



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 26, 2023

**MEMORANDUM FOR JESSICA MILANO, ACTING CHIEF RECOVERY OFFICER,
DEPARTMENT OF THE TREASURY**

FROM: Deborah L. Harker /s/
Assistant Inspector General for Audit

SUBJECT: Desk Review of Chippewa Cree Tribe's Use of
Coronavirus Relief Fund Proceeds (OIG-CA-23-018)

Please find the attached desk review memorandum¹ on Chippewa Cree Tribe's (CCT) use of Coronavirus Relief Fund (CRF) proceeds. The CRF is authorized under Title VI of the Social Security Act, as amended by Title V, Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under a contract monitored by our office, Castro & Company, LLC (Castro), a certified independent public accounting firm, performed the desk review. Castro performed the desk review in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Federal Offices of Inspector General* standards of independence, due professional care, and quality assurance.

In its desk review, Castro personnel found that CCT was not compliant with the quarterly Financial Progress Reports (FPR) reporting timeline as required under Department of the Treasury's (Treasury) guidance for cycles 1², 2³, 4⁴ and 5⁵. Castro personnel reviewed documentation for a selection of 21 transactions reported in the quarterly reports and was unable to determine if certain expenditures were allowable in accordance with the CARES Act and Treasury's guidance because of the lack of supporting documentation. Based on the results of its desk review, Castro determined that the expenditures related to Grants greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. Based on Castro's desk review, Treasury Office of Inspector General is questioning unsupported expenditures of \$75,090.88 of the tested \$5,215,029.79 in expenditures related to Grants greater than or equal to \$50,000.

¹ The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) assigned the Department of the Treasury Office of Inspector General with responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of Coronavirus Relief Fund (CRF) payments. The purpose of the desk review is to perform monitoring procedures of the prime recipient's receipt, disbursement, and use of CRF proceeds as reported in the grants portal on a quarterly basis.

² Calendar quarter ending June 30, 2020.

³ Calendar quarter ending September 30, 2020.

⁴ Calendar quarter ending March 31, 2021.

⁵ Calendar quarter ending June 30, 2021.

See the attachment to this transmittal for the definition of a questioned cost included as part of the schedule of questioned cost.

In addition, Castro found that CCT personnel incorrectly classified the tribe's obligations and expenditures for Direct Payments in the grants portal in the amount of \$7,080,546.87 and \$6,836,895.66, respectively, for all eight transactions selected for testing.

Castro found that uses of CRF proceeds for Aggregate Reporting for transactions less than \$50,000,⁶ and Aggregate Payments to Individuals⁷ complied with the CARES Act and Treasury's Guidance. Additionally, Castro determined that CCT's risk of unallowable use of funds is high. As such, Castro is recommending that Treasury Office of Inspector General follow-up on all CCT's corrections and reclassification entries and then perform audit work on those related transactions. Castro and Treasury Office of Inspector General met with CCT management to discuss the questioned costs, corrections, and reclassification entries.

In connection with the contract, we reviewed Castro's desk review memorandum and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express an opinion on CCT's use of the CRF proceeds. Castro is responsible for the attached desk review memorandum and the conclusions expressed therein. Our review found no instances in which Castro did not comply in all material respects with the *Quality Standards for Federal Offices of Inspector General*.

We appreciate the courtesies and cooperation provided to Castro and our staff during the desk review. Castro and the Treasury OIG held an Exit Conference with the Chippewa Cree Tribe on June 23, 2023. If you have any questions or require further information, please contact me at (202) 486-1420, or a member of your staff may contact Lisa DeAngelis, Deputy Assistant Inspector General for Audit, at (202) 487-8371.

⁶ Recipients are required to report CRF transactions greater than or equal to \$50,000 in detail in the grants portal. Transactions less than \$50,000 can be reported as an aggregate lump-sum amount by type (contracts, grants, loans, direct payments, and transfers to other government entities).

⁷ Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the grants portal to prevent inappropriate disclosure of personally identifiable information.

cc: Michelle. A. Dickerman, Deputy Assistant General Counsel, Department of
the Treasury
Victoria Collin, Chief Compliance & Finance Officer, Office of Recovery
Programs, Department of the Treasury
Ms. Chassidy Parisian, Chippewa Cree Tribe Secretary/Treasury
Ms. Tanya Schmockel, Chippewa Cree Tribe Comptroller
Wayne Ference, Partner, Castro & Company, LLC

Attachment

Schedule of Questioned Cost

According to the Code of Federal Regulations,⁸ a questioned cost is a cost that is questioned because of a finding:

- (a) which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (b) where the costs, at the time of the review, are not supported by adequate documentation; or
- (c) where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Questioned costs are to be recorded in the Department of the Treasury's (Treasury) Joint Audit Management Enterprise System (JAMES).⁹ The amount will also be included in the Office of Inspector General (OIG) Semiannual Report to Congress. It is Treasury management's responsibility to report to Congress on the status of the agreed to recommendations with monetary benefits in accordance with USC 5 Section 405(b) of the Inspector General Act of 1978.

