



United States Department of Agriculture

Potential Risks to the Forest Service's Coronavirus Aid Relief



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SUBJECT: Potential Risks to the Forest Service's Coronavirus Aid Relief

In response to the coronavirus disease 2019 (COVID-19) outbreak and its impact on the economy, public health, State and local governments, individuals, and businesses, Congress passed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).¹ As you are aware, the CARES Act provides more than \$70 million in funding to the Forest Service (FS) to assist with relief efforts for various programs identified within the agency.

Along with the provisions identified for FS, the CARES Act provided funding to the Office of Inspector General (OIG) to provide oversight of agencies and specific programs that received funding under the CARES Act. OIG may also use its regular appropriations to provide oversight of the United States Department of Agriculture's use of COVID-19 funding. The specifics of the funding for FS activities are described in Table 1 below.

¹ Coronavirus Aid, Relief, and Economic Security Act, Public Law No. 116-136, 134 Stat. 281.

Table 1

Funding	Funding Amount	How Funds are to be Used
Forest Rangeland Research	\$3,000,000	To prevent, prepare for, and respond to coronavirus, domestically or internationally, including for the reestablishment of abandoned or failed experiments associated with employee restrictions due to the coronavirus outbreak: <i>Provided</i> , That amounts provided under this heading in this Act shall be allocated at the discretion of the Chief of the Forest Service.
Wildland Fire Management	\$7,000,000	To prevent, prepare for, and respond to coronavirus, domestically or internationally, including for personal protective equipment and baseline health testing for first responders: <i>Provided</i> , That amounts provided under this heading in this Act shall be allocated at the discretion of the Chief of the Forest Service.
Capital Improvement and Maintenance	\$26,800,000	To prevent, prepare for, and respond to coronavirus, domestically or internationally, including for janitorial services: <i>Provided</i> , That amounts provided under this heading in this Act shall be allocated at the discretion of the Chief of the Forest Service.
National Forest System	\$34,000,000	To prevent, prepare for, and respond to coronavirus, domestically or internationally, including for cleaning and disinfecting of public recreation amenities and for personal protective equipment and baseline health testing for first responders: <i>Provided</i> , That amounts provided under this heading in this Act shall be allocated at the discretion of the Chief of the Forest Service.

As part of our oversight responsibility, our first task was to review prior audit recommendations that could impact internal controls over COVID-19 activities for each agency that received CARES Act funding. Based on our review, we did not identify any prior recommendations that relate, either directly or indirectly, to FS pandemic response activities where FS has yet to implement corrective actions. However, we did identify closed recommendations from a prior audit related to FS' Wildland Fire Management activities.² During that audit, we found

² Audit Report 08703-0005-SF, *American Recovery and Reinvestment Act Forest Service Hazardous Fuels Reduction and Ecosystem Restoration Project on Non-Federal Lands*, Mar 2013. This audit contains a total of 62 recommendations, including 44 recommendations from 10 associated interim "Fast" reports. These recommendations were intended to further strengthen FS' controls over grant funds and address unallowable and questionable costs.

significant risks and a lack of controls necessary to ensure that funds were properly accounted for and used for their intended purpose. We also found that FS did not enhance its existing controls, despite the Recovery Act's requirements for greater transparency and accountability. The lack of controls allowed recipients to charge more than \$92 million in unallowable and questioned costs.

To improve FS oversight of the above activities, we issued 62 recommendations. For example, recommendations 1 through 7 of the prior report collectively identified the need for FS staff to adequately oversee recipients' use of funds. In its response, FS agreed, in part, to provide training and policy direction to its staff to clarify instructions to: (1) ensure funds are used appropriately in accordance with applicable laws and regulations; (2) clarify roles and responsibilities of FS staff to ensure proper oversight; and (3) modify guidance and enhance oversight requirements to ensure only qualified applicants are considered for funding. We recognize FS has since implemented the agreed-upon corrective actions for those 62 recommendations issued in the prior audit. At this time, as FS prepares to expend CARES Act funds, we suggest that FS perform a global review of existing internal controls related to funding oversight and tracking. This would be prudent on FS' part to ensure continued effectiveness, operational efficiencies, and a proper control environment to limit the possibilities for fraud, waste, or abuse.

This memorandum contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

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