



**OFFICE OF THE
INSPECTOR GENERAL**
MASSACHUSETTS

Pandemic Funding Oversight Quarterly Report



2024 First Quarter

April 1, 2024

Jeffrey S. Shapiro, Esq., CIG
Inspector General
Office of the Inspector General
Commonwealth of Massachusetts

April 1, 2024

Via Electronic Mail

The Hon. Michael J. Rodrigues, Chair
Senate Ways and Means Committee
Michael.Rodrigues@masenate.gov

The Hon. Aaron Michlewitz, Chair
House Ways and Means Committee
Aaron.M.Michlewitz@mahouse.gov

Michael D. Hurley, Senate Clerk
Office of the Clerk of the Senate
Michael.Hurley@masenate.gov

Steven T. James, House Clerk
Office of the Clerk of the House
Steven.James@mahouse.gov

Re: Office of the Inspector General Pandemic Funding Oversight Quarterly Report

Dear Chair Rodrigues, Chair Michlewitz, Clerk Hurley and Clerk James:

Enclosed please find the Office of the Inspector General's (OIG) Pandemic Funding Oversight Report for the first quarter of Calendar Year (CY) 2024. As this is the first quarterly report issued pursuant to reserve fund line item 1599-2051, it contains information relating to all work the OIG has conducted since the original reserve funds were made available in 2021.

The OIG's Special Funding Oversight Division coordinates the detection, mitigation and prevention of fraud, waste and abuse of funds awarded to Massachusetts public entities in response to the COVID-19 pandemic. The division works in collaboration with other OIG units, including the Bureau of Program Integrity, the Internal Special Audit Unit, and the Audit, Oversight and Investigations Division. In this year's first quarter, the OIG spent \$28,404.69 from the reserve fund on salary costs. Since funding was made available at the end of CY 2022, the OIG has spent \$216,625.

This report details the OIG's related work, which includes reviews, guidance and trainings.

Section One. Over the past year, the OIG requested and reviewed plans for administering and monitoring programs supported by federal pandemic awards. Section One provides an overview of these reviews. In the first quarter, the OIG issued letters to the Executive Office of Housing and Livable Communities and the Massachusetts Department of Agricultural Resources regarding specific compliance recommendations for programs they administer that are funded by federal pandemic awards.

Section Two. The OIG also produces guidance related to the administration and oversight of federal pandemic awards, which is described in Section Two. In the first quarter, the OIG produced two items to assist administrators of pandemic awards. First, the OIG created a "Checklist of Requirements for Contracts Using Federal Awards" to enable administrators of contract awards to adhere to federal contracting requirements and minimize the risk of recoupment. Second, the OIG created a "Short Guide to Project Management Recommendations from the Federal Acquisition Institute" to enable award administrators to employ best practices for project management and thereby reduce fraud, waste and abuse.

Section Three. The OIG regularly conducts trainings on rules for federal pandemic award programs, best practices for administering and monitoring those awards, and project management. These trainings are described in Section Three. On March 5, the OIG delivered a training regarding best practices for managing projects funded by federal pandemic awards as part of the OIG Academy's "Spotlight on Schools" training.

If you have any questions or concerns about the OIG pandemic funding oversight program or this report, please reach out to me or Michael Frieber, Director of Special Funding Oversight, at Michael.G.Frieber@mass.gov.

Thank you for reviewing this quarterly report.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG
Inspector General

cc (by email):

Matthew Gorzkowicz, Secretary, Exec. Office for Admin. and Finance
Chris Sawin, Compliance Officer, Exec. Office for Admin. and Finance
Susanne O'Neil, Deputy Inspector General and General Counsel, OIG
Joshua Giles, Director, Government Outreach and Public Policy Division, OIG
Michael Frieber, Director, Special Funding Oversight Division, OIG
Nataliya Urciuoli, Senior Executive Assistance, OIG



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Section One: State Program Reviews