Recommendation

Questioned Costs

Recommendation No. 1

\$75,090.88

The questioned cost represents amounts provided by Treasury under the Coronavirus Relief Fund. As discussed in the attached desk review, \$75,090.88 is Chippewa Cree Tribe's expenditures reported in the grants reporting portal that lacked supporting documentation.

⁸ 2 CFR § 200.84 – Questioned Cost

⁹ JAMES is Treasury's audit recommendation tracking system.

Desk Review of the Chippewa Cree Tribe

June 26, 2023

OIG-CA-23-018

MEMORANDUM FOR DEBORAH L. HARKER, ASSISTANT INSPECTOR GENERAL FOR AUDIT

FROM: Wayne Ference
Partner, Castro & Company, LLC

SUBJECT: Desk Review of the Chippewa Cree Tribe

On August 10, 2021, we initiated a desk review of the Chippewa Cree Tribe's (CCT) use of the Coronavirus Relief Fund (CRF) authorized under Title VI of the Social Security Act, as amended by Title V Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).¹ The objective of our desk review was to evaluate CCT's documentation supporting its uses of CRF proceeds as reported in the GrantSolutions² portal and to assess the risk of unallowable use of funds. The scope of our desk review was limited to obligation and expenditure data for the period of March 1, 2020 through September 30, 2021 as reported in Cycles 1³ through 6⁴ in the GrantSolutions portal.

As part of our desk review, we performed the following:

- 1) reviewed CCT's quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through September 30, 2021;
- 2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* as published in the Federal Register on January 15, 2021;⁵

¹ P.L. 116-136 (March 27, 2020)

² GrantSolutions, a grant and program management Federal shared service provider under the U.S. Department of Health and Human Services, developed a customized and user-friendly reporting solution to capture the use of CRF payments from recipients.

³ Calendar quarter ending June 30, 2020.

⁴ Calendar quarter ending September 30, 2021.

⁵ Coronavirus Relief Fund Guidance as published in the Federal Register (January 15, 2021)
https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

Desk Review of the Chippewa Cree Tribe

- 3) reviewed Treasury's Office of Inspector General (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*;⁶
- 4) reviewed Treasury OIG's monitoring checklists⁷ of CCT's quarterly FPR submissions for reporting deficiencies;
- 5) reviewed other audit reports issued, such as Single Audit reports,⁸ and those issued by the Government Accountability Office and other applicable Federal agency OIGs for internal control or other deficiencies that may pose risk or impact the CCT's uses of CRF proceeds;
- 6) reviewed Treasury OIG Office of Investigations (OI), the Council of the Inspectors General on Integrity and Efficiency Pandemic Response Accountability Committee (PRAC),⁹ and Treasury OIG Office of Counsel input on issues that may pose risk or impact CCT's uses of CRF proceeds;
- 7) interviewed key personnel responsible for preparing and certifying CCT's GrantSolutions portal quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
- 8) made a non-statistical selection of Grants, Direct Payments, Aggregate Reporting,¹⁰ and Aggregate Payments to Individuals¹¹ data identified through GrantSolutions reporting; and
- 9) evaluated documentation and records used to support CCT's quarterly FPRs.

Based on the results of our desk review, documentation supporting the uses of CRF proceeds did not comply with the CARES Act and with Treasury's Guidance,

⁶ Department of the Treasury Office of Inspector General *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping* OIG-20-028R; March 2, 2021

⁷ The checklists are used by Treasury OIG to monitor the progress of prime recipient reporting in the GrantSolutions portal. GrantSolutions quarterly submission reviews are designed to identify material omissions and significant errors, and where necessary, include procedures for notifying prime recipients of misreported data for timely correction. Treasury OIG follows the *CRF Prime Recipient Quarterly GrantSolutions Submissions Monitoring and Review Procedures Guide*, OIG-CA-20-029R to monitor the prime recipients quarterly.

