, these inaccurate responses did not affect the overall risk assessment rating for these fund groups.

Treasury management concurred with the IPA's recommendations and provided their planned corrective actions. Treasury's planned corrective action meets the intent of the recommendations. **(OIG-25-027)**

Gulf Coast Payment Integrity Information Act FY 2024

We determined that the Council complied with the applicable requirements of PIIA for FY 2024. We made no recommendations in this report. (**OIG-25-026**)

Attestation Engagement

An IPA, under a contract monitored by our office, completed the report described below in support of the audit of Treasury's FY 2025 consolidated financial statements and the financial statement audits of certain other Federal agencies.

Report on the Processing of Transactions by Treasury Enterprise Applications

The IPA examined management of Treasury Enterprise Applications' description of controls for processing customer agencies' human resource transactions in its HRConnect system; and the suitability of the design and operating effectiveness of these controls for the period beginning July 1, 2024, and ending June 30, 2025. The IPA found, in all material respects, the controls were fairly presented in the description of controls for this system, suitably designed, and controls tested operated effectively throughout the period. (**OIG-25-028**)

Federal Financial Management Improvement Act

The following instances of noncompliance with the Federal Financial Management Improvement Act of 1996 were reported in connection with the audit of Treasury's FY 2024 consolidated financial statements.

Condition	Type of noncompliance
Treasury continues to have deficiencies in IRS financial management systems. Specifically, IRS did not consistently design, implement, and operate information system controls and security programs over its financial management systems in accordance with the federal financial management systems requirements. (first reported in Fiscal Year 1997)	Federal financial management system requirements

The status of these instances of noncompliance, including progress in implementing remediation plans, will be evaluated as part of the audit of Treasury's FY 2025 consolidated financial statements.

Office of Investigations – Significant Investigations

CARES Act Investigations

Oregon Residents Convicted and Sentenced for Oregon Coronavirus Relief Fund Program Fraud

On September 25, 2025, the OIG completed its investigation into two individuals who fraudulently obtained business grants from the Oregon Cares Fund, which received its funding from the CRF. In addition, both individuals fraudulently obtained Pandemic Unemployment Assistance. Both defendants pled guilty and were sentenced collectively to 12 months of home detention, 8 years of probation and restitution, criminal fines, and special assessments totaling $221,897. The OIG and Department of Labor, OIG conducted the investigation.

Other Significant Investigations

Allegations of Violations of Treasury Records Retention Policy via Treasury Mobile Devices Substantiated

On September 25, 2025, the OIG completed its investigation regarding concerns over records retention policies with third party messaging applications used by Treasury employees. Treasury policy states employees are not allowed to use encrypted applications like "WhatsApp" or "Signal" to conduct Treasury-related business. A review of data on Treasury-issued mobile devices shows 93 employees installed Signal and 190 employees installed WhatsApp. OIG substantiated that Treasury employees frequently use third party messaging applications, in violation of existing Treasury policy.

Indiana Non-Profit Director Convicted and Sentenced in Indiana Emergency Rental Assistance Program Fraud Scheme

On June 9, 2025, the OIG completed its report of investigation into an allegation that an Indiana non-profit Director submitted 26 applications to the City of Fort Wayne, IN, ERA Program. These applications contained fraudulent tax documents and numerous stolen identities to create potential ERA recipients. On May 20th, 2024, the Director was indicted on 18 counts of Wire Fraud, 18 USC 1343 and subsequently sentenced by U.S. District Court, Northern District of Indiana, to 50 months confinement to the Bureau of Prisons, two years of supervised release, and restitution of $166,292.

Allegations of Excessive Reasonable Accommodation Requests Submitted to Fiscal Service Unsubstantiated Prompts Policy Change

On June 9, 2025, the OIG completed its report of investigation concerning a surge in Reasonable Accommodation (RA) requests from Fiscal Service employees. The alleged surge in RA requests occurred after the mandate for Treasury Department employees to return to the office for work. OIG unsubstantiated the allegation that a doctor was issuing numerous, identical medical notes to support the accommodation request. OIG reviewed the list of RA participants provided by Fiscal Service and determined there was not a pattern of abuse or overuse of doctors and doctor's notes. Fiscal Service has updated the RA approval process to include alternative solutions for accommodating the request without working from home. In addition, any request longer than two weeks will require Deputy Director approval. A new policy is being drafted to formally reflect the changes.

Treasury OIG Accomplishments and Activities

Office of Inspector General of the Intelligence Community Collaboration Award for Legislative Subcommittee, Intelligence Community Inspector General Forum

The Treasury OIG was honored with the OIG of the Intelligence Community Collaboration Award for its contributions to the Legislative Subcommittee of the Intelligence Community Inspectors General Forum. This recognition highlights Treasury OIG's commitment to fostering interagency cooperation and advancing the mission of the Legislative Subcommittee of the Intelligence Community Inspectors General Forum, which is to promote collaboration, coordination, and mutual support among the Inspectors General of the U.S. Intelligence Community.

