



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OIG-CA-26-039
June 04, 2026

**Coronavirus Relief Fund
Notice of Recoupment – Native Village of Selawik**

On May 20, 2026, Treasury's Bureau of the Fiscal Service issued a demand letter for \$1,176,698 to the Native Village of Selawik establishing a debt to the Federal Government. The following document is the Office of Inspector General's Notice of Recoupment that established this debt. The Native Village of Selawik was given an opportunity to comment on a draft of the Notice, and its written response and our evaluation of that response is included in the Notice of Recoupment.

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



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Notice of Recoupment

Coronavirus Relief Fund Program

May 15, 2026

Recipient: Native Village of Selawik

Point of Contact: Tanya Ballot, Tribal Administrator

Mailing Address: 59 N Tundra, Selawik, AK 99770-0000

Recipient Point of Contact Phone Number and email address: (b) (6)
tribeadmin@akuligaq.org (CC: (b) (6) [REDACTED], finance@akuligaq.org)

Federal Award Identification Numbers: SLT0704, SLT1143, SLT1701

Supplier Identification Numbers: 612092861SLT

Recoupment Amount: \$1,176,698

Background/Legal Authority

Section 601 of the Social Security Act, as added by section 5001(a) of Division A, Title V of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act),¹ and codified at 42 U.S.C. 801, established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion for making payments to States, Tribal governments, units of local government, the District of Columbia, and U.S. Territories. Payments were to be made in accordance with requirements outlined in 42 U.S.C. 801(a)(2), of which \$3 billion is reserved for payments to the District of Columbia and U.S. Territories and \$8 billion is reserved for payments to Tribal governments. In accordance with 42 U.S.C. 801(c)(2)(A), no State was to receive a payment of less than \$1.25 billion.

The CRF statute at 42 U.S.C. 801(d) stipulated that CRF recipients may only use the CRF award funds to cover costs that:

¹ P.L. 116-136 (March 27, 2020)

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).

The Consolidated Appropriations Act, 2021 extended the period for CRF recipients to use CRF award funds for eligible expenses through December 31, 2021.² In accordance with Treasury's Coronavirus Relief Fund Guidance (Guidance),³ Treasury determined that, for a cost to be considered incurred within the covered period, performance of services or delivery of goods must have occurred during the covered period. In December 2021, Treasury revised its interpretation of when a cost is considered incurred in light of the ongoing COVID-19 pandemic surges, supply chain interruptions, and the resolution of litigation that delayed the payment of CRF funds to certain tribes. In its revised guidance, Coronavirus Relief Fund Revision to Guidance Regarding When a Cost is Considered Incurred,⁴ Treasury provides that a cost associated with a necessary expenditure incurred due to the public health emergency shall be considered to have been incurred by December 31, 2021, if the recipient has incurred an obligation with respect to such cost by December 31, 2021. The period of performance end date for Tribal entities was further extended to December 31, 2022.⁵

Section 15011(b)(2) of the CARES Act required each covered recipient to submit to Treasury and the Pandemic Response Accountability Committee,⁶ no later than 10 days after the end of each calendar quarter, a report that contained (1) the total

² Recipients were initially permitted to incur eligible costs using CRF award funds from March 1, 2020, to December 30, 2020. Division N, Title X, Section 1001 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (December 27, 2020) extended the end of the covered period for CRF expenditures from December 30, 2020, to December 31, 2021.

³ Treasury's Coronavirus Relief Fund Guidance was published in the Federal Register on January 15, 2021, at 86 FR 4182 and can also be found at https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

⁴ The Coronavirus Relief Fund Revision to Guidance Regarding When a Cost is Considered Incurred dated December 14, 2021 can be found at https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf.

⁵ The State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act included in Division LL, Section 104 of the Consolidated Appropriations Act, 2023, Pub. L. No. 117-328 (December 29, 2022)

⁶ Section 15011(a)(2) of the CARES Act, Pub. L. No. 116-136, defined a covered recipient as "any entity that receives large covered funds and included any State, the District of Columbia, and any territory or possession of the United States."

amount of large covered funds received from Treasury;^{7,8} (2) the amount of large covered funds received that were expended or obligated for each project or activity; (3) a detailed list of all projects or activities for which large covered funds were expended or obligated, including— (i) the name of the project or activity; (ii) a description of the project or activity; and (iii) the estimated number of jobs created or retained; and (4) detailed information on any level of subcontracts or subgrants awarded by the covered recipient or its subcontractors or subgrantee to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 allowing the aggregate reporting on awards below \$50,000 or to individuals, as prescribed by the Office of Management and Budget.