⁸ CCT provided Castro with the fiscal year (FY) 2019 Single Audit Report; however, at the time of our review FY 2020, 2021, and 2022 Single Audit Reports were not complete.

⁹ Section 15010 of P.L. 116-136 established the Pandemic Response Accountability Committee within the Council of the Inspectors General on Integrity and Efficiency to promote transparency and conduct and support oversight of covered funds (see Footnote 17 for a definition of covered funds) and the coronavirus response to (1) prevent and detect fraud, waste, abuse, and mismanagement; and (2) mitigate major risks that cut across program and agency boundaries.

¹⁰ Recipients are required to report CRF transactions greater than or equal to \$50,000 in detail in the GrantSolutions portal. Transactions less than \$50,000 can be reported as an aggregate lump-sum amount by type (contracts, grants, loans, direct payments, and transfers to other government entities).

¹¹ Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information.

Desk Review of the Chippewa Cree Tribe

resulting in total questioned costs across all payment types of \$75,090.88. Additionally, CCT's risk of unallowable use of funds is high. As such, Castro recommends Treasury OIG pursue obtaining documentation from CCT management and ensure reporting corrections are made within the GrantSolutions portal. Further, based on CCT's responsiveness to Treasury OIG's requests and its ability to provide documentation, we recommend Treasury OIG determine if a focused audit is feasible for Grants greater than or equal to \$50,000 and Direct Payments greater than or equal to \$50,000.

Non-Statistical Transaction Selection Methodology

Treasury issued a CRF payment to CCT of \$19,333,069.80. As of Cycle 6,¹² CCT's cumulative obligations and expenditures were \$19,333,069.80 and \$19,060,794.36, respectively. CCT's cumulative obligations and expenditures by payment type as reported in GrantSolutions through Cycle 6 are summarized below:

Payment Type	Cumulative	Cumulative
	Obligations	Expenditures
Contracts >= \$50,000	\$ -	\$ -
Grants >= \$50,000	\$ 5,535,051.14	\$ 5,535,051.14
Loans >= \$50,000	\$ -	\$ -
Transfers >= \$50,000	\$ -	\$ -
Direct Payments >= \$50,000	\$ 7,605,780.21	\$ 7,333,504.77
Aggregate Reporting < \$50,000	\$ 89,112.05	\$ 89,112.05
Aggregate Payments to Individuals (Any Amount)	\$ 6,103,126.40	\$ 6,103,126.40
Totals	\$ 19,333,069.80	\$ 19,060,794.36

Castro made a non-statistical selection of Grants 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. Selections were made using auditor judgment based on information and risks identified in reviewing audit reports, the GrantSolutions portal reporting anomalies¹³ identified by the Treasury OIG CRF monitoring team, and review of CCT's FPR submissions. Castro noted CCT personnel did not obligate or expend CRF proceeds to Contracts greater than or equal to \$50,000, Loans greater than or equal to \$50,000, or Transfers¹⁴ greater than or equal to \$50,000; therefore, we did not make a selection of transactions from these categories.

¹² Calendar quarter ending September 30, 2021.

¹³ Treasury OIG has a pre-defined list of risk indicators that are triggered based on data submitted by recipients in the FPR submissions that meet certain criteria. Castro reviewed these results provided by Treasury OIG for CCT.

¹⁴ A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

Desk Review of the Chippewa Cree Tribe

The number of transactions (21) we selected to test were based on CCT's total CRF award amount and our initial overall risk assessment of CCT. To allocate the number of transactions (21) by obligation type (Grants 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), we compared the obligation type dollar amounts as a percentage of cumulative obligations for Cycle 6. Additionally, Treasury OIG identified the following anomalies:

- CCT received funding from multiple federal programs and would need internal controls to ensure the proper federal fund was charged; and
- CCT personnel reported sub-recipients that shared the same address as the tribe. CCT personnel confirmed that these were separate departments under the umbrella of CCT; however, the reported sub-recipients were not separate legal entities. Treating departments within the tribe as sub-recipients is incorrect GrantSolutions reporting. See additional information in Section **Desk Review Results** below.

Due to obtaining 64 percent coverage of the obligation amount reported in GrantSolutions through our selection of the 21 transactions, these anomalies reported by Treasury OIG did not result in additional transactions for Castro's desk review. Based on our risk assessment and transaction selection, we feel confident that our transaction selection provided us with coverage over the data to address the risk of these anomalies.