Treasury and OIG Joint Notice to ERA Grantees

Pursuant to the Joint Notice issued on October 4, 2024, during this semiannual reporting period grantees repaid $254,524 to Treasury as follows:

ERA1 Repayments to Treasury	
City of Fort Wayne IN	$168,457
City of Los Angeles	$31,250
Berks County, Pennsylvania	$21,766
Lake County IN	$20,826
State of Idaho	$12,225
Total Voluntary ERA Repayments	**$254,524**

Since the Joint Notice was issued, grantees have repaid a total of $391,778 to Treasury and reimbursed a total of $20,620 to their ERA2 programs.

Delta Air Lines Agrees to Pay $8.1 million to Settle Alleged False Claims Act Violations Related to Payroll Support Program

In July, the Offices of Investigation and Audit secured an $8.1 million settlement in a company PSP investigation. The investigation revealed the airline inaccurately certified compliance with PSP requirements related to the executive compensation in reports submitted to the Treasury. Throughout the pandemic, both offices worked diligently alongside the Main Treasury and the Department of Justice (DOJ) to combat fraud, waste, and abuse in relief programs. As our pandemic-related efforts end, the dedication and impact of this work remain undiminished—and will not go unnoticed.

Read Full Article

Former Massachusetts Woman Arrested for Fraudulent Receipt of ERA Under a COVID-19 Relief Program

The Office of Audit and the Office of Investigations proudly commend one of our Senior Special Agents and the investigative team for their outstanding work leading to the arrest and charging of an individual. The individual was suspected of fraudulently obtaining over $100,000—and attempting to secure more than $260,000—in ERA funds from the California ERA program in 2021. They posed as a landlord in Los Angeles while residing in Massachusetts, exploiting pandemic relief efforts meant for vulnerable households.

This successful enforcement action reflects our continued commitment to combating pandemic-related fraud and restoring stolen funds to Treasury. Together, we remain steadfast in the fight to protect public resources and uphold accountability.

Read Full Article

Man fears deportation after sentencing in Maryland COVID-19 fraud scheme involving 600 victims

The Office of Audit and the Office of Investigations is pleased to announce another successful prosecution in the fight against pandemic-related fraud. The final defendant in a sweeping investigation, uncovering nearly $3 million in fraudulent unemployment relief affecting over 600 victims—has been sentenced. An individual received 18 months of imprisonment, was ordered to pay $250,000 in restitution, and now faces potential deportation. This outcome follows a thorough prosecution by the U.S. Attorney's Office for the District of Maryland.

We extend our congratulations to our Special Agent for his leadership and to all those whose tireless and often unseen efforts helped bring this case to resolution. Together, we continue to protect public funds and uphold accountability.

Read Full Article

Treasury OIG Leadership Roles

Treasury OIG professionals serve various important public and private professional organizations supporting the Federal audit community. Examples of participation in these organizations are as follows:

Pauletta Battle, Deputy Assistant Inspector General for Financial Management and Transparency Audits, serves as the Council of the Inspectors General on Integrity and Efficiency's Accounting Standards Implementation Committee member on the Federal Accounting Standards Advisory Board.

Julie Wong, Director, for Coronavirus Aid, Relief, and Economic Security Act Oversight, is the National Single Audit Coordinator for Treasury.

Statistical Summary

Summary of Treasury OIG Activities

OIG Activity	Number or Dollar Value
Office of Counsel Activities	
Regulation and legislation reviews	8
Instances where information was refused	0
Office of Audit Activities	
Reports issued and other products	24
Disputed audit recommendations	0
Significant revised management decisions	0
Management decision in which the Inspector General disagrees	0
Questioned costs	$50,098,216
Funds put to better use	$0
Voluntary repayments*	$254,524
Total monetary benefits	**$50,352,740**
Office of Investigations Activities**	
Criminal and judicial actions (including joint investigations)	
Investigative reports issued	20
Cases referred for prosecution and/or litigation	14
Individuals referred for criminal prosecution to the Department of Justice	12
Individuals referred for criminal prosecution to state and local authorities	2
Cases accepted for prosecution and/or litigation	10
Arrests	5
Indictments/informations	12
Convictions (by trial and plea)	8
Criminal Fines / Restitution / Court Fees	$8,488,189
Total OIG Monetary Results	**$58,840,928**

**Voluntary repayment in response to CRF audit work and our October 4, 2024, ERA Joint Notice.*

***During the reporting period, subjects were sentenced to 5 years of prison time, 8 years probation, 8 months of home detention, and 12 days of community service.*

Metrics Used for Office of Investigations Activities

Treasury OIG investigative statistics listed above were obtained through reports drawn from Treasury OIG's Office of Investigations case management system from April 1, 2025, through September 30, 2025. Some statistics represent actions occurring in the case prior to case closure but could not be reported until investigation was officially complete.