The Office of the Inspector General (OIG) reviewed administration and monitoring plans used by state agencies for programs funded through federal pandemic awards to ensure that plans address relevant fraud, waste, and abuse risks, and that agencies follow the plans. The following table provides an overview of these programs, followed by a list of OIG recommendations.¹

Funding Source	Parent Agency	Subagency	Grant Title	Amount
ARPA	EOE	EEC	Child Care Stabilization Funding	\$314,379,488
APRA	EOE	EEC	Child Care and Development Block Grant	\$196,164,566
ARPA	EOHLC	EOHLC	Low-Income Home Emergency Assistance Program	\$187,074,431
ARPA	EOHLC	EOHLC	Emergency Housing Choice Vouchers	\$21,732,419
ARPA	EOHLC	EOHLC	Low-Income Household Drinking Water and Wastewater Emergency Assistance Program	\$8,494,527
ARPA (via Chapter 102, Acts of 2021)	EOHLC	EOHLC	Rental Housing Production/Affordable Housing	\$105,000,000
ARPA	EOE	DESE	Governor's Emergency Education Relief Fund – Emergency Assistance to Non-Public Schools	\$24,826,386
ARPA	EOE	DESE	Elementary and Secondary School Emergency Relief Fund	\$1,831,416,990

¹ See Appendix A for a table of abbreviations used in this report.

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Funding Source	Parent Agency	Subagency	Grant Title	Amount
ARPA	EEA	MDAR	Local Food Purchase Assistance Cooperative Agreement Program	\$8,400,000
ARPA	EOED	EOED	State Small Business Credit Initiative	\$171,723,726
ARPA	EOED	EOED	EDA Grants – State Tourism Grants	\$16,168,150
ARPA	EOPSS	MEMA	Emergency Management Performance Grant	\$1,991,905
ARPA		MassHousing	Commonwealth Builder Program	\$115,000,000

As a result of its reviews, the OIG made recommendations regarding the administration and oversight of programs funded with federal pandemic awards to the state agencies it reviewed, including:

- Employ a checklist and after-action report process to standardize and formalize the process of conducting site visits.
- Describe what site visit assessments entail and corrective action that should take place should an assessment reveal poor performance.
- Describe in an agency’s administration policies specific oversight practices of program partners that it employs, including check-in calls, regular risk assessments, and analysis of key performance indicators to help gauge program success.
- Develop written guidance describing the methods that program staff should use to verify payments, and the corrective actions that staff should take if they discover ineligible payments.
- Develop written guidance for staff to periodically contact entities that engage with program subrecipients to verify transfers of funds involving those entities.
- Describe in an agency’s administration policies specific practices it takes to verify the residency of program beneficiaries, where residency is an eligibility requirement of the program.
- Describe in an agency’s administration policies how it will determine that a subgrantee’s outreach efforts have been performed in an effective manner.

Section Two: Guidance

The OIG regularly publishes written guidance to assist recipients and administrators of programs that administer, oversee or use pandemic funds. This guidance relates to eligible uses of federal awards and related rules, choosing and monitoring subrecipients, and project management best practices.

Guidance Type	Title	Date	Description	Link
Webpage	Pandemic Funding Oversight Resources	2022	Resources from the federal government, state agencies, the OIG, and professional associations that are relevant to the administration and oversight of projects using federal pandemic awards.	https://www.mass.gov/guides/pandemic-funding-oversight-resources
Bulletin Article	Ensuring Effective Use of ARPA Funds by Grant Recipients	2/1/2022	Ways that jurisdictions can ensure oversight of transferees of federal pandemic awards.	https://www.mass.gov/info-details/oig-bulletin-february-2022-ensuring-proper-use-of-arpa-funds-by-grant-recipients
Bulletin Article	Best Practices for Using Coronavirus Fiscal Recovery Funds	8/1/2022	Best practices for using coronavirus fiscal recovery funds, calling attention to eligible use requirements, procurement rules, and attendant federal regulations.	https://www.mass.gov/doc/oig-bulletin-august-2022-vol-3-3/download
Bulletin Article	Subrecipients and Contractors: Determining the Difference when Disbursing Federal Funds	12/1/2022	How jurisdictions should determine whether a transferee of federal funds is a subrecipient or contractor under 2 CFR 200, and why that difference matters.	https://www.mass.gov/doc/oig-bulletin-december-2022-vol-3-4/download
Bulletin Article	Selection and Monitoring Guidance for Subrecipients of Federal Awards	7/1/2023	How jurisdictions can conduct oversight of subrecipients of federal awards, as well as federal regulations requiring monitoring of subrecipients.	https://www.mass.gov/doc/oig-bulletin-july-2023-volume-4-issue-2/download