Background

The CARES Act appropriated \$150 billion to establish the CRF. Under the CRF, Treasury made payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories, including the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and Tribal governments. Treasury issued a CRF payment to CCT for \$19,333,069.80. The CARES Act stipulates that a recipient may only use the funds to cover costs that—

- (1) are 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 budget most recently approved as of March 27, 2020; and

Desk Review of the Chippewa Cree Tribe

(3) were incurred between March 1, 2020 and December 31, 2022.¹⁵

Section 15011 of the CARES Act, requires each covered recipient¹⁶ to submit to Treasury and the PRAC, no later than 10 days after the end of each calendar quarter, a report that contains (1) the total amount of large covered funds^{17,18} received from Treasury; (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; and (4) detailed information on any level of sub-contracts or sub-grants awarded by the covered recipient or its sub-contractees or sub-grantees.

The CARES Act assigned Treasury OIG the responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF proceeds. Treasury OIG also has authority to recoup funds in the event that it is determined a recipient failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)).

Desk Review Results

Our review of CCT's quarterly FPR submissions through September 30, 2021 identified reporting issues and variances, as detailed below.

Financial Progress Reports

According to the CARES Act, quarterly FPRs are to be submitted by the 10th day of the month following quarter end unless it falls on a holiday. Based on our review of the quarterly FPRs, CCT was noncompliant with the reporting timeline as required under Department of the Treasury's Guidance OIG-CA-20-021 (issued

¹⁵ P.L. 116-260 (December 27, 2020). The period of performance end date of the CRF was extended through December 31, 2021 by the Consolidated Appropriations Act, 2021. The period of performance end date for tribal entities was further extended to December 31, 2022 by the State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act, Division LL of the Consolidated Appropriations Act, 2023, P.L. 117-328, December 29, 2022, 136 Stat. 4459.

¹⁶ Section 15011 of P.L. 116-136 defines a covered recipient as any entity that receives large covered funds and includes any State, the District of Columbia, and any territory or possession of the United States.

¹⁷ Section 15010 of P.L. 116-136 defines 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 makes appropriations for Coronavirus response and related activities.

¹⁸ Section 15011 of P.L. 116-136 defines large covered funds as covered funds that amount to more than \$150,000.

Desk Review of the Chippewa Cree Tribe

July 2, 2020), *Coronavirus Relief Fund Reporting and Record Retention Requirements*.¹⁹

For Cycles 1 and 5²⁰, CCT personnel told us that the reports were late due to problems they were having with the submission of the information within the GrantSolutions portal and issues with their email server. Once the issues were resolved, Treasury OIG personnel confirmed that they would not reopen the portal and that CCT personnel would have to submit the reports during the following reporting cycle. CCT personnel told us that Cycles 2²¹ and 4²² were rejected because they listed the tribe as a sub-recipient. The tribe did not state that this was a reason for rejection of the Cycle 6 report. Castro staff confirmed that the rejections of the FPR submissions were due to the fact that Treasury OIG does not allow prime recipients to also list their organization as a sub-recipient. CCT personnel distributed funding to departments for which CCT monitored financials. These departments did not have a separate legal identifier or unique identifier that could be used to report them as a sub-recipient within GrantSolutions. CCT personnel attempted to change the identification numbers to something more in line with the department's unique identification, but the GrantSolutions form did not allow for those types of changes. Further, CCT personnel reported that the error identified in the Cycle 6 submission was a clerical error and funds were reported in the wrong area; however, CCT personnel stated that they were fixed in Cycle 7.²³ Castro confirmed that the corrections were made to Aggregate Reporting less than \$50,000 as reported on CCT's Cycle 7 FPR; however, these transactions were not tested, as Cycle 7 was not included within our desk review scope.

Sub-recipient Reporting

CCT's FPRs continued to be returned for correction by Treasury OIG personnel because CCT personnel reported 17 direct payments that were reportedly made directly to the Tribal government. As noted in a memorandum submitted by CCT personnel to Treasury OIG in response to report rejections, the payments were not direct payments but instead were grants to different departments under the Tribal government. The CCT personnel confirmed that these were separate departments under the umbrella of CCT; however, they were not separate legal entities (i.e., separate Employer Identification Numbers (EIN) or Articles of Incorporation). Treating departments within the tribe as sub-recipients is incorrect GrantSolutions reporting. The departments are not separate legal entities and

¹⁹ Department of the Treasury Office of Inspector General *Coronavirus Relief Fund Reporting and Record Retention Requirements* OIG-CA-20-021; July 2, 2020

²⁰ Calendar quarter ending June 30, 2021.

