



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

April 13, 2020

**MEMORANDUM FOR BRENT MCINTOSH
UNDERSECRETARY FOR INTERNATIONAL AFFAIRS**

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

SUBJECT: Engagement Memorandum – Audit of “Air Carrier
Worker Support” Certifications under Title IV, Subtitle
B, of the CARES Act (A-FA-20-041)

On March 30, 2020, we sent notification of our audit of the Department of the Treasury’s (Treasury) implementation of Title IV, Subtitle B, of The *Coronavirus Aid, Relief, and Economic Security Act*, (P. L. 116-136), which requires Treasury to provide financial assistance to air passenger and air cargo carriers (collectively referred to as air carriers) and respective contractors, that must exclusively be used for the continuation of payments of employees’ wages, salaries, and benefits. Financial assistance is to be in an amount equal to the salaries and benefits reported to the Department of Transportation (DOT) for the period April 1, 2019 through September 30, 2019. For air carriers and contractors that do not report such data to DOT, they must certify to Treasury via sworn financial statements or other appropriate data the wages, salaries, benefits, and other compensation amounts. Title IV, Subtitle B, assigns our office with responsibility to audit these certifications. In this regard, we are initiating a separate audit specific to the certifications submitted by air carriers and contractors that do not report to DOT.

The objective of our audit is to assess the accuracy, completeness, and sufficiency of air carriers’ and contractors’ “sworn” financial statements or other data used to certify the wages, salaries, benefits, and other compensation amounts submitted and approved by Treasury. The scope of our audit includes, but is not limited to, certified applications, financial statements, tax returns, and other documentation provided to Treasury during the period March 30, 2020 through April 27, 2020. As part of our audit, we will interview key officials, staff, as well as financial agents and contracted consultants engaged to aid in Treasury’s evaluation of air carriers and contractors’ certified applications and other data. We will also review all documentation submitted by air carriers and contractors to support certified application data as defined in our scope, and if necessary, request additional

documentation from air carriers and contractors. We will coordinate access to records and individuals through your office's designated contact.

We plan to start our work immediately to gather as much information as possible. As noted at our entrance conference for Treasury's implementation of the air carrier worker support provisions, we are mindful that Treasury is still carefully developing a process to carry out its responsibilities under Title IV Subtitle B.

If you have any questions, please contact me at (202) 486-1420 or Eileen Kao, Audit Director, at (202) 607-9519.