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Guidance Type	Title	Date	Description	Link
Guidance Document	Short Guide to Project Management Recommendations from the Federal Acquisition Institute	3/1/2024	Summary of advice about project management from the Federal Acquisition Institute as communicated through its Guide for Project Managers. This guidance breaks up the process of project management into discrete steps and provides a list of considerations that public leaders will find helpful as they approach projects.	https://www.mass.gov/doc/federal-acquisition-institute-project-management-memo/download
Guidance Document	Checklist of Requirements for Contracts Using Federal Grant Funds	3/1/2024	Checklist that helps ensure agreements are compliant with federal law that requires agreements between non-federal recipients of federal awards (including local jurisdictions receiving federal grants) and transferees (subrecipients and contractors) include certain statutory or regulatory language.	https://www.mass.gov/doc/checklist-of-requirements-for-contracts-using-federal-grant-funds/download
Bulletin Article	Upcoming ARPA Deadlines and New Resources	3/28/2024	Upcoming deadlines regarding the Coronavirus State and Local Fiscal Recovery Fund Program, as well as the Elementary and Secondary School Emergency Relief Program. The article also provides information about recently published OIG guidance.	https://www.mass.gov/doc/oig-bulletin-april-2024-volume-5-issue-1/download

Section Three: Trainings

The OIG, through its OIG Academy, regularly provides trainings regarding federal pandemic awards, associated rules, and best practices to a variety of Massachusetts public employees from state agencies, local governments, school districts and other public entities. So far, the OIG has delivered pandemic-related trainings to over 600 attendees.

Class Title	Dates	Attendees	Class Description
Introductory Free ARPA Webinar	3/24/2022 5/19/2022 6/15/2022 7/1/2022 9/1/2022	Only partial data available	Introductory free ARPA webinar on eligible uses of Fiscal Recovery Funds, associated deadlines and reporting requirements, the Uniform Administration Requirements for Federal Awards under 2 CFR 200, and more.
Second ARPA Webinar	11/1/2022 2/1/2023 4/1/2023 6/1/2023	176	Second free ARPA webinar on updates to the rules for Fiscal Recovery Funds, presumptively eligible uses of FRF, and rules associated with capital expenditures.
Third ARPA Webinar	8/1/2023 9/1/2023	220	Third free ARPA webinar combined elements of the first two webinars and offered as a standalone training in summer 2023.
Best Practices for Pandemic Relief Funds	11/1/2023 12/1/2023 3/5/2024	157	Best practices for developing strong project management plans for projects funded with federal pandemic awards.

For further guidance, please visit the OIG's Pandemic Funding Oversight Resources page at www.mass.gov/guides/pandemic-funding-oversight-resources.

Appendix A: Table of Abbreviations

ARPA – Federal American Rescue Plan Act of 2021
DESE – Massachusetts Department of Elementary and Secondary Education
EEA – Massachusetts Executive Office of Energy and Environmental Affairs
EEC – Massachusetts Department of Early Education and Care
EOE – Massachusetts Executive Office of Education
EOED – Massachusetts Executive Office of Economic Development
EOHLC – Massachusetts Executive Office of Housing and Livable Communities
EOPSS – Massachusetts Executive Office of Public Safety and Security
MDAR – Massachusetts Department of Agricultural Resources
MEMA – Massachusetts Emergency Management Agency