



**Semiannual Report to Congress
April 1, 2023 – September 30, 2023
OIG-CA-24-004**

Highlights

During this semiannual reporting period, the Office of Audit issued 47 products. The office also identified \$2.2 billion in questioned costs. Work by the Office of Investigations resulted in 17 indictments and 19 convictions. Some of our more significant results for the period are described below:

- Saggar & Rosenberg, P.C. (S&R), a certified independent public accounting firm, working under a contract with and supervised by our office, assessed the accuracy, completeness, and sufficiency of financial statements and other data used to certify the wages, salaries, benefits, and other compensation amounts submitted and approved for the Air Carrier Payroll Support Program (PSP1). For the following air carriers:
 - Bird Acquisition, LLC
 - Paradigm Jet Management, Inc.
 - Constant Aviation, LLC
 - Ground Services International, Inc.

S&R determined that the air carriers incorrectly reported information on their PSP1 Application to the Department of the Treasury. S&R found Bird Acquisition, LLC, had \$115,626 in questioned costs, Paradigm Jet Management, Inc. had \$71,023 in questioned costs, and Constant Aviation, LLC had \$52,003 in questioned costs resulting in a total of \$238,652 in questioned costs.

- Castro & Company, LLC (Castro), a certified independent public accounting firm, working under a contract with and supervised by our office, assessed the use of Coronavirus Relief Funds (CRF) proceeds for the following recipients. In addition to determining whether CRF recipients' risk of unallowable use of funds was low, moderate, or high, Castro also determined there were over \$2.2 billion in total questioned costs for the following States, Local Governments, and Tribal Governments reviewed.
 - Commonwealth of Virginia
 - State of Florida
 - Los Angeles, California
 - Navajo Nation Tribal Government
 - Lancaster County
 - Commonwealth of Puerto Rico
 - Turtle Mountain Band of Chippewa
 - State of Texas
 - Commonwealth of the Northern Mariana Islands

- San Bernardino, California
 - Native Village of Point Hope
 - City of Dallas, Texas
 - State of Tennessee
 - Pleasant Point Indiana Reservation
 - Phoenix, Arizona
 - State of Ohio
 - Chippewa Cree Tribe
 - State of California
 - State of Illinois
 - The Cherokee Nation, Oklahoma
 - New York City
- An investigation conducted by our Office of Investigations revealed that an individual committed wire fraud by applying for and receiving \$1.8 million in Paycheck Protection Program Loans. The subject was sentenced in the Eastern District of Virginia to 37 months in prison, and \$1.795 million in restitution.

Message from the Deputy Inspector General

During this reporting period, the Department of the Treasury (Treasury) Office of Inspector General (OIG) continued its in-depth oversight of the 12 pandemic recovery programs administered by Treasury. We issued a total of 15 audits, 21 desk reviews, and 11 additional evaluation and other oversight products. In addition, we continued to address the large and complex body of complaints about implementation and uses of Emergency Rental Assistance funding programs.

Treasury OIG continues to provide leadership and administrative support to the Council of Inspectors General on Financial Oversight (CIGFO), the organization established by the Dodd-Frank Wall Street Reform and Consumer Protection Act to oversee and monitor the activities of the Financial Stability Oversight Council (FSOC), which is chaired by the Secretary of the Treasury. During this reporting period, CIGFO heightened its monitoring of FSOC's responses to the financial sector disturbances generated by failures in financial institutions. In addition, in recognition of the important work performed, CIGFO received an award for excellence in auditing this period from the Council of the Inspectors General on Integrity and Efficiency for work related to developing guidance to serve as a reference tool for both FSOC and its member agencies in preparing for and managing crises.

Also, during this reporting period, Treasury OIG, along with the Treasury Office of Technical Assistance, hosted a delegation from the Vietnamese State Treasury's Inspection and Examination Department. Our team provided information and answered questions to assist our Vietnamese visitors in developing their understanding of the function of an OIG and the audit process including standards, structure, and reporting. We shared expertise for conducting risk assessments and the use of data analytics when analyzing large amounts of data. In addition, our Office of Investigations discussed its role with the OIG and answered questions regarding its investigative responsibilities.

The OIG significantly contributes to the integrity and efficiency of Treasury's programs and operations, thanks to the impressive expertise and professionalism of all our employees. I salute their dedication and accomplishments.



Richard K. Delmar
Deputy Inspector General

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Treasury Office of Inspector General Overview

The Department of the Treasury's (Treasury) Office of Inspector General (OIG) was established pursuant to the 1988 amendments to the Inspector General Act of 1978¹. 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, the Troubled Asset Relief Program, and certain pandemic-related loans, loan guarantees, and other investments, and keeps the Secretary of the Treasury and Congress fully informed of problems, deficiencies, and the need for corrective actions. The Treasury Inspector General for Tax Administration and the Government Accountability Office (GAO) perform oversight related to the Internal Revenue Service. A Special Inspector General and GAO perform oversight related to the Troubled Asset Relief Program. The Special Inspector General for Pandemic Recovery and GAO perform 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). In addition to performing oversight of Treasury-related activities, 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 National Oceanic and Atmospheric Administration's (NOAA) Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program (RESTORE Science Program). With regard to the Council and the RESTORE Science Program, Treasury OIG keeps the appointed Chairperson of the Council, the NOAA RESTORE Science Program Administrator, and Congress fully informed of problems, deficiencies, and the need for corrective actions.

Treasury OIG has four components: (1) Office of Audit; (2) Office of Investigations; (3) Office of Counsel; and (4) 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,

¹ 5 U.S.C. §§401-424

and evaluations. The Assistant Inspector General for Audit also serves as the Special Deputy Inspector General for Small Business Lending Fund (SBLF) Program Oversight. Under the Assistant Inspector General for Audit, there are four deputies. The first deputy is primarily responsible for financial sector audits to include audits of banking supervision, manufacturing of currency and coins, resource management, procurement, alcohol and tobacco excise tax revenue collection activities, SBLF programs, and the State Small Business Credit Initiative authorized by the American Rescue Plan Act of 2021 (ARP). The second deputy is primarily responsible for financial management and transparency audits to include financial audits of Treasury and the Council performed by Treasury OIG staff and contractors; audits of Government-wide collection, payment, and debt programs and operations; audits of anti-money laundering/terrorist financing, foreign sanctions, intelligence programs and operations, and international programs; and audits of Emergency Rental Assistance (ERA) and Homeowner Assistance Fund programs authorized by the Consolidated Appropriations Act, 2021 and ARP. The third deputy is primarily responsible for cybersecurity and financial assistance audits to include audits of Treasury and Council information systems performed by Treasury OIG staff and contractors; RESTORE Act programs and operations; the Emergency Capital Investment program and the Community Development Financial Institutions Rapid Response program authorized by the Consolidated Appropriations Act, 2021; and the State and Local Fiscal Recovery Funds authorized by ARP. The fourth deputy is primarily responsible for the Coronavirus Relief Fund and the Air Carrier Worker Support programs authorized by the Coronavirus Aid, Relief, and Economic Security Act, and other pandemic legislation.

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 investigates 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*² 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.

Treasury OIG's fiscal year 2023 appropriation is \$48.8 million, which includes up to \$2.8 million of 2-year funding for the RESTORE Act programs. Treasury OIG's oversight of the State Small Business Credit Initiative and SBLF programs is funded on a reimbursable basis. In addition to the annual fiscal year appropriation, Treasury OIG carried over additional multi-year and no-year funding from the previous fiscal year for oversight of pandemic relief programs, which included \$24.9 million for the Coronavirus Relief Fund, \$2.8 million for ERA-Oversight, \$2.8 million for ERA-Monitoring, and \$1.72 million for the Homeowner Assistance Fund. As of September 30, 2023, Treasury OIG had 242 full-time staff.

² *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 Department of the Treasury (Treasury or the Department) Inspector General annually provide his perspective on the most serious management and performance challenges facing Treasury and the Gulf Coast Ecosystem Restoration Council (Council). The following is a synopsis of our annual assessments which are available, in their entirety, on the Treasury Office of Inspector General (OIG) [website](#).

Treasury

In an October 10, 2023, memorandum to Secretary of the Treasury, Janet Yellen, Deputy Inspector General Richard Delmar reported the following six challenges facing the Department, of which one was new.

- COVID-19 Pandemic Relief (Repeat)
- Cyber Threats (Repeat)
- Anti-Money Laundering/ Terrorist Financing and Bank Secrecy Act Enforcement (Repeat)
- Information Technology Acquisition and Project Management (Repeat)
- Climate Initiatives Risk (Repeat)
- Operating in an Uncertain Environment (New)

Gulf Coast Ecosystem Restoration Council

In an October 11, 2023, letter to the Honorable Michael Regan, Administrator of the U.S. Environmental Protection Agency, as Chairperson of the Council, Deputy Inspector General Richard Delmar reported three challenges, one of which was new.

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

Office of Audit – Significant Audits and Other Products

CARES Act Oversight

Our office’s oversight of the Air Carrier Payroll Support Program (PSP1) was mandated by Title IV, Subtitle B, *Air Carrier Worker Support*, of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the CARES Act, the Department of the Treasury (Treasury or the Department) was to provide \$32 billion in financial assistance to passenger air carriers, cargo air carriers, and certain contractors to be used exclusively for the continuation of payment of employee wages, salaries, and benefits, in response to the economic impact of the Coronavirus Disease 2019 (COVID-19). The Consolidated Appropriations Act, 2021 created the Airline Worker Support Extension for passenger air carriers and certain contractors. Treasury refers to this as Payroll Support Program Extension (PSP2). The American Rescue Plan of 2021 created the Air Transportation Payroll Support Program Extension authorizing Treasury to provide additional assistance to passenger air carriers and contractors that received financial assistance under PSP2. Treasury refers to this as Payroll Support Program 3 (PSP3).

We are required to audit certifications made by passenger and cargo air carriers that do not report salaries and benefits to the Department of Transportation (referred to as “non-241 air carriers”) and contractors.

Additionally, Under Title V of the CARES Act, Treasury OIG was mandated responsibility to conduct monitoring and oversight of the receipt, disbursement, and uses of Coronavirus Relief Fund (CRF) payments. Treasury OIG also has authority to recover funds if it is determined a recipient of a CRF payment failed to comply with requirements. As part of carrying out this function, we established the CRF portal via GrantSolutions into which recipients of CRF direct payments must report quarterly.

During this semiannual reporting period, Saggat & Rosenberg, P.C. (S&R), a certified independent public accounting firm, working under a contract with and supervised by our office, performed audits of air carrier worker support certifications. Also, during this semiannual period, we issued audits on recipients’ use of CRF proceeds reported via GrantSolutions.

Audit of American Samoa’s Uses of Coronavirus Relief Fund Payment

We found that the American Samoa Government’s (ASG) use of \$1.5 million in CRF proceeds for the purchase of the MV Pago Pago vessel and related barge (collectively referred to as the MV Pago Pago) did not comply with the use of funds requirements under subsection 601(d) of the Social Security Act, as amended (42 U.S.C. 801(d)), as well as Treasury’s Coronavirus Relief Guidance for State, Territorial, Local, and Tribal Governments (Guidance), and CRF Frequently Asked Questions. ASG officials were unable to justify the use of CRF proceeds as necessary in response to the Coronavirus Disease 2019 (COVID-19) public health emergency. ASG officials were also unsure whether the former ASG COVID-19 Task Force members considered cost effective alternatives such as using and/or improving vessels already owned or leased prior to the MV Pago Pago purchase.

We recommended that the Chief of the Treasury Office of Recovery Programs work with the OIG to ensure that the ASG Treasurer returns to Treasury the \$1.5 million of CRF proceeds that were used to purchase the MV Pago Pago. ASG agreed to pay back the \$1.5 million of CRF proceeds that were used to purchase the MV Pago Pago. Treasury concurred with our finding and coordinated a repayment plan with ASG. Treasury and ASG’s responses and the coordinated repayment plan met the intent of our recommendation.

([OIG-23-031](#)) \$1,500,000 Questioned Costs)

Audit of Air Carrier Worker Support Certifications – Bird Acquisition, LLC

S&R determined that Bird Acquisition, LLC, a contractor reported correct information for three of the four sections reviewed on its PSP1 application. These sections were: (1) applicant information, (2) applicant type, and (3) certification. S&R also determined that the contractor incorrectly reported information in the awardable amounts section of the PSP1 application, which resulted in a \$128,473 overstatement. Specifically, S&R found (1) the inclusion of unallowable corporate officer compensation resulted in an overstatement, (2) inclusion of member-paid Consolidated Omnibus Budget Reconciliation Act benefits resulted in an overstatement, (3) reporting incorrect data for benefits resulted in an understatement, and (4) excluding eligible gross pay from the awardable amount resulted in an understatement. Treasury’s awards to

contractors under PSP1 included a 90 percent pro rata distribution of application amounts. Applying this formula, the contractor received a \$115,626 overpayment from Treasury.