Reports with Unimplemented Recommendations

Issued prior to April 1, 2025

The following list of Treasury OIG reports with unimplemented recommendations is based on information in Treasury's automated audit recommendation tracking system, which is maintained by Treasury management officials, and recommendations tracked by other Federal organizations related to Treasury OIG's oversight of the RESTORE Act programs and activities of the Council and NOAA's Science Program; and of DHS, U.S. Customs and Border Protection's (CBP) programs and activities related to protecting revenue.

Treasury OIG is reporting 221 open and unimplemented recommendations for 67 reports issued prior to April 1, 2025, with over $4 billion in potential cost saving.

Treasury OIG considers all unimplemented recommendations for reports issued over six months to be significant.

Treasury Programs and Operations

Date	Report Number	Report Title	Number of Open Recommendations
4/9/2018	OIG-18-044	TERRORIST FINANCING/MONEY LAUNDERING: Audit of the Office of Intelligence and Analysis' Authorities and Actions Related to U.S. Persons' Financial Information	1
2/5/2020	OIG-20-027	RESOURCE MANAGEMENT: Audit of the Department of the Treasury Departmental Offices Executive Pay Adjustments, Bonuses, and Awards	1

Date	Report Number	Report Title	Number of Open Recommendations
8/18/2020	OIG-20-042	RESOURCE MANAGEMENT: Audit of the Department of the Treasury Departmental Offices Executive Pay Adjustments, Bonuses, and Awards	1
10/27/2021	OIG-22-004	INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2021 Performance Audit for Collateral National Security Systems (Sensitive But Unclassified)	5
10/28/2021	OIG-22-005	CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2021 Performance Audit (Sensitive But Unclassified)	2
11/08/2021	OIG-22-008	DATA ACT: Treasury Submitted Higher Quality Non-IRS Data in its Fiscal Year 2020 Third Quarter DATA Act Submission, However Improvements are Still Needed	1
9/2/2022	OIG-22-037	CYBERSECURITY/INFORMATION TECHNOLOGY: Federal Information Security Modernization Act Fiscal Year 2022 Performance Audit for the Unclassified Systems (Sensitive But Unclassified)	1
6/6/2023	OIG-23-028	CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Ground Services International, Inc.	1
1/16/2024	OIG-24-022	CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2023 Performance Audit for the Unclassified Systems (Sensitive But Unclassified)	2
1/16/2023	OIG-24-023	CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2023 Performance Audit for the Collateral National Security Systems (Sensitive But Unclassified)	1
3/6/2024	OIG-24-025	ANTI-MONEY LAUNDERING/TERRORIST FINANCING: TFI's Ukraine-/Russia-related Sanctions Program Complied With Requirements But Designation Decision Records Were Not Consistently Complete and Closed Timely	2
3/21/2024	OIG-CA-24-015	Memorandum - Inquiry on Revolving Door Between the Largest Accounting Firms and the Department of the Treasury	2
5/29/2024	OIG-24-027	The Mint Needs to Enhance Controls Over Gold Acquisitions	2
9/9/2024	OIG-24-032	GOVERNMENT-WIDE FINANCIAL SERVICES: Audit of Direct Express Program Disputes Related to Certain Cardholder Accounts	1

Date	Report Number	Report Title	Number of Open Recommendations
9/10/2024	OIG-24-034	INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2024 Performance Audit for Unclassified Systems (Sensitive But Unclassified)	6
9/10/2024	OIG-CA-24-027	CYBERSECURITY/INFORMATION TECHNOLOGY: Assessment of the Department of the Treasury's Incident Response Reporting Process for Select Incidents (Sensitive But Unclassified)	2
11/15/2024	OIG-25-009	FINANCIAL MANAGEMENT: Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2024 and 2023	2
12/6/2024	OIG-25-013	FINANCIAL MANAGEMENT: Management Letter for the Deficiencies in Internal Control over Cash Management Systems at the Bureau of the Fiscal Service Identified during the Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2024 and 2023	13
12/10/2024	OIG-25-016	FINANCIAL MANAGEMENT: Management Letter for the Audit of the United States Mint's Financial Statements for Fiscal Years 2024 and 2023	2
12/12/2024	OIG-25-018	FINANCIAL MANAGEMENT: Management Letter for the Audit of the Bureau of Engraving and Printing's Financial Statements for Fiscal Years 2024 and 2023	1
3/24/2025	OIG-CA-25-038	Complaint Referral Memorandum - United States Mint's Congressional Award Medal Loss	3