²¹ Calendar quarter ending September 30, 2020.

²² Calendar quarter ending March 31, 2021.

²³ Calendar quarter ending December 31, 2021.

Desk Review of the Chippewa Cree Tribe

Treasury OIG considers these departments as funding used by the prime recipient/tribe. The obligations and expenditures of the departments should be recorded in detail in the portal.

Castro recommends CCT personnel make the following corrections within the GrantSolutions portal: (1) reclassify obligations and expenditures under the correct obligation type within GrantSolutions; and (2) properly identify the sub-recipients rather than reporting CCT departments as the sub-recipient.

CCT did not comply with Treasury OIG Guidance OIG-CA-20-028R,²⁴ *Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping (Revised)*, FAQs #s 5, 23, 28, and 48, because CCT personnel reported the Tribe as a sub-recipient and reported grants to different Tribal departments under the CCT umbrella; however, CCT personnel should have reported these Tribal departmental obligations and expenditures as though they were incurred by the prime recipient government. Specifically, CCT should have reported these transactions as Direct Payments greater than or equal to \$50,000 with the external vendors reported as sub-recipients/beneficiaries and/or Aggregate Payments to Individuals for payroll-related transactions.

Summary of Testing Results

Certain transactions selected for detailed review were not supported by documentation and we were unable to determine if expenditures were allowable in accordance with the CARES Act and Treasury's guidance. Specifically, we were unable to determine if the tested Grants greater than or equal to \$50,000 and Direct Payments greater than or equal to \$50,000 were necessary expenditures due to the 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. We found that uses of CRF proceeds for Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals, did comply with the CARES Act and Treasury's Guidance. The transactions selected for testing were not selected statistically, and therefore results cannot be extrapolated to the total universe of transactions.

The following table includes the total cumulative expenditure population amount and the cumulative expenditure amount tested. Additionally, this table includes a summary of Castro's testing results over cumulative expenditure transaction balances. Within the "Exception Noted: IPA Recommended for Treasury OIG Follow-up" section of this table, we have included a summary of unsupported and

²⁴ <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>

Desk Review of the Chippewa Cree Tribe

ineligible exception balances identified as questioned costs as a result of our desk review. These transaction exceptions do not comply with both the CARES Act and Treasury’s Guidance. Additionally, in the far-right column, we have identified the cumulative expenditures that Castro tested without exception. See Desk Review Results section below this table for a detailed discussion of questioned costs and other issues identified throughout the course of our desk review.

Summary of Expenditure Testing and Recommended Results As of Cycle 6 ²⁵					
Payment Type	Cumulative Expenditure Population Amount	Cumulative Expenditure Tested Amount	Exception Noted: IPA Recommended for Treasury OIG Follow up		Castro Reviewed Value Without Exception (per Support)
			Unsupported	Ineligible	
Contracts >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Grants >= \$50,000	\$ 5,535,051.14	\$ 5,215,029.79	\$ 75,090.88	\$ -	\$ 5,139,938.91
Loans >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers >= \$50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Payments >= \$50,000 ²⁶	\$ 7,333,504.77	\$ 6,836,895.66	\$ -	\$ -	\$ -
Aggregate Reporting < \$50,000	\$ 89,112.05	\$ 45,823.66	\$ -	\$ -	\$ 45,823.66
Aggregate Payments to Individuals (in any amount)	\$ 6,103,126.40	\$ 6,000.00	\$ -	\$ -	\$ 6,000.00
Totals	\$ 19,060,794.36	\$ 12,103,749.11	\$ 75,090.88	\$ -	\$ 5,191,762.57

Grants Greater than or Equal to \$50,000

CCT’s Grants greater than or equal to \$50,000 were not in compliance with the CARES Act and Treasury’s Guidance. In accordance with Treasury OIG Guidance OIG-CA-20-021, Recipients of Coronavirus Relief Fund payments shall maintain and make available to Treasury OIG upon request all documents and financial records sufficient to establish compliance with the CARES Act. CCT personnel could not provide the necessary documents, including expenditure detail, to support \$75,090.88 of the \$5,215,029.79 in expenditures reported for one of the six selected transactions as reported in the GrantSolutions portal. Further, CCT

²⁵ Calendar quarter ending September 30, 2021.

²⁶ We did not report the \$6.8 million as questioned costs due to the full amount of Direct Payments reported within GrantSolutions being misclassified. The Chippewa Cree Tribe must make the appropriate reclassifications within GrantSolutions. Castro is recommending that Treasury OIG follow-up on all CCT’s corrections and reclassification entries and then perform audit work on those related transactions, if deemed necessary.