S&R recommended Treasury management (1) seek reimbursement of the \$115,626 overpayment of PSP1 financial assistance; and (2) review the contractor's requested amount for unallowable expenses under PSP2 and PSP3, and seek reimbursement for the overpayment, if applicable. Management's planned corrective actions met the intent of the recommendations.

[\(OIG-23-029\)](#) \$115,626 Questioned Costs

Audit of Air Carrier Worker Support Certifications – Paradigm Jet Management, Inc.

S&R determined that the passenger air carrier, Paradigm Jet Management, Inc., reported correct information for three of the four sections reviewed on its PSP1 application, specifically: (1) Applicant Information, (2) Applicant Type, and (3) Certification. However, S&R found that the awardable amount section included unallowable compensation paid to one corporate officer, non-payroll reimbursement expenses, and payments to three independent contractors. Additionally, S&R noted a matter of concern that the passenger air carrier did not report to the Internal Revenue Service (IRS), compensation paid to workers outside of routine weekly payroll. This matter was referred to the Treasury Inspector General for Tax Administration for review.

S&R recommended Treasury management (1) seek reimbursement of \$71,023 for overpayment in PSP1, (2) review the passenger air carrier's requested amount for unallowable expenses under PSP2 and PSP3, and seek reimbursement for the overpayment, if applicable. Management's planned corrective actions met the intent of the recommendations. **[\(OIG-23-027\)](#) \$71,023 Questioned Costs**

Audit of Air Carrier Worker Support Certifications – Constant Aviation, LLC

S&R determined that Constant Aviation, LLC, a contractor, reported correct information for three of the four sections reviewed on its PSP1 application. These sections were: (1) application Information, (2) application Type, and (3) certification. However, S&R also determined that the contractor incorrectly

reported information in the awardable amounts section, which resulted in a \$57,781 overstatement. Specifically, S&R found (1) the inclusion of corporate officer compensation resulted in an overstatement, (2) data errors resulted in an understatement, and (3) reporting conservative benefit cost estimates resulted in an understatement. Treasury's awards to contractors under PSP1 included a 90 percent pro rata distribution of application amounts. Applying this formula, the contractor received a \$52,003 overpayment from Treasury.

S&R recommended Treasury management (1) seek reimbursement of the \$52,003 overpayment of PSP1 financial assistance; and (2) review the contractor's requested amount for unallowable expenses under PSP2 and PSP3, and seek reimbursement for the overpayment, if applicable. Management's planned corrective actions met the intent of the recommendations.

(OIG-23-024) \$52,003 Questioned Costs

Audit of Air Carrier Worker Support Certifications – Ground Services International, Inc.

S&R determined that Ground Services International, Inc. (GSI), a contractor, reported correct information for three of the four sections reviewed on its PSP1 Application. These sections were: (1) applicant information, (2) applicant type, and (3) certification. S&R also determined that the contractor reported incorrect information in the awardable amounts section, attributable to both GSI and Inflight Catering portions of their merged PSP1 application.³ Specifically, for GSI's portion, S&R found (1) the inclusion of corporate officer compensation resulted in an overstatement, (2) differences between the PSP1 application amounts and the actual amounts paid to company employees resulted in an overstatement, (3) exclusion of eligible gross pay resulted in an understatement, and (4) subsequent self-reporting to Treasury for inclusion of corporate officer compensation resulted in an understatement. For Inflight Catering's portion, S&R found (1) the inclusion of corporate officer compensation resulted in an overstatement, and (2) data discrepancies related to benefits resulted in an overstatement. Overall, the contractor did not receive an overpayment from Treasury for the PSP1 merged application.

S&R recommended Treasury management (1) review the contractor's requested amount for unallowable expenses under PSP2 and PSP3, and seek

³ Although Inflight Catering prepared its portion of the PSP1 application separately from GSI, GSI assumed responsibility of the entire application by certifying on all affiliates behalf.

reimbursement for the overpayment, if applicable. Management’s planned corrective actions met the intent of the recommendations. ([OIG-23-028](#))

CARES Act Compliance Monitoring

The CARES Act assigned us responsibility for monitoring and oversight of the receipt, disbursement, and use of Coronavirus Relief Fund (CRF) proceeds. To carry out our monitoring responsibilities, we developed a portal via GrantSolutions, a grants management system under U.S. Department of Health and Human Services, for CRF recipients to report expenditures quarterly. To date, CRF data has been collected up to and through September 30, 2023. This data is 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, Castro & Company, LLC (Castro), a certified independent public accounting firm, working under a contract with and supervised by our office, performed the following activities and outreach efforts for CRF recipients.

Desk Review of the Commonwealth of Virginia’s Use of Coronavirus Relief Fund Proceeds

Castro found the Commonwealth of Virginia (Virginia) did not comply with the CARES Act and Treasury Guidance. Virginia was unable to provide complete transaction information for aggregate reporting less than \$50,000 and aggregate payments to individual’s payment categories, and Castro was unable to test these expenditures. Treasury OIG questioned a total of \$870,559,763 due to unsupported expenditures.

Castro determined that Virginia’s risk of unallowable use of funds was high and recommended that Treasury OIG follow up with Virginia on reporting corrections related to the expenditure category descriptions and pursue obtaining documentation from Virginia’s management. Based on Virginia’s responsiveness to Treasury OIG’s requests and management’s ability to provide documentation, Castro recommended Treasury OIG determine if a full scope audit is feasible.

([OIG-CA-23-042](#)) \$870,559,763 Questioned Costs

Desk Review of State of Florida’s Use of Coronavirus Relief Fund Proceeds

Castro found that the State of Florida complied with the CARES Act and Treasury Guidance. However, Castro found that the expenditures related to contracts greater than or equal to \$50,000, grants greater than or equal to \$50,000, transfers greater than or equal to \$50,000, and aggregate reporting less than \$50,000 did not comply with the CARES Act and Treasury guidance. Castro also found that direct payments greater than or equal to \$50,000 complied with the CARES Act but did not comply with Treasury Guidance. Castro identified \$893,154,358 in questioned costs.

Castro determined that Florida’s risk of unallowable use of funds was high and recommended that Treasury OIG pursue obtaining missing documentation from Florida, ensure reporting corrections are made, ascertain whether recoupment of funds is necessary, and determine if a full-scope audit is feasible.

[\(OIG-CA-23-029\)](#) \$893,154,358 Questioned Costs

Desk Review of the Los Angeles County, California’s Use of Coronavirus Relief Fund Proceeds

Castro found Los Angeles (LA) County was compliant with the Financial Progress Reports (FPR) submission timeline as required under Treasury’s guidance. Castro found that LA County expenditures for the direct payments greater than or equal to \$50,000 and aggregate payments to Individuals payment types complied with the CARES Act and Treasury guidance. Castro found that CRF proceeds for the aggregate reporting less than \$50,000 payment type complied with the CARES Act but did not comply with Treasury guidance. Additionally, Castro found that LA County expenditures related to the Contracts greater than or equal to \$50,000 payment type did not comply with the CARES Act and Treasury Guidance due to a lack of supporting documentation for expenditures totaling \$249,052,032.

Based on the totality of the work performed, Castro identified total questioned costs of \$249,052,032 and determined LA County’s risk of unallowable use of funds to be high. Castro recommended that Treasury OIG pursue obtaining documentation from LA County management and ensure reporting corrections were made. Further, based on LA County’s responsiveness to Treasury OIG’s requests and its ability to provide documentation, Castro recommended that

Treasury OIG determine if a focused audit is feasible over LA County’s contracts greater than or equal to \$50,000 and aggregate reporting less than \$50,000. **[\(OIG-CA-23-027\)](#) \$249,052,032 Questioned Costs**

Desk Review of Navajo Nation Tribal Government’s Use of Coronavirus Relief Fund Proceeds

Castro found that Navajo Nation Tribal Government (Navajo Nation) did not complete the required quarterly FPR for two reporting periods. Castro determined that the expenditures related to the Grants greater than or equal to \$50,000, aggregate reporting less than \$50,000, and aggregate payments to Individuals payment types reviewed did not comply with the CARES Act and Treasury guidance, resulting in questioned costs.

Based on the totality of the work performed, Castro determined Navajo Nation’s risk of unallowable use of funds to be high. Castro recommended that Treasury OIG pursue obtaining supporting documentation from Navajo Nation personnel, ensure reporting corrections are made, and determine if a focused audit is feasible for Grants greater than or equal to \$50,000, aggregate reporting less than \$50,000, and aggregate payments to Individuals. For aggregate payments to individuals, Castro recommended a specific focus on Navajo Nation’s non-payroll COVID-19 hardship claims, as well as payroll expenditures for employees substantially dedicated to COVID-19 recovery efforts if feasible.

[\(OIG-CA-23-041\)](#) \$80,844,218 Questioned Costs

Desk Review of Lancaster County Pennsylvania’s (Lancaster) Use of Coronavirus Relief Fund Proceeds

Castro found that Lancaster did not comply with the quarterly FPR timeline as required by Treasury guidance. In addition, Castro found that one submission was prepared and certified by the same person, which did not comply with the segregation of duties requirement for quarterly submissions. Castro also found that Lancaster personnel could not provide necessary documentation to support 19 of 20 transactions selected for review, which resulted in unsupported obligations and expenditures in the amounts of \$57,734,925 and \$38,793,071.

Castro determined that Lancaster’s risk of unallowable use of funds was high and recommended that Treasury OIG pursue obtaining documentation from Lancaster personnel and ensure reporting corrections are made. Further, based

on Lancaster’s responsiveness to Treasury OIG’s requests and its ability to provide documentation, Castro recommended that Treasury OIG determine if a full-scope audit is feasible. ([OIG-CA-23-024](#)) **\$38,793,071 Questioned Costs**

Desk Review of the Commonwealth of Puerto Rico’s Use of Coronavirus Relief Fund Proceeds

Castro found that the Commonwealth of Puerto Rico (Puerto Rico) did not comply with the CARES Act and Treasury guidance, resulting in \$33,681,692 in questioned costs.

Castro determined that Puerto Rico’s risk of unallowable use of funds was high and recommended that Treasury OIG pursue obtaining missing documentation from Puerto Rico personnel and follow up on necessary reporting corrections within the grants reporting portal. Also, based on Puerto Rico’s responsiveness to Treasury OIG’s requests and management’s ability to provide documentation, Castro recommended that Treasury OIG determine if a full scope audit is feasible. ([OIG-CA-23-040](#)) **\$33,681,692 Questioned Costs**

Desk Review of the Turtle Mountain Band of Chippewa Indians’ Use of Coronavirus Relief Fund Proceeds

Castro found that the Turtle Mountain Band of Chippewa Indians’ (TMBCI) expenditures related to quarterly FPR submissions did not comply with the CARES Act and Treasury guidance, resulting in \$32,333,620 in questioned costs.

Castro determined TMBCI’s risk of unallowable use of funds were high and recommended that Treasury OIG pursue obtaining supporting documentation from TMBCI to ensure reporting corrections are made and determine if a full-scope audit is feasible. ([OIG-CA-23-026](#)) **\$32,333,620 Questioned Costs**

Desk Review of the State of Texas’ Use of Coronavirus Relief Fund Proceeds

Castro found the State of Texas complied with the CARES Act and Treasury’s guidance for expenditures related to direct payments greater than or equal to \$50,000 and aggregate payments to individuals. However, the expenditures related to contracts greater than or equal to \$50,000, grants greater than or equal to \$50,000, and aggregate reporting less than \$50,000 did not comply

with CARES Act and Treasury’s Guidance. Due to ineligible and unsupported expenditures, Treasury OIG identified \$17,288,575 in questioned costs.

Castro determined that Texas’ risk of unallowable use of funds was high and recommended that Treasury OIG obtain documentation, follow-up on all Texas’ necessary reporting corrections and determine if a focused audit is feasible for contracts greater than or equal to \$50,000 and grants greater than or equal to \$50,000. ([OIG-CA-23-034](#)) **\$17,288,575 Questioned Costs**

Desk Review of the Commonwealth of the Northern Mariana Islands’ Use of Coronavirus Relief Fund Proceeds

Castro found that the Commonwealth of the Northern Mariana Islands (CNMI) was not compliant with the quarterly FPR reporting timeline as required under Treasury guidance for three reporting cycles. Additionally, Castro found that the expenditures related to contracts greater than or equal to \$50,000, aggregate reporting less than \$50,000, and aggregate payments to individuals did not comply with the CARES Act and Treasury guidance, which resulted in total questioned costs of \$11,146,813.

Castro determined that CNMI’s risk of unallowable use of funds is high and recommends that Treasury OIG request missing documentation from CNMI management and follow up on necessary reporting corrections. Further, based on CNMI’s responsiveness to Treasury OIG’s requests and its ability to provide documentation, Castro recommended that Treasury OIG determine if a full-scope audit is feasible. ([OIG-CA-23-039](#)) **\$11,146,813 Questioned Costs**

Desk Review of San Bernardino County, California’s Use of Coronavirus Relief Fund Proceeds

Castro found that San Bernardino County, California (San Bernardino) was compliant with the quarterly FPR reporting timeline as required under Treasury guidance. Castro determined that San Bernardino’s expenditures for 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 guidance. Based on Castro’s desk review, Treasury OIG questioned total costs of \$4,151,612 due to ineligible expenditures and a lack of supporting documentation.