Other Federal, State, and Local Entities

Date	Report Number	Report Title	Number of Open Recommendations	Questioned Costs
3/31/2022	OIG-22-033	REVENUE COLLECTION: The U.S. Customs and Border Protection’s Oversight of the Merchandise Transported In-Bond Program Needs Improvement to Better Ensure the Protection of Revenue	12	$0
6/26/2023	OIG-CA-23-018*	Desk Review of Chippewa Cree Tribe’s Use of Coronavirus Relief Fund Proceeds	1	$75,091
6/29/2023	OIG-CA-23-024*	Desk Review of Lancaster County, Pennsylvania’s Use of Coronavirus Relief Fund Proceeds	1	$38,793,071
7/7/2023	OIG-CA-23-025*	Desk Review of State of California’s Use of Coronavirus Relief Fund Proceeds	1	$6,952

Date	Report Number	Report Title	Number of Open Recommendations	Questioned Costs
7/7/2023	OIG-CA-23-026*	Desk Review of Turtle Mountain Band of Chippewa Indians' Use of Coronavirus Relief Fund Proceeds (Redacted)	2	$32,333,620
7/7/2023	OIG-CA-23-027*	Desk Review of Los Angeles County, California's Use of Coronavirus Relief Fund Proceeds	1	$249,052,032
7/20/2023	OIG-CA-23-028*	Desk Review of City of Dallas, Texas' Use of Coronavirus Relief Fund Proceeds	1	$2,211,594
7/20/2023	OIG-CA-23-029*	Desk Review of State of Florida's Use of Coronavirus Relief Fund Proceeds	1	$893,154,358
7/20/2023	OIG-CA-23-030*	Desk Review of San Bernardino County, California's Use of Coronavirus Relief Fund Proceeds	3	$4,151,612
7/21/2023	OIG-CA-23-032*	Desk Review of Phoenix, Arizona's Use of Coronavirus Relief Fund Proceeds	1	$147,379
7/21/2023	OIG-CA-23-033*	Desk Review of Pleasant Point Indian Reservation, Maine's Use of Coronavirus Relief Fund Proceeds	2	$339,672
7/21/2023	OIG-CA-23-034*	Desk Review of State of Texas' Use of Coronavirus Relief Fund Proceeds	1	$17,288,575
7/26/2023	OIG-CA-23-035*	Desk Review of the State of Tennessee's Use of Coronavirus Relief Fund Proceeds	2	$1,162,364
7/27/2023	OIG-CA-23-037*	Desk Review of State of Ohio's Use of Coronavirus Relief Fund Proceeds	3	$86,801
7/28/2023	OIG-CA-23-038*	Desk Review of Native Village of Point Hope's Use of Coronavirus Relief Fund Proceeds	2	$2,348,064
8/8/2023	OIG-CA-23-039*	Desk Review of the Commonwealth of the Northern Mariana Islands' Use of Coronavirus Relief Fund Proceeds	2	$11,146,813
8/8/2023	OIG-CA-23-040*	Desk Review of the Commonwealth of Puerto Rico's Use of Coronavirus Relief Fund Proceeds	2	$33,681,692
8/8/2023	OIG-CA-23-041*	Desk Review of Navajo Nation Tribal Government's Use of Coronavirus Relief Fund Proceeds (Redacted)	8	$80,844,219
8/9/2023	OIG-CA-23-042*	Desk Review of the Commonwealth of Virginia's Use of Coronavirus Relief Fund Proceeds	4	$870,559,763
10/17/2023	OIG-CA-24-003*	City of Springfield, Massachusetts – Use of Coronavirus Relief Fund Proceeds	1	$300,000