The CARES Act assigned the Department of the Treasury (Treasury) Office of Inspector General (OIG) with responsibility for monitoring and oversight of the receipt, disbursement, and use of CRF payments. Treasury OIG also was assigned authority to recoup CRF funds in the event that it is determined that a CRF recipient failed to comply with the use of funds requirements set forth at 42 U.S.C. 801(d). As part of this authority, if OIG determines that a CRF recipient failed to comply with the use of funds requirements for CRF award funds in 42 U.S.C. 801(d), 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. See 42 U.S.C. 801(f)(2).

Facts and Analysis

Treasury issued a \$2,568,863.45 CRF payment to the Native Village of Selawik. Under a contract monitored by our office, a certified independent public accounting firm (IPA), performed a desk review to evaluate Native Village of Selawik's documentation supporting its uses of CRF award funds as reported in the GrantSolutions⁹ portal and to assess the risk of unallowable use of funds. The IPA identified total questioned costs of \$1,176,698.¹⁰ Specifically, the IPA found "direct payments greater than or equal to \$50,000," "aggregate reporting less than \$50,000," and "aggregate payments to individuals" categories did not comply with the CARES Act and Treasury's Guidance. The transactions tested related to construction of the "new store"; hardship payments; purchase of a loader truck

⁷ Section 15010(a)(6) of the CARES Act, Pub. L. No. 116-136, defined covered funds as any funds, including loans, that are made available in any form to any non-Federal entity, not including an individual, under Public Laws 116-123, 127, and 136, as well as any other law which primarily made appropriations for Coronavirus response and related activities.

⁸ Section 15011(a)(3) of the CARES Act, P.L. 116-136, defined large covered funds as "covered funds that amount to more than \$150,000."

⁹ 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.

¹⁰ Treasury OIG, *Desk Review of the Native Village of Selawik's Use of Coronavirus Relief Fund Proceeds* OIG-CA-25-027 (December 20, 2024)

(vehicle); an illness prevention program; purchase of two all-terrain vehicles (ATVs); purchase of a new septic waste removal truck; and payroll as detailed below:

- **Construction of the “New Store”** - ineligible transactions totaling \$204,482 questioned costs related to the construction of the “new store.” The IPA determined that construction for the “new store” was already underway at the beginning of 2006; therefore, costs related to the “new store” were considered ineligible.
- **Hardship Payments** - ineligible and unsupported transactions totaling \$759,583 questioned costs related to hardship payments.¹¹ The IPA determined that:
 - \$739,502 was ineligible because transactions incurred prior to the CRF covered period (March 1, 2020, to December 31, 2022) and/or did not perform a need assessment to determine an applicant’s eligibility;¹²
 - \$20,081 was unsupported because documentation was not provided such as utility shut-off notices, utility billing statements, tax returns, and credit card receipts for reimbursement for the purchase of quarantine supplies for the tribe.
- **Purchase of a Loader Truck (Vehicle)** - an ineligible transaction of \$150,000 for the purchase of a loader truck (vehicle) dated February 13, 2020. The transaction was incurred prior to the CRF covered period (March 1, 2020, to December 31, 2022).
- **Illness Prevention Program** - ineligible and unsupported transactions totaling \$2,886 related to an illness prevention program. The IPA determined that:

¹¹ Hardship payments are payments made by a government to citizens who have experienced a hardship due to the pandemic.

¹² https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf. Federal Register Notice Volume 86, Number 10 FAQ#43 for the CRF, Treasury’s Guidance, published January 15, 2021, Necessary Expenditures Incurred Due to the Public Health Emergency, “Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund? Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID–19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID–19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.”