Based on the totality of the work performed, Castro determined that San Bernardino’s risk of unallowable use of funds is moderate and recommended Treasury OIG obtain documentation from San Bernardino’s management to ensure reporting corrections are made. Additionally, Castro recommended Treasury OIG determine if a focused audit is feasible for expenditures related to grants greater than or equal to \$50,000 and direct payments greater than or equal to \$50,000. ([OIG-CA-23-030](#)) **\$4,151,612 Questioned Costs**

Desk Review of the Native Village of Point Hope’s Use of Coronavirus Relief Fund Proceeds

Castro could not determine if the Native Village of Point Hope’s (Point Hope) use of CRF proceeds complied with the CARES Act and Treasury guidance, due to Point Hope personnel’s failure to communicate or provide documentation during the desk review. Therefore, Castro questioned the entire \$2,348,064 in CRF proceeds that Point Hope received from Treasury.

Castro determined that Point Hope’s risk of unallowable use of funds was high and recommended that Treasury OIG personnel follow-up on the missing documentation and make a determination whether to conduct a full-scope audit of Point Hope. In addition, Castro recommended that Treasury OIG determine whether to take further action, up to and including recoupment of Point Hope’s CRF proceeds, based on the scope limitation and potential noncompliance with the records retention requirement. ([OIG-CA-23-038](#)) **\$2,348,064 Questioned Costs**

Desk Review of the City of Dallas, Texas’ Use of Coronavirus Relief Fund Proceeds

Castro found that the City of Dallas, Texas (Dallas) did not comply with the CARES Act and Treasury guidance. Dallas personnel could not provide the necessary documentation to support 1 of 19 transactions selected for review, resulting in total unsupported expenditures of \$2,211,594.

Castro determined that Dallas’ risk of unallowable use of funds was moderate and recommended that Treasury OIG pursue obtaining documentation from Dallas’ management related to the aggregate payments to individuals and ensure that expenditures reported are properly supported. Further, based on Dallas’ responsiveness to Treasury OIG’s requests and its ability to provide

documentation, Castro recommended Treasury OIG determine if a focused audit of aggregate payments to individuals is feasible. ([OIG-CA-23-028](#)) **\$2,211,594 Questioned Costs**

Desk Review of the State of Tennessee’s Use of Coronavirus Relief Fund Proceeds

Castro found the State of Tennessee’s (Tennessee) expenditures for contracts greater than or equal to \$50,000, Direct Payments greater than or equal to \$50,000, and aggregate reporting less than \$50,000 complied with the CARES Act and Treasury’s guidance. Castro found that expenditures for grants greater than or equal to \$50,000, and aggregate payments to individuals did not comply with the CARES Act and Treasury’s Guidance. Castro identified total questioned costs of \$1,162,364.

Castro determined Tennessee’s risk of unallowable use of funds was moderate and recommended that Treasury OIG pursue obtaining documentation from Tennessee personnel, ensure reporting corrections are made, and determine if a focused audit is feasible for grants greater than or equal to \$50,000 and aggregate payments to individuals. ([OIG-CA-23-035](#)) **\$1,162,364 Questioned Costs**

Desk Review of Pleasant Point Indian Reservation, Maine’s Use of Coronavirus Relief Fund Proceeds

Castro found that Pleasant Point Indian Reservation, Maine’s (Pleasant Point’s) expenditures for the aggregate reporting less than \$50,000 payment types complied with the CARES Act and Treasury’s guidance. Castro found that CRF proceeds for the contracts greater than or equal to \$50,000, transfers greater than or equal to \$50,000, and aggregate payments to individuals did not comply with the CARES Act and Treasury’s Guidance. Castro identified \$339,672 in questioned costs.

Castro determined Pleasant Point’s risk of unallowable use of funds was moderate and does not recommend Treasury OIG perform an audit of Pleasant Point. However, Castro recommended Treasury OIG follow-up on the status of single audit reports and necessary reporting corrections for contracts greater than or equal to \$50,000, transfers greater than or equal to \$50,000, and

aggregate payments to individuals. ([OIG-CA-23-033](#)) **\$339,672 Questioned Costs**

Desk Review of Phoenix, Arizona’s Use of Coronavirus Relief Fund Proceeds

Castro found that Phoenix, Arizona (Phoenix) complied with the required quarterly FPR submission timeline as required under Treasury’s guidance. Castro found that the expenditures for the contracts 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 complied with the CARES Act and Treasury’s guidance. Castro found that CRF proceeds for the Grants greater than or equal to \$50,000 payment type did not comply with the CARES Act and Treasury’s guidance. Castro identified \$147,379 in questioned costs.

Castro determined Phoenix’s risk of unallowable use of funds was moderate and recommended that Treasury OIG pursue obtaining missing documentation from Phoenix personnel and determine if a focused audit is feasible for grants greater than or equal to \$50,000. ([OIG-CA-23-032](#)) **\$147,379 Questioned Costs**

Desk Review of State of Ohio’s Use of Coronavirus Relief Fund Proceeds

Castro found that the State of Ohio (Ohio) was compliant with the quarterly FPR reporting timeline as required under Treasury’s guidance. Castro determined that Ohio’s expenditures for grants greater than or equal to \$50,000 and transfers greater than or equal to \$50,000 did not comply with the CARES Act and Treasury’s guidance. Based on the desk review, Treasury OIG questioned total costs of \$86,801 due to ineligible expenditures and a lack of supporting documentation.

Based on the totality of the work performed, Castro determined that Ohio’s risk of unallowable use of funds is low and did not recommend Treasury OIG perform an audit of Ohio’s use of CRF proceeds. Castro recommended that Treasury OIG obtain documentation from Ohio’s management to ensure reporting corrections are made. Additionally, Castro recommended that Treasury OIG obtain information from Ohio management to determine whether there are ineligible severance pay transactions in addition to those already identified as part of the desk review. ([OIG-CA-23-037](#)) **\$86,801 Questioned Costs**

Desk Review of the Chippewa Cree Tribe’s Use of Coronavirus Relief Fund Proceeds

Castro found that the Chippewa Cree Tribe’s (CCT) 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 OIG questioned unsupported expenditures in the amount of \$75,091. In addition, Castro found that CCT personnel incorrectly classified the tribe’s obligations and expenditures for direct payments in the GrantsSolutions portal in the amount of \$7,080,546 and \$6,836,895.

Castro determined that CCT’s risk of unallowable use of funds was high and recommended that Treasury OIG follow-up on all CCT’s corrections and reclassification entries and then perform audit work on those related transactions. ([OIG-CA-23-018](#)) **\$75,091 Questioned Costs**

Desk Review of the State of California’s Use of Coronavirus Relief Fund Proceeds

Castro found the State of California’s (California) documentation supporting the uses of CRF proceeds complied with the CARES Act and Treasury’s Guidance, except for the questioned costs for a subscription in the amount of \$6,952.

Castro determined California’s risk of unallowable use of funds was low and did not recommend Treasury OIG perform an audit; however, Castro recommended Treasury OIG confirm that appropriate corrections have been made, or if not, determine whether these funds have been returned to Treasury. ([OIG-CA-23-025](#)) **\$6,952 Questioned Costs**

Desk Review of the State of Illinois’ Use of Coronavirus Relief Fund Proceeds

Castro found the State of Illinois (Illinois) did not have reporting issues or variances and found the transactions selected were supported by documentation, in accordance with the CARES Act and Treasury’s guidance. Castro determined that Illinois’ risk of unallowable use of funds was low and did not recommend Treasury OIG perform an audit of Illinois. ([OIG-CA-23-019](#))

Desk Review of The Cherokee Nation, Oklahoma’s Use of Coronavirus Relief Fund Proceeds

Castro found the Cherokee Nation, Oklahoma did not have reporting issues or variances and found the transactions selected for were supported by documentation, in accordance with the CARES Act and Treasury’s guidance. Castro determined that the Cherokee Nation’s risk of unallowable use of funds was low and did not recommend Treasury OIG perform an audit of the Cherokee Nation. ([OIG-CA-23-020](#))

Desk Review of New York City’s Use of Coronavirus Relief Fund Proceeds

Castro found New York City was not compliant with the quarterly FPR reporting timeline as required under Treasury guidance for three reporting periods. In addition, Castro reviewed documentation for a selection of 25 transactions in the quarterly reports. Other than timely reporting and errors reported in the loans greater than or equal to \$50,000 and aggregate reporting less than \$50,000 expenditure categories, Castro’s review of New York City’s quarterly FPR submissions did not identify reporting issues. The errors in the loans greater than or equal to \$50,000 and aggregate reporting less than \$50,000 expenditure categories were corrected by New York City personnel.

Once the corrections were made it was determined that the use of CRF proceeds for contracts greater than or equal to \$50,000, loans greater than or equal to \$50,000, aggregate reporting for transactions less than \$50,000, and aggregate payments to individuals complied with the CARES Act and Treasury’s guidance.

Based on the totality of work performed, Castro determined that New York City’s risk of unallowable use of funds is low and did not recommend Treasury OIG perform an audit of New York City. However, Castro notified Treasury OIG about New York City’s potential future loan repayments so Treasury OIG can coordinate with Treasury management regarding monitoring and return of funds. ([OIG-CA-23-021](#))

Cyber/Information Technology

FISMA

The Federal Information Security Modernization Act of 2014 (FISMA) requires Inspectors General to perform an annual, independent evaluation of their agency’s information security program and practices. During this semiannual reporting period, we issued the following reports on Treasury’s and the Gulf Coast Ecosystem Restoration Council’s (Council) compliance with FISMA.

The Gulf Coast Ecosystem Restoration Council Federal Information Security Modernization Act of 2014 Evaluation Report for Fiscal Year 2023

RMA Associates, LLC (RMA), a certified independent public accounting firm, working under a contract supervised by our office, performed the annual FISMA evaluation of Council’s security program and practices for period April 1, 2022 through March 31, 2023. RMA found the Council’s information security program and practices were effective for the evaluation period. RMA did not make any recommendations to the Council. Council’s management concurred with the report. ([OIG-CA-23-036](#))

Fiscal Year 2021 Audit of the Department of the Treasury’s Information Security Program and Practices for Its Intelligence Systems

In our FISMA audit of Treasury’s intelligence systems for the period July 1, 2020 through June 30, 2021, we reported that Treasury’s security program and practices for its intelligence systems were not effective according to Department of Homeland Security’s criteria.

Treasury management concurred with the recommendations made in our report. Due to the sensitive nature of these systems, this report is designed as classified ([OIG-23-035](#)).

Fiscal Year 2022 Audit of the Department of the Treasury’s Information Security Program and Practices for Its Intelligence Systems

In our FISMA audit of Treasury’s intelligence systems for the period July 1, 2021 through March 31, 2022, we reported that Treasury’s security program and practices for its intelligence systems were not effective according to Department of Homeland Security’s criteria. Treasury management concurred with the recommendations made in our report. Due to the sensitive nature of these systems, this report is designed as classified ([OIG-23-036](#)).

Anti-Money Laundering/Terrorist Financing and Intelligence

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

Audit of FinCEN's Management of BSA Data - Suppression Report

This report is the first in a series of reports addressing Financial Crimes Enforcement Network (FinCEN) retention of Bank Secrecy Act (BSA) data, and more specifically suppression, which is a part of the retention process wherein FinCEN restricts access to specific financial records.

We found FinCEN did not process all BSA record suppression requests timely, adequately, and in accordance with FinCEN policy. Specifically, FinCEN did not: (1) timely process and adequately document the disposition of suppression requests, to include notifying requesters in writing; and (2) ensure that bulk data recipients removed suppressed records from their respective databases.

We recommended that the Director of FinCEN: (1) update policy and procedures for the BSA record suppression and duplicate BSA record suppression processes to establish a timeliness metric for processing suppression requests and to require that all relevant tracking information, such as BSA identification numbers, is maintained; (2) update policy and procedures for the BSA record suppression and duplicate BSA record suppression processes to require a review of suppression requests for timeliness and appropriate processing and documentation; (3) ensure that suppression requesters are notified in writing of suppression disposition and suppressions are documented in accordance with standard operating procedures; (4) establish a dedicated email address for

receiving law enforcement suppression requests and designate an alternate person for processing suppressions; (5) require agencies that receive bulk data to remove suppressed records as a condition of their memorandum of understanding; and (6) publish and communicate guidance explaining how FinCEN will notify bulk data agencies of records to be suppressed within bulk data files and specifying the timelines for FinCEN and the agencies' required actions regarding the suppression of the records.