Date	Report Number	Report Title	Number of Open Recommendations	Questioned Costs
3/26/2024	OIG-24-026	REVENUE COLLECTION: CBP Needs to Enhance its Monitoring and Tracking of the Outcomes of Investigations into the Underpayment of Duties	4	$0
8/1/2024	OIG-CA-24-019*	Desk Review of Bucks County, Pennsylvania's Use of Coronavirus Relief Fund Proceeds	1	$111,423
9/20/2024	OIG-CA-24-028*	Desk Review of Bergen County, New Jersey's Use of Coronavirus Relief Fund Proceeds	1	$57,000
9/26/2024	OIG-CA-24-029*	Desk Review of Emergency Rental Assistance Payments Made by the City of Houston, Texas and Harris County, Texas	1	$98,242
10/23/2024	OIG-CA-25-004*	Desk Review of Baltimore County, MD	1	$620,189
10/23/2024	OIG-CA-25-005*	Desk Review of the State of North Carolina's Use of Coronavirus Relief Fund Proceed	1	$476,115
11/13/2024	OIG-CA-25-007*	Desk Review of the State of West Virginia's Use of Coronavirus Relief Fund Proceeds	2	$21,575,074
12/2/2024	OIG-CA-25-010*	Desk Review of the Government of Guam's Use of Coronavirus Relief Fund Proceeds	4	$3,962,502
12/4/2024	OIG-CA-25-012*	Desk Review of the Commonwealth of Pennsylvania's Use of Coronavirus Relief Fund Proceeds	1	$61,282,912
12/12/2024	OIG-CA-25-013*	Desk Review of City of Fresno, California’s Use of Coronavirus Relief Fund Proceeds	3	$272,083
12/12/2024	OIG-CA-25-014*	Desk Review of Dallas County, Texas’ Use of Coronavirus Relief Fund Proceeds	1	$16,423,761
12/12/2024	OIG-CA-25-015*	Desk Review of the State of Mississippi's Use of Coronavirus Relief Fund Proceeds	4	$1,324,066
12/12/2024	OIG-CA-25-016*	Desk Review of State of Arizona's Use of Coronavirus Relief Fund Proceeds	6	$135,821,457
12/17/2024	OIG-CA-25-017*	Desk Review of the District of Columbia's Use of Coronavirus Relief Fund Proceeds	17	$27,481,906
12/17/2024	OIG-CA-25-018*	Desk Review of the State of Utah's Use of Coronavirus Relief Fund Proceeds	9	$47,161,537

Date	Report Number	Report Title	Number of Open Recommendations	Questioned Costs
12/19/2024	OIG-CA-25-019*	Desk Review of the Commonwealth of Massachusetts' Use of Coronavirus Relief Fund Proceeds	10	$164,101,025
12/17/2024	OIG-CA-25-020*	Desk Review of North Dakota's Use of Coronavirus Relief Fund Proceeds	2	$712,792
12/18/2024	OIG-CA-25-021*	Desk Review of the State of New Hampshire's Use of Coronavirus Relief Fund Proceeds	1	$16,424,839
12/18/2024	OIG-CA-25-022*	Desk Review of Oklahoma County, Oklahoma's Use of Coronavirus Relief Fund Proceeds	4	$417,882
12/18/2024	OIG-CA-25-023*	Desk Review of the State of Oklahoma's Use of Coronavirus Relief Fund Proceeds	1	$35,575,107
12/20/2024	OIG-CA-25-024*	Desk Review of the Kiowa Tribe of Oklahoma's Use of Coronavirus Relief Fund Proceeds	12	$8,530,154
12/19/2024	OIG-CA-25-025*	Desk Review of the State of Washington's Use of Coronavirus Relief Fund Proceeds	4	$14,368,934
2/7/2025	OIG-CA-25-026*	Desk Review of the State of New Jersey's Use of Coronavirus Relief Fund Proceeds	23	$1,110,559,989
12/19/2024	OIG-CA-25-027*	Desk Review of the Native Village of Selawik's Use of Coronavirus Relief Fund Proceeds	1	$1,176,698
12/19/2024	OIG-CA-25-028*	Desk Review of the State of Nebraska's Use of Coronavirus Relief Fund Proceeds	1	$15,830,130
12/20/2024	OIG-CA-25-029*	Desk Review of the State of Connecticut's Use of Coronavirus Relief Fund Proceeds	3	$167,633,232

**Denotes reports that were issued over 6 months for which no management decision has been made as of September 30, 2025.*

Closed Investigations of Senior Government Employees Not Publicly Disclosed

Treasury OIG closed two investigations involving senior Government employees during the period that were not publicly disclosed. Both investigations substantiated instances of misconduct of a senior Government employee. One investigation was referred to the DOJ for prosecution and DOJ declined to prosecute. The second investigation was referred locally to Washington County Prosecutor's Office, Marietta, OH for prosecution where the employee pled guilty.

Allegation/Disposition

On September 25, 2025, Treasury OIG completed its report of investigation into allegations that a Treasury employee falsified their time and attendance records claiming shift differential on hours worked during a day shift. An overpayment was identified over a one-year period based on facility badge records. The investigation was presented and declined for criminal prosecution by the United States Attorney's Office for the District of Columbia due to the availability of administrative remedies.

Substantiated

On August 1, 2024, Treasury OIG completed its report of investigation for a case alleging a Treasury employee was arrested for a domestic altercation. The investigation was conducted by Washington County Sheriff's Office, in Marietta, Ohio. The employee pled guilty to a misdemeanor.