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personnel over-reported obligations within the GrantSolutions portal by \$20,571.21. CCT personnel told us that they could not support the amount because of variances due to the timing of expenditures and invoices coming in late. Additionally, expenditures were often paid after the fact, but obligated prior to the close of the award date since documentation was delayed. Lastly, with limited staff during the pandemic, the reconciliation of the reports was backlogged. As a result, CCT personnel were unable to support \$75,090.88 of the \$5,215,029.79 in reported expenditures we tested, and over-reported obligations by \$20,571.21 from the reported obligations within the GrantSolutions portal of \$5,215,029.79. As a result, we questioned costs of \$75,090.88.

Subsection 601 (d) of the Social Security Act, as amended, (42 U.S.C. 801 (d)) requires prime recipients to ensure eligible use of funds and Treasury OIG Guidance OIG-CA-20-021,²⁷ *CRF Reporting and Record Retention Requirements*, states: "Recipients of Coronavirus Relief Fund payments shall maintain and make available to the Treasury OIG upon request all documents and financial records sufficient to establish compliance." CCT did not comply because it did not maintain and provide sufficient records to evidence transactions reported in GrantSolutions.

Direct Payments Greater than or Equal to \$50,000

CCT's Direct Payments greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance. In accordance with Treasury OIG Guidance OIG-CA-20-021, "Recipients of Coronavirus Relief Fund payments shall maintain and make available to Treasury OIG upon request all documents and financial records sufficient to establish compliance with the CARES Act." CCT personnel incorrectly classified the tribe's obligations and expenditures for Direct Payments in the amount of \$7,080,546.87 and \$6,836,895.66, respectively, for all eight transactions we selected for testing.

CCT personnel reported 17 direct payments, which included the direct payments that Castro tested. CCT personnel confirmed that these direct payments were made to separate departments under the umbrella of CCT; however, they were not separate legal entities. Therefore, the direct payments made by the departments that were less than \$50,000 should be reported under Aggregate Reporting less than \$50,000 and department payroll costs should be reported under Aggregate Payments to Individuals. Any payments greater than \$50,000 made by the departments should be recorded in the appropriate obligation type for payments greater than \$50,000. Castro recommends CCT personnel make the following corrections within the GrantSolutions portal: (1) reclassify obligations and expenditures under the correct obligation type within GrantSolutions; (2)

²⁷ <https://oig.treasury.gov/sites/oig/files/2021-01/OIG-CA-20-021.pdf>

Desk Review of the Chippewa Cree Tribe

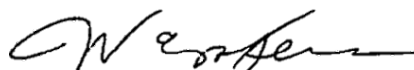
properly identify the sub-recipients/beneficiaries rather than reporting CCT departments as the sub-recipient; and (3) evaluate and reclassify payroll costs for the departments reported under Direct Payments greater than or equal to \$50,000 to Aggregate Payments to Individuals. CCT personnel told us that they would ensure all corrections and final closeout reconciliations are performed by the final reporting period to ensure precise reporting. Based on the issues noted above, we determined CCT to be noncompliant with Treasury OIG Guidance OIG-CA-20-021 FAQ's 5, 28, and 48 as described above.

Conclusion

Based on our review of CCT's documentation supporting the uses of CRF proceeds as reported in the GrantSolutions portal, we determined that the expenditures related to Grants greater than or equal to \$50,000 and Direct Payments greater than or equal to \$50,000 did not comply with the CARES Act and Treasury's Guidance, resulting in total questioned costs of \$75,090.88. We also found that uses of CRF proceeds for Aggregate Reporting less than \$50,000, and Aggregate Payments to Individuals did comply with the CARES Act and Treasury's Guidance. Additionally, CCT's risk of unallowable use of funds is high. As such, Castro recommends Treasury OIG pursue obtaining documentation from CCT management and ensure reporting corrections are made within the GrantSolutions portal. Further, based on CCT's responsiveness to Treasury OIG's requests and its ability to provide documentation, we recommend Treasury OIG determine if a focused audit is feasible for Grants greater than or equal to \$50,000 and Direct Payments greater than or equal to \$50,000.

All work completed with this letter complies with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspectors General*, which require that the work adheres to the professional standards of independence, due professional care, and quality assurance to ensure the accuracy of the information presented.²⁸ We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,



Wayne Ference
Partner, Castro & Company, LLC

²⁸ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>