FinCEN management concurred with our recommendations and provided their implemented and planned corrective actions. FinCEN's stated corrective actions meet the intent of our recommendations. ([OIG-23-030](#))

Financial Management

Payment Integrity Information Act of 2019

RMA, a certified independent public accounting firm, working under a contract with and supervised by our office, performed an audit of Treasury's compliance with the Payment Integrity Information Act of 2019 (PIIA) for fiscal year (FY) 2022. Our office performed the audit of the Council's compliance with PIIA for FY 2022. As required by PIIA, we reported on Treasury's and the Council's overall compliance with PIIA for Fiscal Year (FY) 2022.

Treasury PIIA for FY 2022

RMA reported that Treasury was not in compliance with PIIA for FY 2022. Treasury complied with nine of the ten PIIA requirements. However, Treasury did not comply with the requirement to report an improper payment rate of less than 10 percent for its programs identified as susceptible to significant improper payments because IRS reported an improper payment rate of more than 10 percent for four of its 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. RMA did not make any recommendations related to this finding.

RMA also identified inaccurate responses and justifications by the management officials of the Bureau of the Fiscal Service (Fiscal Service), the Treasury Forfeiture Fund (TFF), and the Office of Special Inspector General for the Troubled Asset Relief Program (SIGTARP) to some risk assessment questions

used in determining the payment type’s susceptibility to significant improper payments. RMA recommended that Treasury’s Risk and Control Group work with management at the Fiscal Service, TFF, and SIGTARP to complete sufficient review of the program-specific risk assessments to better ensure management responses and justifications to risk assessment questions are accurate and justifications properly support the responses to the questions. Treasury agreed with RMA’s recommendation and provided corrective actions. ([OIG-23-026](#))

Gulf Coast PIIA FY 2022

We determined that the Gulf Coast Ecosystem Restoration Council (Council) complied with the requirements of PIIA for fiscal year 2022. However, during our review of the Council's payment integrity information, we found that certain risk assessment information reported on PaymentAccuracy.gov by the Council was not consistent with the supporting documentation provided to us. We recommended that the Council: (1) consult Office of Management and Budget’s (OMB) Payment Integrity Annual Data Call Instructions or its subsequent revisions to determine how to report its payment integrity information; and (2) review payment integrity information submitted to the OMB Annual Data Call prior to live publication to ensure accuracy of data reported. The Council agreed with our recommendations and provided corrective actions. ([OIG-23-025](#))

Attestation Engagements

Independent certified public accounting firms, S&R and KPMG LLP (KPMG), under contracts monitored by our office, completed the reports described below in support of the audit of Treasury’s FY 2023 consolidated financial statements and the financial statement audits of certain other Federal agencies.

Reports on the Processing of Transactions by Treasury Enterprise Applications

S&R examined the Treasury Enterprise Applications’ description of controls for processing user entities’ human resource transactions in its HRConnect system; and the suitability of the design and effectiveness of these controls for the period beginning July 1, 2022, and ending June 30, 2023. S&R 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-23-034](#))

Reports on the Processing of Transactions by Fiscal Service

KPMG examined the accounting and procurement processing and general computer controls related to financial management services provided to various Federal agencies by Fiscal Service’s Administrative Resource Center for the period beginning July 1, 2022, and ending June 30, 2023. KPMG found, in all material respects, that the controls were fairly presented in the description of controls for these activities and suitably designed. KPMG also found that controls tested operated effectively throughout the period. ([OIG-23-037](#))

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 2022 consolidated financial statements.

Condition	Type of noncompliance
Treasury continues to have deficiencies in IRS financial management systems. Specifically, Treasury did not consistently design, implement, and operate information system controls and security programs over its financial systems in accordance with the Federal financial management system requirements. (first reported in FY 1997)	Federal financial management system requirements
Treasury has deficiencies in Fiscal Service government-wide cash and Federal debt management information systems. Specifically, Fiscal Service did not consistently design, implement, and operate information system controls and security programs over its cash and Federal debt systems in accordance with the Federal financial management system requirements. (first reported in fiscal year 2018)	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 2023 consolidated financial statements.

Consolidated Appropriations Act, 2021

We are required to submit a report twice a year to Congress and Treasury on the oversight provided for programs established under Title V, Subtitle B in Division N of the Consolidated Appropriations Act, 2021 (CAA, 2021). During this semiannual reporting period, we reported on the Community Development Financial Institutions (CDFI) Fund’s Award and Post-Award Administration of the CDFI Rapid Response Program (RRP) and on Fund’s Implementation of the CDFI Equitable Recovery Program (ERP).

Audit of the Community Development Financial Institutions Fund’s Award and Post-Award Administration of the CDFI Rapid Response Program

We found that CDFI Fund management documented the CDFI RRP awards process across multiple standard operating procedures (SOPs), consistent with the U.S. Government Accountability Office’s (GAO) *Standards for Internal Control in the Federal Government* (Green Book). CDFI Fund management also accurately calculated CDFI RRP awards and administered them in accordance with the CAA, 2021 and the OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 Code of Federal Regulations Part 200* (Uniform Guidance). However, the CDFI Fund did not comply with subsequent payment review and approval timelines for 2 of the 91 payments we tested. Despite the CDFI Fund’s delays in approving the recipients’ subsequent award payment requests, we do not believe there is a systemic issue with the timeliness of CDFI RRP payment reviews.

The CDFI Fund designed and implemented the CDFI RRP post-award administration process, to include recipient monitoring, in compliance with the CAA, 2021, Uniform Guidance, and GAO Green Book. CDFI Fund management developed post-award and monitoring SOPs as well as the Assistance Agreement, which incorporated Uniform Guidance requirements to recipients. Furthermore, management established: (1) procedures for evaluating CDFI RRP annual compliance reports; (2) a non-compliance process; and (3) a process for closing CDFI RRP awards. Finally, the CDFI Fund provided CDFI RRP available data for Treasury’s report on the impact of programs under the CAA, 2021. We did not make any recommendations. ([OIG-23-032](#))

Audit of the Community Development Financial Institutions Fund’s Implementation of the CDFI Equitable Recovery Program

We found that CDFI Fund took appropriate steps to establish the CDFI ERP to include making funds available to recipients, as well as establishing policies, procedures, and program guidance. CDFI Fund management took appropriate steps to establish the CDFI ERP in compliance with GAO’s *Standards for Internal Control in the Federal Government* (the “Green Book”), the CAA, 2021, and OMB Uniform Guidance. The CDFI Fund established internal controls over the CDFI ERP in accordance with the Green Book to include: (1) a process for CDFIs to apply for CDFI ERP awards conforming to the CAA, 2021; and (2) a CDFI

ERP application evaluation process (including award determinations) to meet the legislative requirements.

We determined that the CDFI Fund provided sufficient guidance to potential CDFI ERP applicants and developed CDFI ERP-specific application submission and review processes, policies and procedures, and internal guidance for program personnel. In designing a framework to comply with the CAA, 2021, CDFI Fund management consulted with officials from Treasury, the OMB, and staff members from the Senate Committee on Banking, Housing, and Urban Affairs and the House Financial Services Committee. CDFI Fund management allocated existing staff, hired new personnel, and contracted external reviewers in standing up the CDFI ERP. Additionally, the CDFI Fund leveraged existing program structures from the CDFI Rapid Response Program and the CDFI Financial Assistance Program and used existing tools to evaluate CDFI ERP candidates' financial and compliance risk. We did not make any recommendations. ([OIG-23-033](#))

Council of Inspectors General on Financial Oversight Audit of the Financial Stability Oversight Council

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) created the Council of Inspectors General on Financial Oversight (CIGFO), whose members include the Inspectors General with oversight authority for the majority of the Financial Stability Oversight Council (FSOC) member agencies. Treasury OIG's Acting Inspector General is the Chair of CIGFO. Dodd-Frank authorizes CIGFO to convene a working group of its members to evaluate the effectiveness and internal operations of FSOC.

Council of Inspectors General on Financial Oversight – Audit of the Financial Stability Oversight Council's Efforts to Address Climate-Related Financial Risk

CIGFO convened a Working Group to perform an audit to assess FSOC's response to Executive Order (EO) 14030, Climate-Related Financial Risk. This report was issued in May 2021.

We concluded that FSOC's actions were consistent with the policy, objectives, and directives set forth in EO 14030. Additionally, FSOC engaged with the member agencies to assess climate-related financial risk and implemented an

effective process to develop its Report on Climate-Related Financial Risk. We determined that the FSOC Report satisfactorily met the requirements set forth in EO 14030. Finally, FSOC established a means to facilitate ongoing coordination and information sharing among its member agencies on climate-related financial risk.

While we made no recommendations in this report, we encouraged FSOC, through the newly established Climate-Related Financial Risk Committee, to consider member agency suggestions and feedback to enhance the assessment and sharing of climate-related financial risk data and information.

[\(CIGFO-2023-001\)](#)

Office of Investigations – Significant Investigations and Other Products

CARES Act Investigations

Florida Resident sentenced for Wire Fraud associated with the CARES Act and Paycheck Protection Program Loan

On August 15, 2023, the final subject in a Treasury OIG investigation was sentenced. The subjects conspired to defraud the U.S. government by applying for Paycheck Protection Program Loans and receiving \$1.8 million in fraudulently obtained funds. Two subjects were declined for prosecution and the final subject was sentenced to a total of 37 months incarceration, and \$1.8 million in restitution. The U.S. Attorney’s Office (USAO) for the Eastern District of Virginia prosecuted the case.

Other Significant Investigations

Prosecution in California Declined for ERA Fraud

On April 12, 2023, the OIG completed its report of investigation based on receipt of a complaint alleging that two individuals submitted multiple false tenant and landlord applications in order to obtain \$289,000 in Emergency Rental Assistance (ERA) from the California ERA Program. The investigation determined that the same Internet Protocol address was used for all the applications, and the addresses listed on the application were different than the identification documents of the tenants. Criminal prosecution was presented and declined by the USAO for the Central District of California and by the California Office of the Attorney General for lack of resources and low monetary value.

Florida Resident Sentenced to One Count of Wire Fraud for Theft of Funds Through the Payroll Protection Program

On April 24, 2023, a Florida bank employee was sentenced to 15 months’ imprisonment and 36 months’ probation for one count of Wire Fraud. The subject was also ordered to pay restitution in the amount of \$168,000, to forfeit \$243,000, and to pay a special assessment of \$100. The subject fraudulently applied for Small Business Administration Payroll Protection Program loans, deposited the loan amounts into his bank accounts and withdrew funds for matters unrelated to a business. The U.S.

District Court for the Middle District of Florida prosecuted the joint Treasury OIG and Federal Deposit Insurance Corporation OIG case.

Prosecution Declined in Virginia for ERA Fraud

On April 10, 2023, the OIG completed its report of investigation for a case initiated upon receipt of information from the Virginia Department of Housing and Community Development, Richmond, Virginia, concerning an alleged fraudulent application for Emergency Rental Assistance (ERA) under the Virginia Rent Relief Program. The subjects misrepresented information on their applications to obtain \$87,000 in ERA funds. The case was presented to and declined by both the USAO for the Eastern District of Virginia and the Arlington County, Virginia Commonwealth Attorney for low monetary value.

U.S. Mint Police Officer Engaged in Sexual Activity on Government Property

On February 1, 2023, the OIG completed its report of investigation for a case initiated upon receipt of information from the United States Mint (Mint) that a Mint contract employee was sexually assaulted by a Mint police officer while they were both on duty at the Denver Mint. The complainant alleged repeated unwanted sexual contact by the subject, and one incident of alleged rape. The subject denied force or unwanted contact with the complainant but admitted to multiple consensual sexual encounters with the complainant on duty at the Mint. The investigation determined that there was sexual activity between the complainant and the subject on government property and during duty hours. Criminal prosecution of the subject was presented and declined by the USAO for the District of Colorado. Treasury OIG provided a report to the Mint for their information and the subject was removed from their position at the Mint during this reporting period.

U.S. Mint Police Officer Actively Participated in Ponzi Scheme

On February 15, 2023, the OIG completed its report of investigation for a case initiated upon notification that a San Francisco Mint Police Officer was actively involved in Ponzi schemes. The investigation determined that the officer was involved in a Ponzi scheme based on interviews and social media posts associated with the schemes. Criminal prosecution of the employee was presented and declined by the USAO for the Northern District of California. Treasury OIG provided a report to the

Mint for their information and the subject was issued a letter of reprimand during this reporting period.

Alleged Contract Fraud with U.S. Mint Equipment Purchase Unsubstantiated

On July 13, 2023, the OIG completed its report of investigation into allegations that a Mint employee authorized the sole-source purchase of equipment incapable of completing required tasks. The complainant alleged that the modifications needed incurred additional cost. The investigation determined no additional costs were incurred by the Mint to retrofit the purchased equipment. In addition, the sole-source justification signed by the employee was used to procure machines at three separate Mint facilities. The initial procurement utilizing the justification was drafted and occurred at a different facility. The justification stated that the machines were equipped with the highest level of safety features offered on the market. These safety features were required by the Mint’s newly adopted policy of “Safety First.”