Substantiated

Trafficking Victims Prevention and Protection Reauthorization Act of 2022

Number of Suspected Violation Reported:	0
Number of Investigations:	0
Status and Outcome of Investigations:	N/A
Recommended Actions to Improve:	None

Summary of Instances of Whistleblower Retaliation

There were no new cases of whistleblower retaliation opened during this reporting period. No records or other information, and no instances where information or assistance request was refused during this reporting period.

Summary of Attempts to Interfere With Treasury OIG Independence, Including Instances Where Information or Assistance Request was Refused

There were no attempts made to resist, delay, or restrict Treasury OIG access to records or other information and no instances where an information or assistance request was refused during this reporting period.

Listing of Audit Products Issued

Office of Audit

Report Title	Report Number
April 2025	
Termination Memorandum – Audit of the Bureau of the Fiscal Service's Internal Controls Over its Card Acquiring Service Program and Management of Interchange Fees	OIG-CA-25-039
OIA Does Not Have Artificial Intelligence Capabilities and Faces Barriers to its Accelerated Adoption	OIG-25-025

Report Title	Report Number
May 2025	
Desk Review of the State of Wisconsin's Use of Coronavirus Relief Fund Proceeds	OIG-CA-25-041
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	OIG-CA-25-042
Termination Memorandum – Audit of the Office of the Comptroller of the Currency's Supervision of Federal Branches and Agencies of Foreign Banks	OIG-CA-25-043
Termination Memorandum - Audit of the Department of the Treasury's Pre-award Process for the State Small Business Credit Initiative (SSBCI) Program Funds for Socially and Economically Disadvantaged Business Owners for States, U.S. Territories, and Tribal Governments	OIG-CA-25-044
Termination Memorandum – Audit of the Department of the Treasury's Pre-award Process for the State Small Business Credit Initiative (SSBCI) Program Funds for Technical Assistance to States, U.S. Territories, and Tribal Governments	OIG-CA-25-045
Termination Memorandum - Audit of the Bureau of the Fiscal Service's Information Technology Infrastructure	OIG-CA-25-048
Audit of the Gulf Coast Ecosystem Restoration Council's Compliance With PIIA 2019 for Fiscal Year 2024	OIG-25-026
Audit of Treasury's Compliance with the PIIA Requirements for Fiscal Year 2024	OIG-25-027
Desk Review of the State of Oregon's Use of Coronavirus Relief Fund Proceeds	OIG-CA-25-049

Report Title	Report Number
June 2025	
Overseas Contingency Operations - Summary of Work Performed by the Department of the Treasury Related to Terrorist Financing and Anti-Money Laundering for the Second Quarter Fiscal Year 2025	OIG-CA-25-050
Termination Memorandum - Audit of the Bureau of the Fiscal Service's Treasury Offset Program – Call Center Support	OIG-CA-25-051

Report Title	Report Number
July 2025	
Joint Purchase and Integrated Card Violation Report Q1-Q2 – **Internal Memorandum**	OIG-CA-25-052
Report Title	*Report Number*
August 2025	
Gulf Coast Ecosystem Restoration Council (Council) Federal Information Security Modernization Act of 2014 (FISMA) Evaluation Report for Fiscal Year (FY) 2025	OIG-CA-25-053
Emergency Rental Assistance (ERA1) Notice of Recoupment - State of North Carolina (Redacted)	OIG-CA-25-054
Emergency Rental Assistance Program (ERA1) – Notice of Recoupment, City of Moreno Valley, California (Redacted)	OIG-CA-25-055
Emergency Rental Assistance (ERA1) Program Notice of Recoupment – State of Florida (Redacted)	OIG-CA-25-056
Report Title	*Report Number*
September 2025	
Overseas Contingency Operations - Summary of Work Performed by the Department of the Treasury Related to Terrorist Financing and Anti-Money Laundering for the Third Quarter Fiscal Year 2025	OIG-CA-25-057
DCAA Examination Report on Crane & Co., Inc.'s Price Proposal for Distinctive Currency Paper in Response to Solicitation No. RFP 2031ZA25R00002	OIG-CA-25-058
Report on the Enterprise Applications' Description of its HRConnect System and the Suitability of the Design and Operating Effectiveness of Its Controls for the Period July 1, 2024 to June 30, 2025	OIG-25-028
Federal Information Security Modernization Act Fiscal Year 2025 Performance Audit for the Unclassified Systems	OIG-25-029
Federal Information Security Modernization Act Fiscal Year 2025 Performance Audit for the Collateral National Security Systems	OIG-25-030

Council of Inspectors General on Financial Oversight

Report Title	Report Number
July 2025	
Annual Report of the Council of Inspector General on Financial Oversight (July 2025)	No Report Number