- an ineligible transaction of \$2,664 dated January 31, 2020, was incurred prior to the CRF covered period (March 1, 2020, to December 31, 2022).
- an unsupported variance of \$222 the IPA was unable to recalculate the payroll amounts due to the timesheets missing job titles, days/hours worked, pay period dates, and/or pay rates.
- **Purchase of Two ATVs** - unsupported transactions totaling \$19,228 for the purchase of two ATVs. Documentation was not provided of any consideration of other cost-effective alternatives¹³ and if the purchase was necessary due to COVID-19.
- **Purchase of New Septic Waste Removal Truck** - an unsupported transaction of \$17,105 for the purchase of a new septic waste removal truck. The IPA was unable to determine if these expenditures were eligible and not previously budgeted because the most recently approved budget, as of March 27, 2020, was not provided.
- **Payroll** – ineligible and unsupported transactions totaling \$23,414. The IPA determined that:
 - an ineligible payroll transaction of \$(b) (4) for employees that were designated to perform tasks related to the COVID-19 pandemic. The timesheet and pay stub stated the costs were for the annual vacation payout. The IPA determined that using CRF award funds for an annual vacation payout of previously accrued benefits was essentially using CRF award funds to cover a cost previously budgeted prior to March 27, 2020.
 - unsupported transactions related to payroll expenses, totaling \$(b) (4). These expenses lacked detailed descriptions regarding COVID-19 hazardous pay, explanations to clarify the individual’s positions, and if the employees were working on tasks that were related to COVID-19.

¹³ Treasury’s Guidance in the Federal Register Notice Volume 86, Number 10, CRF Frequently Asked Questions #58 stated “...a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost- effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination.”

Based on the work performed, the IPA recommended that Treasury OIG confirm if the transactions noted as unsupported or ineligible expenditures can be supported. If support is not provided, Treasury OIG should recoup the questioned costs or request that the prime recipient provide support for replacement expenses, not previously charged to its CRF award, that were incurred during the CRF award period of performance. Treasury OIG personnel began outreach with the Native Village of Selawik to inform it of the total questioned costs of \$1,176,698 as follows:

- On December 11, 2024, we issued the Draft Desk Review of the Native Village of Selawik's Use of Coronavirus Relief Fund Proceeds for technical review comments. On the same day, the IPA emailed the Native Village of Selawik requesting an exit conference.
- On December 12, 2024, the IPA sent a 2nd request to hold an exit conference. The Native Village of Selawik responded, stating the draft desk review report was received and would be reviewed.
- On December 17, 2024, the IPA sent a final correspondence to the Native Village of Selawik requesting an exit conference. An exit conference was not held due to the Native Village of Selawik's lack of response to repeated requests. The IPA and Treasury OIG proceeded to issue the final desk review report.
- On December 20, 2024, we issued the Final Desk Review of the Native Village of Selawik's Use of Coronavirus Relief Fund Proceeds.
- On April 28, 2025, Treasury OIG emailed a letter to the Native Village of Selawik's Tribal Administrator, notifying her that all supporting documentation for the questioned costs identified in the desk review memorandum must be submitted to Treasury OIG no later than May 7, 2025.
- On April 30, 2025, Treasury OIG emailed the Native Village of Selawik's Tribal Administrator notifying her that due to the end of the performance period for the CRF program, and limited staffing resources, Treasury OIG was no longer able to provide the option of submitting other eligible expenditures, not previously charged to the CRF award, that were incurred during the period of performance. Treasury OIG requested that the amount noted as questioned costs be voluntarily returned to Treasury. Otherwise, those funds are subject to recoupment.

- On June 16, 2025, Treasury OIG emailed a Draft Notice of Proposed Recoupment to the Native Village of Selawik’s Tribal Administrator, notifying her that Native Village of Selawik’s failure to provide documentation for the questioned costs as acknowledgement that it is unable to demonstrate that it used the funds for eligible CRF purposes and that these monies are accordingly subject to recoupment. We requested a written response from Native Village of Selawik by June 30, 2025. We also advised the Tribal Administrator that if a written response was not received, we would proceed with recoupment.
- On June 26, 2025, we received a written response and documentation from the Native Village of Selawik’s Tribal Administrator. On the same day, we acknowledged receipt of the information.

In a written response, the Tribal Administrator stated that included with the letter is the supporting documentation for the questioned costs. See Appendix I for the response in its entirety.