Treasury Office of Inspector General Employee Worked for Multiple Companies During Official Government Work Hours

The OIG completed its report of investigation for a case initiated upon notification that a Treasury OIG employee was employed by a government contractor, while simultaneously employed as an auditor. The investigation determined that the employee was aware of the Treasury OIG outside employment approval process and knowingly failed to comply with the policy. The employee was employed by four companies in addition to Treasury OIG for a five-month period, claiming overlapping hours for the OIG and at least two outside companies at the same time. A report was provided, and the employee was terminated.

Prosecution in Oregon Declined for ERA Fraud

On May 31, 2023, the OIG completed its report of investigation on an inquiry based on an anonymous allegation that the subject had multiple individuals fraudulently apply for ERA. The subject directed individuals, not residing on their property, to apply for ERA funds. The Oregon Housing and Community Services later found that only one ERA application for \$15,000 dollars was paid to a fraudster. The investigation was presented and declined by the USAO for the District of Oregon and the Oregon State Prosecutor’s office for low monetary value.

Bureau of the Fiscal Service Employee Forged Senior Official Signatures

On April 4, 2023, the OIG completed its report of investigation for a case initiated upon notification that a Bureau of the Fiscal Service (Fiscal Service) human resources employee forged the Fiscal Service Commissioner’s digital signature on an OF-8, Position Description form. The OIG conducted a forensic examination of the employee’s work computer that resulted in the employee admitting to applying the Fiscal Service Commissioner’s digital signature to multiple documents because they forgot to get the signature and were backed up on work. A report was provided to Fiscal Service for its information and the employee resigned.

OCC Employee Impersonated a Federal Law Enforcement Officer

On January 13, 2022, the OIG completed its report of investigation for a case initiated upon notification that a National Bank Examiner with the Office of the Comptroller of the Currency (OCC) falsely represented themselves as a Federal Law Enforcement Officer by showing their OCC credentials and badge to obtain special considerations within their local community. The OIG investigation substantiated the allegation. Criminal prosecution of the OCC employee was presented and declined by the USAO for the Middle District of Pennsylvania. A report was provided to the OCC for its information and the employee received a 30-day suspension during this reporting period.

Treasury OIG Accomplishments and Activities

Treasury OIG Special Agent Award

A Treasury OIG Senior Special Agent was recognized by the U.S. Attorney's Office for the Southern District of Florida for exceptional investigative work and awarded an Outstanding Law Enforcement Officer award for 2021-2023.

Treasury OIG Cyber Support

The U.S. Department of Homeland Security, Immigration and Customs Enforcement, and Homeland Security Investigations (HSI) specifically requested Treasury OIG support to assist in identifying individuals suspected of using cryptocurrency to purchase Child Sexual Assault Material. Treasury OIG's cyber forensics team provided HSI the results of their actions for their further investigation.

HSI requested cyber forensics support in an investigation involving numerous individuals submitting fraudulent Unemployment Insurance and Economic Impact Disaster Loan applications. Treasury OIG's cyber forensics team provided HSI the results of their actions for their further investigation.

Treasury OIG Leadership Roles

Treasury OIG professionals serve on various important public and private professional organizations supporting the federal audit community. Examples of participation in these organizations follow:

Deborah Harker, Assistant Inspector General for Audit, is the Chair of the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Federal Audit Executive Council.

Cecilia Howland, Acting Deputy Assistant Inspector General for Cyber and Financial Assistance Audits, is the National Single Audit Coordinator for Treasury.

Statistical Summary

Summary of Treasury OIG Activities

April 1, 2023, through September 30, 2023

OIG Activity	Number or Dollar Value
Office of Counsel Activities	
Regulation and legislation reviews	22
Instances where information was refused	0
Office of Audit Activities	
Reports issued and other products	47
Disputed audit recommendations	0
Significant revised management decisions	0
Management decision in which the Inspector General disagrees	0
Monetary Benefits (audit)	
Questioned costs	\$2,239,122,323
Funds put to better use	\$0
Total monetary benefits	\$2,239,122,323
Office of Investigations Activities*	
Criminal and judicial actions (including joint investigations)	
Investigative reports issued	142
Cases referred for prosecution and/or litigation	37
Individuals referred for criminal prosecution to the Department of Justice	44
Individuals referred for criminal prosecution to state and local authorities	2
Cases accepted for prosecution and/or litigation	8
Arrests	0
Indictments/informations	17
Convictions (by trial and plea)	19

During the reporting period, subjects were sentenced to **69 months of prison time, **144** months of probation, and ordered to pay fines, restitution, and court fees in the amount of **\$2,128,739.61**, and seizures and forfeitures in the amount of **\$3,010,614.18**.*

Metrics Used for Office of Investigations Activities

Department of the Treasury (Treasury or the Department) Office of Inspector General (OIG) investigative statistics listed above were obtained through reports drawn from Treasury OIG's Office of Investigations case management system.

Reports with Unimplemented Recommendations

Issued prior to April 1, 2023

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 Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) programs and activities of the Gulf Coast Ecosystem Restoration Council (Council) and the National Oceanic and Atmospheric Administration’s Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program; and of U.S. Department of Homeland Security, U.S. Customs and Border Protection’s (CBP) programs and activities related to protecting revenue.

Treasury OIG is reporting 159 open and unimplemented recommendations for 33 reports issued prior to April 1, 2023, with \$2.2 Billion in potential monetary benefits.

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

Treasury Programs and Operations

Fiscal Year	Report Number	Report Title	Date Issued
2016	OIG-16-059	<i>GENERAL MANAGEMENT: Treasury Has Policies and Procedures to Safeguard Classified Information But They Are Not Effectively Implemented</i>	09/16
1.	The Assistant Secretary for Intelligence and Analysis should direct the Deputy Assistant Secretary for Security to update the Treasury Security Manual to include procedures requiring the Office of Security Programs to follow up and obtain all bureau self-inspection reports. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2018	OIG-18-018	<i>TERRORIST FINANCING/MONEY LAUNDERING: OFAC Human Resources Practices Need Improvement</i>	11/17
1.	The Office of Foreign Assets Control (OFAC) Director should ensure that legacy employees' current position descriptions are evaluated to ensure that the documented promotion potential of these nonsupervisory employees is consistent with OFAC's current promotion practices. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2018	OIG-18-044	<i>TERRORIST FINANCING/MONEY LAUNDERING: Audit of the Office of Intelligence and Analysis' Authorities and Actions Related to U.S. Persons' Financial Information</i>	04/18
1.	The Under Secretary for Terrorism and Financial Intelligence, as expeditiously as possible, should implement a compliance monitoring program to assess whether intelligence analysts' activities are conducted in accordance with Office of Intelligence and Analysis authorities, and electronic searches and other queries are performed in a manner that fully protects the rights of U.S. persons. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2019	OIG-19-007	<i>INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2018 Performance Audit</i>	10/18
1.	Treasury Inspector General for Tax Administration (TIGTA) management should establish a current enterprise baseline of software and related configurations for the TIGTA System. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-003	<i>INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2019 Performance Audit</i>	10/19
1.	U.S. Mint (Mint) management should finalize and implement its bureau-wide privacy program that includes a strategic organizational privacy plan for implementing applicable privacy control and procedures in accordance with National Institute of Standards and Technology Special Publication 800-53. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-007	<i>DATA ACT: Treasury Continues to Make Progress in Meeting its DATA Act Reporting Requirements</i>	11/19
1.	Treasury's Assistant Secretary for Management, working as needed with Treasury's Senior Accountable Official, the Senior Procurement Executive, reporting entities, the Program Management Office, and the Office of Management and Budget should develop and implement a method and procedures to submit Treasury Forfeiture Fund financial assistance award data to the Financial Assistance Broker Submission in accordance with the reporting submission specifications established by the Digital Accountability and Transparency Act (DATA Act) Information Model Schema. Management agreed with the recommendation.		

Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-022	<i>FINANCIAL MANAGEMENT: Management Report for the Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2019 and 2018</i>	12/19
1.	Bureau of the Fiscal Service (Fiscal Service) management should address the mainframe operating system vulnerabilities noted in the condition as soon as possible.		
2.	Develop a tailored mainframe operating system security configuration baseline that specifies how security configuration options are to be set based on the selected industry guidance.		
3.	Ensure that the chief information security officer assigns specific responsibility for providing controls over operating system security, including access permissions to all system datasets and all security-related option settings.		
4.	Develop and document controls over changes and monitor update access to all key system datasets.		
5.	Develop and document controls and baseline documentation of mainframe operating system options specified in the configuration files.		
6.	Establish which techniques are to be used to control update access to key system datasets and to control read access to sensitive system datasets (such as the security software database and the page files), whether a third-party tool is to be used, or tailored change control mechanisms, and develop procedures and documentation to support their use.		
7.	Develop procedures to provide assurance that programs installed with the privileges of the operating system (whether purchased from software vendors or internally developed) do not introduce security weaknesses.		
8.	Develop, document, and implement policies, procedures, and controls to conduct periodic reviews of actual mainframe security software settings against the security baseline.		
9.	Develop a mainframe security software risk assessment process using the Defense Information Systems Agency Security Technical Implementation Guide (STIG) as a guideline.		

10.	Develop a tailored mainframe security software configuration baseline that specifies how security configuration options should be set based on the industry guidance. As part of this action, management should develop and document a baseline specifying for each possible setting in the security software control file how the option should be set and who is responsible for approving the setting.
11.	Use the mainframe security software configuration baseline to harden the mainframe environment, including the Payment Authorization Manager and Payments, Claims, and Enhanced Reconciliations production. Remove duplicate and excessive permissions in the mainframe security software database.
12.	Remove duplicate and excessive permissions in the mainframe security software database.
13.	Perform an annual comparison of each actual setting in the mainframe security software control file to each setting specified in the baseline to verify compliance with the baseline.
14.	Develop and document procedures for controlling updates to the mainframe security software control file.
15.	Define and document the segregation of functions and privileges based on the principle of least privilege for mainframe security software and operating system.
16.	Review and establish access permissions to the mainframe system and security software based on the principle of least privilege access.
17.	Review and re-assess each access permission in the mainframe security software dataset and resource rules on a periodic basis.
18.	Develop procedures and documentation to establish the following for each dataset permission, resource permission, and mainframe security software privilege: a. Responsibility for approving access and enforcing compliance with the principle of least privilege; b. Actual access meets the principle of least privilege; and c. Any discrepancy from approved access will be identified and corrected.
19.	Develop, document, and implement policies, procedures, and controls for comprehensive logging and monitoring of events. Procedures and controls should include an annual re-assessment of whether logging and reporting is adequate.
20.	Review and determine which profiles, applications, databases, and other processes on the mainframe will be logged and reviewed.

21.	Assess all mainframe logs to determine which logs should be evaluated by the incident management tool.
22.	Establish appropriate alerts and event thresholds for those mainframe logs required to be evaluated by the external tracking tool.
23.	Develop and implement data and analysis tools and processes for identifying event trends, patterns, spikes, and exceptions.
24.	Identify non-security related purposes for logging and monitoring (including performance tuning, problem management, capacity planning, and management of service level agreements); assign responsibility for addressing and integrating them with security uses of logging and monitoring.
25.	Identify the possible sources of log information; determine how each is to be used for security monitoring; and develop procedures to ensure that each type of logging which is necessary for effective security monitoring is activated.
26.	Annually assess the effectiveness of security logging and monitoring, ensuring that the volume of logged events is limited to just those that are needed for security, and ensuring that monitoring results include effective identification and response for any violations and for any significant trends (such as an increase in the number of password resets for a given group of users or repetition of the same attempted but failed attempt to access a productions dataset or resource).
27.	Identify, document, and assess the mainframe security controls affecting the system software to fully describe how mainframe security is provided. These Fiscal Service management controls should include a. Specific assignment of responsibility for maintaining operating security, b. Skill assessment and remediation for operating system security maintenance, c. Baseline documents for mainframe configuration files, d. Standard procedures for review and maintenance of operating system security, and e. Standard procedures to compare actual configuration settings to baseline documents.
28.	Update mainframe documentation to be consistent with Fiscal Service and Treasury Directive Publication 85-01, <i>Department of the Treasury Information Technology Security Program</i> .
29.	Develop procedures and documentation to establish who is responsible and how effective security is achieved for controls.

