



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 30, 2020

**MEMORANDUM FOR BRIAN CALLANAN
GENERAL COUNSEL**

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

SUBJECT: Engagement Memorandum – Audit of the Department of the Treasury’s Implementation of “Air Carrier Worker Support” under Title IV, Subtitle B, of the CARES Act (A-FA-20-040)

Title IV, Subtitle B, of The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), (P. L. 116-136) requires the Department of the Treasury (Treasury) to provide financial assistance to air passenger, air cargo, and respective contractors (collectively referred to as air carriers), 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 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. Initial payments to air carriers requesting financial assistance are to be provided no later than ten days after enactment on March 27, 2020. However, no later than five days after enactment, Treasury must publish “streamlined and expedited procedures” to include establishing the appropriate terms and conditions for air carriers to make requests for financial assistance.

Title IV, Subtitle B, assigns our office with responsibility to audit the certifications of salaries, wages, benefits, and other compensation submitted by air carriers that do not report such data to DOT. In this regard, we are initiating an audit of Treasury’s implementation of the air carrier worker support provisions of Title IV, Subtitle B. Our audit objective is to assess Treasury’s implementation activities to include the establishment of policies, procedures and other terms and conditions of financial assistance as they relate to certification requirements of air carriers. The scope of our audit includes, but is not limited to, applicable Treasury Directive(s), policies, procedures, program terms and conditions, and other documentation governing Treasury’s administration of financial assistance to air carriers.

In light of the urgency to implement the air carrier worker support provisions of the CARES Act, we are beginning our oversight work immediately with the

understanding that Treasury is in the implementation stages of the CARES Act. As part of our audit, we will interview key officials and staff responsible for compliance with the carrying out financial assistance to air carriers and review documentation, among other things. We will coordinate access to records and individuals through your office's designated contact. A member of my staff will contact your office shortly to schedule an entrance conference. At that conference, we will provide additional details on the scope and methodology of our review.

If you have any questions, please contact me at (202) 927-5762 or Eileen Kao, Audit Director, at (202) 927-8759.