Audit Reports Issued With Questioned Costs

Category	Total No. of Reports	Total Questioned Costs	Total Unsupported Costs
For which no management decision had been made by the beginning of the reporting period	49	$4,090,218,529	$4,090,218,529
Which were issued during the reporting period	5	$50,098,216	$50,098,216
Subtotals	54	$4,140,316,745	$4,140,316,745
For which a management decision was made during the reporting period	5	$535,808	$535,808
Dollar value of disallowed costs	5	$535,808	$535,808
Dollar value of costs not disallowed	0	$0	$0
For which no management decision was made by the end of the reporting period	49	$4,139,780,937	$4,139,780,937
For which no management decision was made within 6 months of issuance	44	$4,089,682,721	$4,089,682,721
Questioned costs include expenditures: (1) that are questioned because of an alleged violation of a provision of a law, regulation, contract, or other requirement governing the expenditure of funds; (2) that, at the time of the audit, are not supported by adequate documentation (i.e., unsupported costs); or (3) used for the intended purpose that are unnecessary or unreasonable.			

Audit Reports Issued With Recommendations that Funds Be Put to Better Use

There were no reports issued with recommendations that funds be put to better use.

Reports for Which No Management Comment was Returned Within 60 Days

As of September 30, 2025

There were no such reports issued for comment over 60 days as of the end of the reporting period.

Significant Revised Management Decisions

There were no significant management decisions revised during the reporting period.

Significant Disagreed Management Decisions

There were no significant disagreed management decisions during the reporting period.

Peer Reviews

Office of Audit

Audit organizations that perform audits and attestation engagements of Federal Government programs and operations are required by generally accepted government auditing standards to undergo an external peer review every three years. The objectives of an external peer review are to determine, during the period under review, whether the audit organization was complying with its quality control system to provide the audit organization with reasonable assurance that it was conforming to applicable professional standards. Federal audit organizations can receive a peer review rating of *Pass, Pass with Deficiencies,* or *Fail*.

The most recent peer review of our office was performed by the Department of Energy's OIG. In its report dated November 27, 2024, the U.S. Department of Energy OIG rendered a Pass rating for our system of quality control in effect for the year ended March 31, 2024. External audit peer review reports of our office are available on Treasury OIG's website.

On May 25, 2025, Treasury OIG rendered a *Pass* rating to the U. S. Environmental Protection Agency OIG for its system of quality control in effect for the year ended September 30, 2023.

Office of Investigations

Council of the Inspectors General on Integrity and Efficiency mandates that the investigative law enforcement operations of all OIGs undergo peer reviews every three years to ensure compliance with (1) Council of the Inspectors General on Integrity and Efficiency investigations quality standards and (2) the relevant guidelines established by the Office of the Attorney General of the United States.

In its report dated November 6, 2024, the U.S. Department of Education OIG found our office to be in compliance with all relevant guidelines for the review period. No peer reviews occurred during this reporting period.

Other Reporting Requirements and Requests

This section addresses certain reporting requirements of our office that are separate from the reporting requirements in the Inspector General Act of 1978 (as amended).

Reviews of Bank Failures with Nonmaterial Losses

We conduct reviews of failed banks supervised by the Office of the Comptroller of the Currency with losses to the Federal Deposit Insurance Corporation's Deposit Insurance Fund (DIF) that do not meet the definition of a material loss in the Federal Deposit Insurance Act. The reviews are performed to fulfill the requirements found in 12 U.S.C. §1831o(k). The term "material loss" triggers a material loss review if a loss to the DIF exceeds $50 million (with provisions to increase that trigger to a loss that exceeds $75 million under certain circumstances). For losses that are not material, the Federal Deposit Insurance Act requires that each 6-month- period, the OIG of the Federal banking agency must (1) identify the estimated losses that have been incurred by the DIF during that 6-month period and (2) determine the grounds identified by the failed institution's regulator for appointing the Federal Deposit Insurance Corporation as receiver, and whether any unusual circumstances exist that might warrant an in--depth review of the loss. For each 6-month period, we are also required to prepare a report to the failed institutions' regulator and to Congress that identifies (1) any loss that warrants an in-depth review, together with the reasons why such a review is warranted and when the review will be completed; and (2) any losses where we determine no in-depth review is warranted, together with an explanation of how we came to that determination.

During this reporting period, there were no failed banks supervised by the Office of the Comptroller of the Currency with material losses to DIF. There was, one bank that failed during the period with a non-material loss to the DIF. Santa Anna National Bank, Santa Anna, Texas was closed on June 27, 2025, with an estimated loss to the DIF of $23.5 million. This work is ongoing, and results will be included in the next Semiannual Report.