30.	Implement an oversight process to determine that designated Fiscal Service personnel review and reevaluate privileges associated with the UNIX production environment semiannually for privileged accounts.
31.	Configure the systems-management software agents to include all UNIX servers, databases, and users' accounts within the UNIX environment when generating the users' lists for the semiannual review and recertification process so that all privileged and non-privileged users' access is reviewed.
32.	Update UNIX semiannual account review and recertification procedures to include quality control steps to validate that systems-management software is generating complete and accurate account listings for all UNIX servers and databases privileged and non-privileged user accounts within the UNIX environment prior to completing the review and recertification process.
33.	Finalize policies and procedures to review audit logs of production DB2 servers.
34.	Implement an oversight process to ensure that designated Fiscal Service personnel: a. Review the security logs for the UNIX and DB2 servers hosting the Payment Information Repository (PIR), Judgment Fund Internet Claim System (JFICS), and Security Payment System (SPS) applications on a predefined frequency, as indicated in the Fiscal Service Baseline Security Requirements. b. Formally document the completion of their reviews and any escalations to the Information System Security Office, and c. Retain the audit logs and documentation of their reviews for 18 months, as required by the Baseline Security Requirements.
35.	Periodically review Fiscal Service management's implementation and operation of the review of the security audit logs for the UNIX and DB2 servers hosting the PIR, JFICS, and SPS applications to determine that Fiscal Service management completes the reviews on a pre-defined basis, documents completion of the reviews and escalations, and maintains such documentation.
36.	Establish an effective enforcement process or mechanism to ensure that a. UNIX and DB2 events and monitoring controls are followed, and b. Fiscal Service management has confidence it consistently reviews for potential unauthorized or inappropriate activity.
37.	Update its current PIR security procedures to require that management obtain current PIR developer access requirement listings from the service provider and use them when validating the appropriateness of PIR developer access during the semiannual access reviews and recertification of the PIR and UNIX environments.

38.	Maintain the documentation used to review and recertify the access of the known PIR service provider developers evidencing that their access to the UNIX environments is commensurate with their job functions and responsibilities.
39.	Ensure that developers do not have the ability to make changes to the PIR production environment.
40.	Remove users' access once validated by the Federal Program Agency during the SPS annual user access review.
41.	Retain evidence of recertification of all users.
42.	Oversee the recertification process and ensure that access corrections are processed once received from the Federal Program Agency.
43.	Remove and disable the two users' access immediately.
44.	Implement a quality control process to ensure that PIR application accounts defined to the PIR production environment that have been inactive for over 120 days are disabled.
45.	Develop and implement documentation to assign responsibility for ensuring adequacy of UNIX and database security and baseline settings.
46.	Update existing UNIX and database configuration security baseline documents to ensure that these documents fully incorporate and enforce the components of the Defense Information Systems Agency STIG. Management should document any deviations from the STIG and note compensating controls that mitigate the security risk to an acceptable level.
47.	Develop, document, and implement policies, procedures, and controls to conduct periodic reviews of actual UNIX and database settings against the security configuration baselines.
48.	Provide logging and monitoring of security-related events to include the retention of evidence of reviews performed.
49.	Develop a baseline of essential security settings and specify that baseline as the standard to be observed.
50.	Implement corrective actions to address all vulnerabilities associated with the baseline enforcement to include removing the three default user accounts on UNIX servers. Management agreed with the recommendations.

Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-023	<i>BILL AND COIN MANUFACTURING: BEP Improved Governance and Oversight over Note Development and Production But Challenges Remain</i>	12/19
1.	The Director of the Bureau of Engraving and Printing (BEP) should finalize the required 5-year update of the memorandum of understanding with the Board of Governors of the Federal Reserve System (Board) to formalize BEP and the Board's responsibilities and authorities related to notes including activities, procedures, and obligations related to the annual production, destruction, and research and development of notes. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-027	<i>RESOURCE MANAGEMENT: Audit of the Department of the Treasury Departmental Offices Executive Pay Adjustments, Bonuses, and Awards</i>	02/20
1.	Treasury's Assistant Secretary for Management should ensure that the Office of the Deputy Assistant Secretary for Human Resources and Chief Human Capital Officer (DASHR/CHCO) and the Office of Executive Resources (OER) develop, implement, and include effective internal controls within its policies and standard operating procedures (SOP) to ensure Treasury's Senior Executive Service (SES) basic pay rates are in compliance with 5 CFR 534.403(a)(3)(b), <i>Suspension of certification of performance appraisal system</i> and 5 CFR 534.404 (h)(2), <i>Setting pay upon transfer</i> .		
2.	DASHR/CHCO and OER calculate the overpayment amounts for the two Departmental Office (DO) SES members whose pay was set higher than allowed by regulation.		
3.	DASHR/CHCO and OER complete Office of Personnel Management (OPM) data calls in accordance with OPM's applicable instructions and guidance to ensure all required employees, such as those who have left Treasury, are properly reported.		
4.	DASHR/CHCO finalizes and approves Treasury's SES Pay and Awards policy, and then periodically reviews it for continued relevance, effectiveness, and transparency in making pay decisions and awarding bonuses, assesses staffing levels, workforce skills, and respective budgets to determine whether additional personnel should and can plausibly be		

	incorporated into future strategic planning to ensure OER can meet its goals and mission.
5.	DASHR/CHCO finalizes and approves Treasury's SES Pay and Awards policy, and then periodically reviews it for continued relevance, effectiveness, and transparency in making pay decisions and awarding bonuses.
6.	OER documents the processes and SOP, with appropriate detail, followed in administering Treasury DO SES member performance ratings, pay adjustments, and bonuses.
7.	OER oversees the process regarding exceptions to the 12-month rule.
8.	OER includes information regarding the approval process for waiver requests for exceptions to the 12-month rule in the instructions provided to bureau heads and DO policy offices. This information should be consistent with Federal regulations and Treasury's SES Pay and Awards policy.
9.	OER submits Treasury's respective data call report to OPM by the due dates established by 5 CFR 534.405, <i>Performance awards</i> , and before any established deadlines per OPM's annual data call memorandum. Management agreed with the recommendations.

Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-029	<i>GULF COAST RESTORATION: Jefferson Parish's Internal Control Over Federal Awards</i>	03/20
1. & 2.	<p>The Fiscal Assistant Secretary should ensure that deficiencies identified in Jefferson Parish, Louisiana's controls over Federal awards are considered as part of the Treasury's oversight of future awards as well as risk assessments of Jefferson Parish as required by the <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (2 CFR Part 200). This recommendation is counted as two recommendations because it applies to both findings in the report. Management agreed with the recommendations.</p>		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-040	<i>BILL AND COIN MANUFACTURING: Audit of Bureau of Engraving and Printing's Implementation of Security Features and Meaningful Access for the Blind and Visually Impaired into New Note Design</i>	06/20
1.	<p>The Director of BEP in collaboration, as necessary, with members of the United States Currency Program, should: Ensure the Advanced Counterfeit Deterrence Steering Committee charter is updated in a timely manner, and as needed, to ensure roles, responsibilities, and current practices, such as the attendance of Advanced Counterfeit Deterrence Steering Committee monthly meetings by appropriate personnel, are clearly defined and communicated to its members. Management agreed with the recommendation.</p>		
Fiscal Year	Report Number	Report Title	Date Issued
2020	OIG-20-042	<i>MANUFACTURING AND REVENUE: Mint Controls Over Raw Materials and Coin Exchange Programs Need Improvement</i>	08/20
1.	<p>The Mint Director should strengthen and finalize SOPs for all coin exchange programs before accepting any redemptions. This would include using tests and subject matter experts to authenticate the genuineness of coins redeemed, as well as working with the Board to develop appropriate</p>		

	interagency procedures to assure the integrity of the coin redemption process for uncurrent coins.
2.	Follow all SOPs, including but not limited to, procedures related to sampling, inspecting, and testing coins, and appropriately document redemptions. Additionally, ensure that adequate background investigations are conducted on bulk redeemers and decisions to allow participation into the Mutilated Coin Redemption Program are based on relevant data from the background investigation. The Mint should add criteria, such as obtaining financial statements for analyses of the potential bulk redeemers and performing site visits at their premises, as part of the background investigation process for entry into the program. The Mint should document how this criteria was met, and if these steps were not performed, the reasons why.
3.	Ensure that all coins returned to the Mint and removed from circulation are destroyed timely and sufficiently accounted for. Management agreed with the recommendations.

Fiscal Year	Report Number	Report Title	Date Issued
2021	OIG-21-021	<i>FINANCIAL MANAGEMENT: Management Report for the Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2020 and 2019</i>	02/21
1.	Fiscal Service management should complete its periodic review of the PIR user access within the annual timeframe in accordance with the PIR System Security Plan (SSP).		
2.	Address resource constraints and prioritize efforts to perform reviews within the annual timeframe in accordance with the PIR SSP.		
3.	Retain evidence to demonstrate PIR auditable events are reviewed timely in accordance with policy and procedures.		
4.	Consider resource constraints and prioritize efforts to perform timely audit logging reviews in accordance with policy and procedures.		
5.	Review the current population of JFICS accounts and disable application user access that has been inactive for greater than 120 days.		
6.	Design and implement a control to automatically disable the JFICS application user accounts after 120 days of inactivity.		
7.	Retain evidence to demonstrate that access is disabled in a timely manner in accordance with the JFICS SSP.		
8.	Perform a review of the current system environment against the Configuration Management Database to ensure that all information system components are inventoried.		
9.	Perform a risk assessment over the subject matter and determine the appropriate personnel to be responsible for monitoring and updating the Configuration Management Database.		
10.	Update policy and procedures related to the above recommendations and disseminate the documentation to enforce such policy and procedures.		
11.	Conduct a review of the UNIX Mid-Tier production servers to validate that backups are scheduled for all servers based on the frequency defined in the Enterprise Information Technology Infrastructure SSP for the full fiscal year.		
12.	Perform a risk assessment over the subject matter and determine the appropriate personnel to be responsible for developing a Plan of Action & Milestones or formal risk acceptance for vulnerabilities identified.		

13.	Disseminate policy and procedures related to the use of a Plan of Action & Milestones or formal risk acceptance to the appropriate personnel determined above to enforce the respective vulnerability management requirements. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2021	OIG-21-026	<i>BILL AND COIN MANUFACTURING: Audit of Physical Security at U.S. Mint Production Facilities (Sensitive But Unclassified)</i>	04/21
1-2.	These recommendations are Sensitive But Unclassified. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2021	OIG-21-028	<i>FINANCIAL MANAGEMENT: Audit of Treasury's Compliance With the PIIA Requirements for Fiscal Year 2020</i>	05/21
1.	Treasury's Risk and Control Group (RCG) should work with Fiscal Service and Mint management to revise its controls over the review and approval process to verify the quantitative risk assessment includes sufficient supporting documentation to substantiate Fiscal Service's improper payment amount derived from its non-statistical sampling methodology. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-004	<i>INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2021 Performance Audit for Collateral National Security Systems (Sensitive But Unclassified)</i>	10/21
1-2.	These recommendations are Sensitive But Unclassified. Management agreed with the recommendations.		

Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-005	<i>CYBERSECURITY/INFORMATION TECHNOLOGY: Department of the Treasury Federal Information Security Modernization Act Fiscal Year 2021 Performance Audit (Sensitive But Unclassified)</i>	10/21
1-2.	These recommendations are Sensitive But Unclassified. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-008	<i>DATA ACT: Treasury Submitted Higher Quality Non-IRS Data in its Fiscal Year 2020 Third Quarter DATA Act Submission, However Improvements are Still Needed</i>	11/21
1.	Treasury should continue working with the Treasury Executive Office for Asset Forfeiture to ensure proper submission of Equitable Sharing financial assistance awards on USAspending.gov. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-012	<i>FINANCIAL MANAGEMENT: Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2021 and 2020</i>	11/21
1.	The Acting Assistant Secretary for Management and Acting Chief Financial Officer should ensure that Fiscal Service implements requisite corrective actions to resolve control deficiencies over its cash management and debt information systems. Separate reports with additional details and recommendations for corrective action were provided to Fiscal Service management.		
2.	Ensure that the Internal Revenue Service (IRS) implements corrective actions to resolve the control deficiencies at IRS. A separate report was provided to IRS management detailing the conditions identified and recommendations to address the significant deficiency.		
3.	Ensure that the IRS and the Fiscal Service develop and implement remediation plans outlining actions to be taken to resolve noncompliance		

	with the federal financial management system requirements and the resources and responsible organizational units for such planned actions. Separate reporting with recommendations was provided to IRS and Fiscal Service management to address the noncompliance with the Federal financial management system requirements. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-014	<i>FINANCIAL MANAGEMENT: Management Letter for the Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2021 and 2020</i>	12/21
1.	DO management should assist management in mitigating the risk of potential inaccurate reporting and noncompliance with public laws, management should complete a full review of all Treasury Account Symbols, compare all attributes to the Federal Account Symbols and Titles book, and create policies and procedures to adequately document the review of new Treasury Account Symbols. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-015	<i>FINANCIAL MANAGEMENT: Audit of the Office of D.C Pensions' Financial Statements for Fiscal Years 2021 and 2020</i>	12/21
1.	Office of D.C. Pensions management should enhance existing policies and procedures to document a process for reviewing, investigating, and resolving unusual or suspicious activity identified during the audit log review, as well as maintaining evidence of such review, investigation and resolution. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-028	<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Treasury's Implementation of the Emergency Capital Investment Program</i>	03/22
1.	The Deputy Assistant Secretary should ensure the Interim Director of the Emergency Capital Investment Program finalizes policies and procedures		

	and key documentation to govern full program implementation and ongoing administration of Emergency Capital Investment Program investments, as well as effective internal control over the program. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-031	<i>RESOURCE MANAGEMENT: Audit of the Department of the Treasury's Use of Cash Discounts (\$42,563 Funds Put to Better Use)</i>	03/22
1.	The Director of the Financial Crimes Enforcement Network (FinCEN) ensures that FinCEN develops, revises, and/or finalizes SOPs for taking cash discounts to ensure the process is adequately revised and documented to take full advantage of cash discounts when offered, and when applicable, as required by Section 2060 of the Treasury Financial Manual (TFM). (\$41,426, Funds Put to Better Use)		
2.	Maintains adequate controls on internal processes related to payment approvals.		
3.	Ensures that Contracting Officer Representatives (CORs) approve invoices with discounts timely.		
4.	Participates in required training, as necessary.		
5.	Distributes SOPs and/guidance relating to cash discounts to FinCEN's management, staff, Contracting Officer's, and COR, including provide training, as necessary.		
6.	The Director of the Comptroller of the Currency ensures that Office of the Comptroller of the Currency (OCC) develops, revises, and/or finalizes SOPs for taking full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM. (\$1,137, Funds Put to Better Use)		
7.	Maintains adequate controls on internal processes related to payment approvals.		
8.	Ensures that CORs approve invoices with discounts timely.		
9.	Distributes SOPs and/or guidance relating to cash discounts to OCC management, staff, Contract Officers, and CORs and provide training, as necessary. Management agreed with the recommendations.		

Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-035	<i>FINANCIAL MANAGEMENT: Audit of Treasury's Compliance With the PIA Requirements for Fiscal Year 2021</i>	06/22
1.	Treasury's RCG work with management at the Fiscal Service, Exchange Stabilization Fund, and Office of the Assistant Secretary for International Affairs to complete proper review of the program-specific risk assessments to better ensure management responses to risk assessment questions are accurate.		
2.	Treasury's RCG perform sufficient review of the annual Office of Management and Budget (OMB) data call to ensure the information published on PaymentAccuracy.gov are complete and accurate. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
ADX	OIG-22-037	<i>CYBERSECURITY/INFORMATION TECHNOLOGY: Federal Information Security Modernization Act Fiscal Year 2022 Performance Audit for the Unclassified Systems (Sensitive But Unclassified)</i>	09/22
1.	These recommendations are Sensitive But Unclassified. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-23-007	<i>FINANCIAL MANAGEMENT: Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2022 and 2021</i>	11/22
1.	The Acting Assistant Secretary for Management and Deputy Chief Financial Officer ensure that IRS and Fiscal Service develop and implement remediation plans outlining actions to be taken to resolve noncompliance with the federal financial management system requirements and the resources and responsible organizational units for such planned actions.		
2.	Ensure that IRS implements corrective actions to resolve the control deficiencies at IRS.		

3.	Ensure that Fiscal Service implements requisite corrective actions to resolve control deficiencies over its cash management systems. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-23-009	<i>FINANCIAL MANAGEMENT: Management Letter for the Audit of the Department of the Treasury's Consolidated Financial Statements for Fiscal Years 2022 and 2021</i>	12/22
1.	To assist DO management in mitigating the risk of potential inaccurate reporting and noncompliance with public laws, management enforce full review of all Treasury Information Executive Repository fund symbol following the SOP and update procedures to adequately document the review of new Treasury Information Executive Repository fund symbol.		
2.	Office of Recovery Programs (ORP) management determine the recipient monitoring resources needed to perform a timely review of the Projects and Expenditures report submission to align with financial statement reporting deadlines.		
3.	Design and implement policies and procedures that require certain manual journal entries are reviewed by ORP management prior to Administrative Resource Center (ARC) posting the journal entry or that journal entries posted by ARC are reviewed by ORP management on a timely basis.		
4.	Management annually, identify and ensure that the relevant complementary customer agency controls listed in The Report on the Bureau of the Fiscal Service's Description of its Administrative Resource Center Shared Service System and the Suitability of the Design and Operating Effectiveness of its Controls are considered in the design and implementation of controls at ORP. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-23-012	<i>FINANCIAL MANAGEMENT: Audit of the Office of D.C. Pensions' Financial Statements for Fiscal Years 2022 and 2021</i>	12/22
1.	Office of D.C. Pensions' management should enhance existing policies and procedures to document a process for reviewing, investigating, and resolving unusual or suspicious activity identified during the audit log		

	review, as well as maintaining evidence of such review, investigation and resolution. Management agreed with the recommendation.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-23-023	<i>Audit of Air Carrier Worker Support Certifications - Wings Air Helicopters, LLC.</i>	03/23
1.	The Chief Recovery Officer seek reimbursement of the overpayment of PSP1 financial assistance. The amount is sensitive information.		
2.	Review Wings Air Helicopters' requested amount for unallowable expenses, under PSP2 and PSP3, and seek reimbursement for the overpayment, if applicable. Management agreed with the recommendations.		
Fiscal Year	Report Number	Report Title	Date Issued
2023	OIG-CA-23-003	<i>Inquiry Into Allegations of Racially Disparate Treatment of U.S. Mint Employee.</i>	10/22
1.	Mint leadership should proactively evaluate patterns and trends in Administrative Investigations, Management Inquiries, and Equal Employment Opportunity complaints as it pertains to demographic characteristics including, but not necessarily limited to, race and ethnicity. To facilitate this type of analysis, the data collection process for Administrative Investigations and Management Inquiries should be improved to ensure the capture of necessary information and to ensure consistency of data collected.		
2.	Mint leadership should enhance efforts to proactively evaluate patterns and trends in Mint workforce statistics such as hiring and promotion practices as it pertains to demographic characteristics including, but not necessarily limited to, race and ethnicity. As part of this proactive evaluation, steps should be taken to identify potential adverse trends, understand why they exist, and review whether there are opportunities to address them		
3.	Mint leadership should ensure that the Mint workforce has the proper policies, resources, and tools to aid employee understanding of how to file complaints pertaining to harassment, employee misconduct, and potential deficiencies and/or vulnerabilities in Mint operations, programs, and/or systems. This also pertains to ensuring that policies for Management Inquiries and Administrative Investigations are clearly written so that employees understand the distinction between the two processes. To ensure that efforts are effective, consideration should be given to		

	conducting surveys and/or other forms of outreach among the workforce as it pertains to the complaint process. Management agreed with the recommendations.
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Other Federal Agencies

Fiscal Year	Report Number	Report Title	Date Issued
2022	OIG-22-033	<i>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</i>	03/22
1.	Ensure Cargo Security and Controls Division (CSC) officials develop and disseminate performance measures specific to the In-Bond Program so that CSC, field offices, and port personnel are aware of program expectations. These measures should be used to regularly assess port performance and hold ports accountable.		
2.	Ensure CSC officials develop written procedures for CSC’s oversight of port performance relating to the In-Bond Program to include, but not be limited to, regular data analytics and review of Automated Commercial Environment (ACE) reports.		
3.	Ensure CSC officials work with Trade Transformation Office (TTO) officials to implement a central repository to store ACE reports, compliance examination documentation, and other in-bond related information, including training materials, maintained by the ports so that CSC can oversee in-bond activity. Additionally, CSC should regularly notify field offices and ports that these documents are available in this repository.		
4.	Ensure CSC officials expand the Self-Inspection Program in-bond Self-Inspection Worksheet questions to cover key program areas, such as the ports’ use of ACE reporting to oversee overdue in-bond shipments and training for CBP officers on in-bond compliance examinations and audits.		
5.	Ensure CSC officials provide guidance to the ports on how to respond to in-bond Self-Inspection Worksheet questions to include scenarios and the appropriate response given those scenarios.		
6.	Ensure CSC officials issue policies and procedures for ports on ACE reports they are expected to run regularly to oversee in-bond shipments and ensure		

	in-bonds are closed out. This should include guidance necessary to monitor shipments in ACE as well as review proof of exports.
7.	Ensure CSC officials issue policies and procedures for CSC to regularly review the monitoring and tracking of in-bond shipments conducted by the ports.
8.	Ensure CSC officials update in-bond regulations to require a standardized proof of export to be uploaded to ACE for all cargo exported.
9.	Ensure CSC officials provide TTO official's business requirements after regulations are updated so that TTO can update ACE to require proof of export for closure of in-bonds that are exported.
10.	Ensure Office of Trade officials, with input from CSC officials, update regulations to support ACE functionality and data quality to modernize the in-bond process. This includes improving the report processing time, improving the quality of reports, and addressing Commercial Customs Operations Advisory Committee concerns regarding the system.
11.	Ensure CSC officials provide TTO officials with business requirements after regulations are updated so that TTO can implement changes in ACE to modernize in-bond tracking and automation processes and enhance data quality to meet user needs.
12.	Direct CSC officials to consider updating guidance on compliance examinations to require ports to examine a statistically valid sample of in-bond shipments so that cargo reviewed is more representative of all in-bond shipments. Additionally, the guidance should contain instructions on waivers of examination including documenting the justification for these waivers.
13.	Ensure CSC and TTO officials require ACE training related to the oversight of in-bond cargo for all CBP officers.
14.	Ensure the Commercial Operations Revenue & Entry Division coordinates with the Revenue Division and CSC officials to improve custodial bonding to address the risks of merchandise transported in-bond and update CBP's bonding policy. The policy should improve the connectivity between in-bond shipments and respective duties, taxes, and fees by considering estimated duties when determining the appropriate bond coverage.
15.	Ensure the Commercial Operations Revenue & Entry Division provides general bond training to include setting the appropriate bond amounts. Management agreed with the recommendations.

Closed Investigations of Senior Government Employees Not Publicly Disclosed

April 1, 2023, through September 30, 2023

Treasury OIG closed 1 investigation involving senior Government employees during the period that was not publicly disclosed and it was unsubstantiated.

Allegation/Disposition

On June 7, 2023, the OIG completed its report of investigation for a case initiated upon notification that two senior employees of the Office of the Comptroller of the Currency (OCC) undermined the OCC computer security phishing program by notifying employees under their supervision that it was in progress. The complaint was discussed with the OIG, Office of Chief Counsel and the determination was made that an administrative violation was not committed by either of the employees. The OIG provided a report to the OCC for its information. This matter was unsubstantiated and not referred to the Department of Justice. *Unsubstantiated*

Trafficking Victims Prevention and Protection Reauthorization Act of 2022

April 1, 2023, through September 30, 2023

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

April 1, 2023, through September 30, 2023

There were no new cases of possible whistleblower retaliation opened during this reporting period. As such, there were no established cases of whistleblower retaliation to report for the period.

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

April 1, 2023, through September 30, 2023

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

April 1, 2023, through September 30, 2023

Office of Audit

<i>Report Title</i>	<i>Report Number</i>
<i>April 2023</i>	
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Constant Aviation, LLC</i>	<u>OIG-23-024</u>
<i>May 2023</i>	
<i>Overseas Contingency Operations - Summary of Work Performed by the Department of the Treasury Related to Terrorist Financing and Anti-Money Laundering for Second Quarter Fiscal Year 2023</i>	<u>OIG-CA-23-017</u>
<i>FINANCIAL MANAGEMENT: Audit of the Gulf Coast Ecosystem Restoration Council's Compliance With PIIA of 2019 for Fiscal Year 2022</i>	<u>OIG-23-025</u>
<i>FINANCIAL MANAGEMENT: Audit of Treasury's Compliance With the PIIA Requirements for Fiscal Year 2022</i>	<u>OIG-23-026</u>
<i>June 2023</i>	
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Paradigm Jet Management, Inc.</i>	<u>OIG-23-027</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Ground Services International, Inc.</i>	<u>OIG-23-028</u>
<i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Bird Acquisition, LLC</i>	<u>OIG-23-029</u>
<i>Desk Review of Chippewa Cree Tribe's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-018</u>

Statistical Summary

<i>Desk Review of State of Illinois' Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-019</u>
<i>Desk Review of The Cherokee Nation, Oklahoma's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-020</u>
<i>Desk Review of New York City's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-021</u>
<i>System Review Report - Department of the Interior, Office of Inspector General</i>	OIG-CA-23-023
Letter of Comment - Department of the Interior, OIG	OIG-CA-23-024
<i>Desk Review of Lancaster County, Pennsylvania's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-024</u>
July 2023	
<i>Desk Review of State of California's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-025</u>
<i>Desk Review of Turtle Mountain Band of Chippewa Indians' Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-026</u>
<i>Desk Review of Los Angeles County, California's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-027</u>
<i>Desk Review of City of Dallas, Texas's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-028</u>
<i>Desk Review of State of Florida's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-029</u>
<i>Desk Review of San Bernardino County, California's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-030</u>
<i>Joint Purchase and Integrated Card Violations Report (October 1, 2022, through March 31, 2023) - Internal Memorandum</i>	OIG-CA-23-031
<i>Desk Review of Phoenix, Arizona's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-032</u>
<i>Desk Review of Pleasant Point Indian Reservation, Maine's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-033</u>