The Native Village of Selawik provided eight documents totaling \$216,295¹⁴ and one document for \$17,744 to support the questioned costs. We determined that the documentation did not support the questioned costs. Specifically, the eight documents totaling \$216,295 were the exact same documents the Native Village of Selawik provided to the IPA during the desk review, which was deemed insufficient support. The remaining document totaling \$17,744 was for the purchase of ATVs, but it was not for the same two ATV transactions totaling \$19,228¹⁵ that were questioned during the desk review. The vehicle identification numbers from the document did not match the identification numbers from the transactions tested. Additionally, the Native Village of Selawik did not provide documentation to support any consideration of cost-effective alternatives, such as leasing or improving the ATVs already owned.

- On September 5, 2025, Treasury OIG emailed Native Village of Selawik’s Tribal Administrator, notifying her that the documentation provided on June 26th was inadequate to address the \$1,176,698 questioned costs. Treasury OIG requested that the Native Village of Selawik voluntarily return the total amount of \$1,176,698 no later than September 12, 2025.

¹⁴ The \$216,295 from the “direct payments greater than or equal to \$50,000” category consisted of \$150,000 for the purchase of loader truck (vehicle), \$2,664 related to an illness program, \$9,500 related to construction of the “new store,” and \$54,131 in hardship payments.

¹⁵ This amount was from the “aggregate reporting less than \$50,000” category for the purchase of two ATVs.

Treasury OIG interprets the Native Village of Selawik's failure to provide adequate documentation for these questioned costs as acknowledgement that it is unable to demonstrate that it used the funds for eligible CRF purposes; and that these monies are accordingly subject to recoupment.

This is a final recoupment notice for the Native Village of Selawik. Since the Native Village of Selawik failed to return the total questioned costs of \$1,176,698 by September 12, 2025, Treasury OIG will instruct the Department of the Treasury Administrative Resource Center's Accounts Receivable Branch to book this amount as a debt of the Native Village of Selawik owed to the federal government and pursue debt collection, which may include addition of appropriate fees and interest.

In addition, Treasury OIG may report the Native Village of Selawik to SAM.gov in the Responsibility/Qualification Reports (formerly known as Federal Awardee Performance Integrity Information System), which may impact the Native Village of Selawik's future eligibility to receive financial assistance from the federal government.

Recipient Response

Native Village of Selawik

Selawik Tribal Council
P.O. Box 59
Selawik, AK 99770
Phone: 907-484-2165

June 25, 2025

To: CARES Act OIG Treasury

Re: Response to Desk Review and Notice of Proposed Recoupment of
CARES Act Funds
Federal Award Identification Numbers: SLT0704, SLT1143 SLT1701

Good morning,

I am writing this letter in regards to the notice of proposed recoupment of funds for the CARES Act funds for the Native Village of Selawik.

First let me apologize for not responding in the timely manner previously. My job can get very over whelming from time to time. We are and have been the main organization to respond to every community situation.

Our water and sewer has been frozen for half the town from October 2024 to June 2025. 54 homes were without services. Our community has village deaths, the Tribe responds to supporting the family's. I have working to get our single audit preparations ready these past couple of months and also trying to write up budget and narratives for four grants we received and had no awareness of it. We are working on building capacity within the organization.

One of the reasons we got a desk review, is we had angry tribal members saying that we didn't give them enough COVID-19 funds, they believed that the funding was ALL for them. They believed the Tribe received these funds on their behalf and we had to give it to them.

Expenses for the tribal members were paid to help the Tribal members be able to purchase necessary cleaning supplies for their homes to prevent the spread of COVID-19.

Expenses for a "water truck", this is not correct. We do not have any truck type of vehicles. We have small heavy equipment pieces that we use to compact our dumpsite/honey bucket waste site. We live in rural Alaska, and we are one of the communities that don't have roads, we use ATV, hence the purchase of two ATV vehicles to also help the community respond to COVID-19.

Expenses for the utility payments for electricity and water and sewer, we needed our home to be able to have working utilities to respond to COVID-19.

The Native Village of Selawik is a small tribe in Northwest Alaska. We are unique, we are behind the times, we did the best we could. Along with this letter are the supporting documents for each of the questioned costs. Procurement practices were in place, and the supporting documentation is along each expense item.

Please accept this letter on behalf of the Native Village of Selawik. If you require further information, please call me at (b) (6) or email me at (b) (6). Thank you for your time.

Respectfully,

(b) (6)

Tanya Ballot
Administrator
Native Village of Selawik

Cc: Selawik Tribal Council