Overseas Contingency Operations Quarterly Summary Memorandums to the Department of Defense Office of Inspector General

During this reporting period, we issued two summary memorandums to the Department of Defense OIG regarding information we obtained on Treasury's activities with respect to disrupting the Islamic State of Iraq and Syria's finances. The memorandums included specific examples of activities to disrupt Islamic State of Iraq and Syria's financing, information on Treasury programs that combat terrorist financing, and work we performed or plan to perform to review these programs. **(OIG-CA-25-050**, **OIG-CA-25-057**)

Joint Purchase Card Violations Report

The Government Charge Card Abuse Prevention Act of 2012, Public Law 112-194, requires the head of each executive agency with more than $10 million in purchase card spending annually, and each Inspector General of such an executive agency, on a semiannual basis, to submit to the Director of OMB a joint report on confirmed violations involving misuse of a purchase card by employees of such executive agency and the related disciplinary actions. OMB prescribed the format for the semiannual report, which is transmitted by Treasury to OMB. We reviewed the report, *Semi-Annual Report on Purchase Card Violations,* for the period of October 1, 2024, through March 31, 2025. Consistent with supporting documents provided by Treasury's bureaus and offices, there were no confirmed purchase charge card violations during this reporting period. **(OIG- CA-25-052)**

References to the Inspector General Act

Section	Requirement	Page
Section 5(a)(1)	Significant problems, abuses and deficiencies	8-18
Section 5(a)(2)	Significant recommendations for corrective action	23-28
Section 5(a)(3)	Reports with corrective action not completed	23-28
Section 5(a)(4)	Matters referred to prosecutive authorities	22
Section 5(a)(5)	Information or assistance refused	30
Section 5(a)(6)	List of audit, inspection, and evaluation reports issued	31-32
Section 5(a)(7)	Summaries of significant reports	8-18
Section 5(a)(8)	Audit, inspection, and evaluation reports—questioned costs	22
Section 5(a)(9)	Audit, inspection and evaluation reports—funds to be put to better use	22
Section 5(a)(10)	Prior audit, inspection, and evaluation reports unresolved	23-28
Section 5(a)(11)	Significant revised management decisions	34
Section 5(a)(12)	Significant management decisions with which OIG disagreed	34
Section 5(a)(14–16)	Peer reviews conducted	35
Section 5(a)(17–18)	Statistics on investigative reports, referrals, prosecutions, indictments	22
Section 5(a)(19)	Substantiated Investigations involving senior government employees	29
Section 5(a)(20)	Description of whistleblower retaliation	30
Section 5(a)(21)	Any establishment attempts to interfere with independence	30
Section 5(a)(22)	Closed audits, evaluations, inspections, and investigations not disclosed to public	29

Abbreviations

Abbreviation	Definition
AI	Artificial Intelligence
BEP	Bureau of Engraving and Printing
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CBP	U.S. Customs and Border Protection
Council	Gulf Coast Ecosystem Restoration Council
COVID-19	Coronavirus Disease 2019
CRF	Coronavirus Relief Fund
DCAA	Defense Contract Audit Agency
DHS	Department of Homeland Security
DIF	Deposit Insurance Fund
DOJ	Department of Justice
ERA	Emergency Rental Assistance
Fiscal Service	Bureau of the Fiscal Service
FISMA	Federal Information Security Modernization Act
FY	Fiscal Year
IPA	Independent Public Accounting firm
IRS	Internal Revenue Service
Lakeside	City of Lakeside, Oregon
NDAA	National Defense Authorization Act
Moreno Valley	City of Moreno Valley, California
NOAA	National Oceanic and Atmospheric Administration
OCA	Office of Capital Access
OIA	Office of Intelligence and Analysis
OIG	Office of Inspector General
OMB	Office of Management and Budget
Oregon	State of Oregon
PIIA	Payment Integrity Information Act of 2019
PSP	Payroll Support Program
RA	Reasonable Accommodation
RESTORE Act	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012
Science Program	Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program
SSBCI	State Small Business Credit Initiative
Treasury	Department of the Treasury

Treasury Office of Inspector General Locations

1500 Pennsylvania Avenue, N.W., Room 4436
Washington, DC 20220

875 15th Street, N.W., Suite 200
Washington, DC 20005

Report Waste, Fraud, and Abuse

Submit a complaint regarding Treasury OIG Treasury Programs and Operations and Gulf Coast Restoration using our online form: https://oig.treasury.gov/report-fraud-waste-and-abuse

Treasury Whistleblower Ombudsman

For information about whistleblowing and reprisal and about your rights and responsibilities as a Treasury employee or contractor, please contact the OIG Whistleblower Ombudsman Program at 202-927-0650 or Email: OIGCounsel@oig.treas.gov

Treasury OIG Website

Access Treasury OIG reports and other information online: https://oig.treasury.gov/