Statistical Summary

<i>Desk Review of State of Texas' Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-034</u>
<i>Desk Review of the State of Tennessee's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-035</u>
<i>CYBERSECURITY/INFORMATION TECHNOLOGY: The Gulf Coast Ecosystem Restoration Council Federal Information Security Modernization Act of 2014 Evaluation Report for Fiscal Year 2023</i>	<u>OIG-CA-23-036</u>
<i>Desk Review of State of Ohio's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-037</u>
<i>Desk Review of Native Village of Point Hope's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-038</u>
August 2023	
<i>Desk Review of the Commonwealth of the Northern Mariana Islands Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-039</u>
<i>Desk Review of the Commonwealth of Puerto Rico's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-040</u>
<i>Desk Review of Navajo Nation Tribal Government's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-041</u>
<i>Desk Review of the Commonwealth of Virginia's Use of Coronavirus Relief Fund Proceeds</i>	<u>OIG-CA-23-042</u>
<i>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 2023</i>	<u>OIG-CA-23-043</u>
<i>Emergency Rental Assistance (ERA) Action Team ERA Complaint Review and Disposition Standard Operating Procedures - Internal Memorandum</i>	OIG-CA-23-044
<i>Emergency Rental Assistance (ERA) Action Team ERA Complaint Processing and Distribution Standard Operating Procedures - Internal Memorandum</i>	OIG-CA-23-045
<i>Emergency Rental Assistance (ERA) Action Team Procedures for Analyzing and Advising on ERA Program Single Audit Priority Findings - Internal Memorandum</i>	OIG-CA-23-046

<p><i>ANTI-MONEY LAUNDERING/TERRORIST FINANCING: Audit of FinCEN's Management of BSA Data - Suppression Report</i></p>	<p><u>OIG-23-030</u></p>
<p style="text-align: center;">September 2023</p>	
<p><i>Plan to Establish a Data Literacy Program for the Department of the Treasury Office of Inspector General</i></p>	<p><u>OIG-CA-23-047</u></p>
<p><i>Interim Audit Update – Audit of American Samoa's Uses of Coronavirus Relief Fund Payment</i></p>	<p><u>OIG-23-031</u></p>
<p><i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of the Community Development Financial Institutions Fund's Award and Post-Award Administration of the CDFI Rapid Response Program</i></p>	<p><u>OIG-23-032</u></p>
<p><i>CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of the Community Development Financial Institutions Fund's Implementation of the CDFI Equitable Recovery Program</i></p>	<p><u>OIG-23-033</u></p>
<p><i>FINANCIAL MANAGEMENT: 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, 2022 to June 30, 2023</i></p>	<p><u>OIG-23-034</u></p>
<p><i>CYBERSECURITY/INFORMATION TECHNOLOGY: Fiscal Year 2021 Audit of the Department of the Treasury's Information Security Program and Practices for Its Intelligence Systems (CLASSIFIED, NOT PUBLICLY DISCLOSED)</i></p>	<p><u>OIG-23-035</u></p>
<p><i>CYBERSECURITY/INFORMATION TECHNOLOGY: Fiscal Year 2022 Audit of the Department of the Treasury's Information Security Program and Practices for Its Intelligence Systems (CLASSIFIED, NOT PUBLICLY DISCLOSED)</i></p>	<p><u>OIG-23-036</u></p>
<p><i>FINANCIAL MANAGEMENT: Report on the Bureau of the Fiscal Service's Description of its Administrative Resource Center Shared Services System and the Suitability of the Design and Operating Effectiveness of its Controls for the Period July 1, 2022, to June 30, 2023</i></p>	<p><u>OIG-23-037</u></p>

Council of Inspectors General on Financial Oversight

<i>Report Title</i>	<i>Report Number</i>
<i>July 2023</i>	
<i>Annual Report of the Council of Inspectors General on Financial Oversight (July 2023)</i>	<u>No Report Number</u>
<i>August 2023</i>	
<i>Audit of the Financial Stability Oversight Council's Efforts to Address Climate-Related Financial Risk</i>	<u>CIGFO-2023-001</u>

Audit Reports Issued With Questioned Costs

April 1, 2023, through September 30, 2023

Category	Total No. of Reports	Total Questioned Costs	Total Unsupported Costs
For which no management decision had been made by beginning of reporting period	4	\$1,133,408	\$0
Which were issued during the reporting period	22	\$2,239,122,323	\$0
Subtotals	26	\$2,240,255,731	\$0
For which a management decision was made during the reporting period	3	\$1,105,256	\$0
Dollar value of disallowed costs	3	\$1,105,256	\$0
Dollar value of costs not disallowed	0	\$0	\$0
For which no management decision was made by the end of the reporting period	23	\$2,239,150,475	\$0
For which no management decision was made within 6 months of issuance	1	\$28,152	\$0
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

April 1, 2023, through September 30, 2023

Category	Total		Savings	Revenue Enhancement
	No. of Reports	Total		
For which no management decision had been made by beginning of reporting period	1	\$50,837	\$0	\$0
Which were issued during the reporting period	0	\$0	\$0	\$0
Subtotals	1	\$50,837	\$0	\$0
For which a management decision was made during the reporting period	1 ⁴	\$8,274	\$0	\$0
Dollar value of recommendations agreed to by management	0	\$0	\$0	\$0
Dollar value based on proposed management action	0	\$0	\$0	\$0
Dollar value based on proposed legislative action	0	\$0	\$0	\$0
Dollar value of recommendations not agreed to by management	1	\$8,274	\$0	\$0
For which no management decision was made by the end of the reporting period	1	\$42,563	\$0	\$0
For which no management decision was made within 6 months of issuance	1	\$42,563	\$0	\$0
A recommendation that funds be put to better use denotes funds could be used more efficiently if management took actions to implement and complete the recommendation including: (1) reduction in outlays; (2) de-obligations of funds from programs or operations; (3) costs not incurred by implementing recommended improvements related to operations; (4) avoidance of unnecessary expenditures noted in pre-award review of contract or grant agreements; (5) any other savings which are specifically identified; or (6) enhancements to revenues of the Federal Government.				

⁴ There was a management decision on 1 of 3 recommendations with funds put to better use, for report, Treasury OIG, *RESOURCE MANAGEMENT: Audit of the Department of the Treasury's Use of Cash Discounts*, OIG-22-031 (March 23, 2022).

Reports for Which No Management Comment Was Returned Within 60 Days

As of September 30, 2023

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

Reports Issued Over 6 Months for Which No Management Decision Has Been Made

As of September 30, 2023

As of the end of this semiannual reporting period, Treasury management had not decided on recommendations with monetary benefits for 2 reports issued over 6 months:

- *RESOURCE MANAGEMENT: Audit of the Department of the Treasury's Use of Cash Discounts* (OIG-22-031, 03/23/2022) \$42,563 Funds Put to Better Use
 - *CORONAVIRUS DISEASE 2019 PANDEMIC RELIEF PROGRAMS: Audit of Air Carrier Worker Support Certifications - Wings Air Helicopters, LLC (Redacted)* (OIG-23-023, 03/31/2023) \$28,152 Questioned Costs
-

Significant Revised Management Decisions

April 1, 2023, through September 30, 2023

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

Significant Disagreed Management Decisions

April 1, 2023, through September 30, 2023

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

Peer Reviews

April 1, 2023, through September 30, 2023

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 U.S. Department of Health and Human Services (HHS) OIG. In its report dated September 27, 2021, HHS OIG rendered a *Pass* rating for our system of quality control in effect for the year ended March 31, 2021. External audit peer review reports of our office are available on Treasury OIG's [website](#).

On June 27, 2023, Treasury OIG rendered a *Pass* rating to the Department of Interior OIG for its system of quality control in effect for the year ended September 30, 2022.

Office of Investigations

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

In its report dated January 5, 2021, the Federal Housing Finance Agency OIG found our office to be in compliance with all relevant guidelines for fiscal year 2020.

On June 6, 2023, Treasury OIG rendered a compliant rating to the Small Business Administration OIG.

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 (OCC) with losses to the Federal Deposit Insurance Corporation's (FDIC) 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 Office of Inspector General (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 FDIC 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 the 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.

There were no banks supervised by OCC that failed during this reporting period.

Operation Inherent Resolve Quarterly Summary Memorandums to the Department of Defense OIG

During this reporting period, we issued two summary memorandums to the Department of Defense OIG regarding information we obtained on the Department of the Treasury's (Treasury or the Department) activities with respect to disrupting the Islamic State of Iraq and Syria's (ISIS) finances. The memorandums included specific examples of activities to disrupt ISIS's financing, information on Treasury programs that combat terrorist financing, and

Other Reporting Requirements and Requests

work we performed or plan to perform to review these programs.
([OIG-CA-23-017](#), [OIG-CA-23-043](#))

References to the Inspector General Act

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Section 405(b)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	5-30
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Section 405(b)(9)	Recommendations that funds be put to better use	63
Section 405(b)(8)(A)	Summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period for which no management decision was made	33-54
Section 405(b)(10)(B)	Summary of each audit, inspection, and evaluation report issued for which no management comment was returned within 60 days	64
Section 405(b)(10)(C)	Summary of each audit, inspection, and evaluation report issued before the beginning of the reporting period for which there are outstanding unimplemented recommendations, including the aggregate potential cost savings	64
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Section 405(b)(14)	Results of peer reviews conducted of Treasury OIG by another OIG	65-66
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Section 405(b)(17)(A-D)	Statistics for the period related to the number of (A) investigative reports issued, (B) persons referred to the Department of Justice for criminal prosecution, (C) persons referred to state and local authorities for criminal prosecution, and (D) criminal indictments/informations	32
Section 405(b)(18)	Description of metrics used to develop investigative statistics in Section 5(a)(17)	32
Section 405(b)(19)	Summary of each investigation involving a senior Government employee where allegation of misconduct was substantiated	55
Section 405(b)(20)	Instances of whistleblower retaliation	56
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References to the Inspector General Act

Section 405(e)	Serious or flagrant problems, abuses, or deficiencies	N/A
Section 406(c)(2)	Report to Secretary when information or assistance is unreasonably refused	56

Abbreviations

ACE	Automated Commercial Environment
ARP	American Rescue Plan Act of 2021
ASG	American Samoa Government
BEP	Bureau of Engraving and Printing
BSA	Bank Secrecy Act
CAA, 2021	Consolidated Appropriations Act, 2021
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
Castro	Castro & Company, LLC
CBP	U.S. Customs and Border Protection
CDFI	Community Development Financial Institutions
CIGFO	Council of Inspectors General on Financial Oversight
CIGIE	Council of the Inspectors General on Integrity and Efficiency
Council	Gulf Coast Ecosystem Restoration Council
COR	Contracting Officer Representative
COVID-19	Coronavirus Disease 2019
CRF	Coronavirus Relief Fund
CSC	Cargo Security and Controls Division
DASHR/CHCO	Office of the Deputy Assistant Secretary for Human Resources and Chief Human Capital Officer
DATA Act	Digital Accountability and Transparency Act
DO	Departmental Offices
Dodd-Frank	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
DIF	Deposit Insurance Fund
ERA	Emergency Rental Assistance
ERP	Equitable Recovery Program
FinCEN	Financial Crimes Enforcement Network
Fiscal Service	Bureau of the Fiscal Service
FISMA	Federal Information Security Modernization Act of 2014
FPR	Financial Progress Reports
FSOC	Financial Stability Oversight Council
GAO	Government Accountability Office
Green Book	Standards for Internal Control in the Federal Government

GSI	Ground Services International, Inc.
IRS	Internal Revenue Service
JFICS	Judgment Fund Internet Claim System
KPMG	KPMG LLP
Mint	United States Mint
OCC	Office of the Comptroller of the Currency
OER	Office of Executive Resources
OFAC	Office of Foreign Assets Control
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
ORP	Office of Recovery Programs
PIIA	Payment Integrity Information Act of 2019
PIR	Payment Information Repository
PSP1	Payroll Support Program
PSP2	Support Program Extension
PSP3	Payroll Support Program 3
RESTORE Act	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012
RCG	Risk and Control Group
RMA	RMA Associates, LLC
RRP	Rapid Response Program
SBLF	Small Business Lending Fund
SES	Senior Executive Service
SPS	Security Payment System
SOP	standard operating procedures
S&R	Saggar & Rosenberg, P.C.
SSP	System Security Plan
STIG	Security Technical Implementation Guide
TIGTA	Treasury Inspector General for Tax Administration
TFM	Treasury Financial Manual
TMBCI	Turtle Mountain Band of Chippewa Indians’
Treasury	Department of the Treasury
TTO	Trade Transformation Office
Uniform Guidance	<i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal</i>

USAO

Wings Air Helicopters

*Awards, 2 Code of Federal Regulations Part
200*

U.S. Attorney's Office

Wings Air Helicopters, LLC.



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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/>