



U.S. DEPARTMENT OF ENERGY

# Office of Inspector General

DOE-OIG-25-22

June 12, 2025

## Paycheck Protection Program Loans at the Hanford Site



AUDIT REPORT



**Department of Energy**  
Washington, DC 20585

June 12, 2025

MEMORANDUM FOR THE MANAGER, HANFORD FIELD OFFICE;  
DIRECTOR, OFFICE OF ACQUISITION MANAGEMENT; AND  
ASSISTANT SECRETARY, OFFICE OF ENVIRONMENTAL  
MANAGEMENT

SUBJECT: Audit Report: *Paycheck Protection Program Loans at the Hanford Site*

The attached report discusses our audit of Paycheck Protection Program loans at the Hanford Site. This report contains six recommendations that, if fully implemented, should help ensure that the Department's safeguards reduce risks associated with similar programs and protect taxpayer funds. Management fully concurred with our recommendations.

We conducted this audit from November 2022 through January 2025 in accordance with generally accepted government auditing standards. We appreciated the cooperation and assistance received during this audit.

A handwritten signature in blue ink that reads "Sarah Nelson".

Sarah Nelson  
Assistant Inspector General  
for Management  
*Performing the Duties of Inspector General*  
Office of Inspector General

cc: Chief of Staff

# DOE OIG HIGHLIGHTS

## *Paycheck Protection Program Loans at the Hanford Site*

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**June 12, 2025**

### **Why We Performed This Audit**

Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The CARES Act, Section 3610, clarifies that reimbursement requests must be reduced by any credits received from other COVID-19 relief programs, including Paycheck Protection Program (PPP) loans. There were 258 companies that collectively received forgiveness for more than \$300 million of PPP loans at the Hanford Site. In addition, the Department of Energy paid the companies about \$14 million in Section 3610 safety pay from 2020 through 2022.

Given the risk, we initiated this audit to determine if Hanford Site contractors were paid by the Department for the same costs that were covered by the Small Business Administration's relief programs.

### **What We Found**

We found that 43 companies certified the need for PPP loan forgiveness after already billing and receiving payment from the Hanford Site for work performed. These companies received \$11.9 million in loan forgiveness paid by the Small Business Administration for costs that were already paid to those companies for work performed. We are coordinating with law enforcement and legal counterparts to pursue appropriate remedies for the duplicate payments.

Additionally, we questioned approximately \$2.2 million in payments received by companies working at the Hanford Site. These companies received the approximately \$2.2 million to cover labor payments from the CARES Act, Section 3610, funds and then received loan forgiveness under the PPP for those same labor costs, thereby obtaining twice the appropriate amount of Federal funding. The Department should seek credit for the remaining unsettled costs in question.

Without implementing strong internal controls, communication, and labor monitoring during COVID-19, the Department did not ensure it conducted its due diligence to protect the Government's interest and taxpayer dollars.

### **What We Recommend**

To address the issues identified in this report, we have made six recommendations that, if fully implemented, should help ensure that the Department's safeguards reduce future risks associated with similar programs and protect taxpayer funds.

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## Background and Objective

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Since March 2020, the Department of Energy faced unprecedented challenges due to facility closures and a shift to a mandatory telework posture for much of its civil servant and contractor workforces due to COVID-19. In response to COVID-19, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020, to reduce economic fallout. Section 3610 of the CARES Act, Federal Contractor Authority (Section 3610), authorizes agencies “to reimburse at the minimum applicable contract billing rates not to exceed an average of 40 hours per week any paid leave, including sick leave, a contractor provides to keep its employees or subcontractors in a ready state.” A ready state is defined as a contractor’s ability to mobilize and resume performance in a timely manner. To qualify, contractors must have been unable to work due to closures or other restrictions and must have had job duties that could not be performed remotely. The Hanford Site contractors and subcontractors either used Section 3610 funds for idle work, performed work as normal, or both. Funding for contractor paid leave reimbursements was not appropriated under Section 3610. Instead, agencies were permitted to use any legally available funds to reimburse contractors. As such, existing contract obligations were used for contractor employee paid leave reimbursements instead of mission work required under the contract.

In addition to authorizing contractor employee paid leave reimbursements, the CARES Act also contains a wide range of relief options for Federal contractors such as favorable tax-changes,<sup>1</sup> Paycheck Protection Program (PPP) loans, and other assistance options. Some of these programs were created through the Small Business Administration (SBA) to provide relief specifically to small businesses that were experiencing difficulties. While multiple relief options were available, contractors could not seek reimbursement under Section 3610 if they were seeking reimbursement for the same expenses under other provisions of the CARES Act or any other COVID-19 relief measures. The managing Federal offices at the Hanford Site<sup>2</sup> inserted an additional clause for Section 3610 requirements into the Hanford Site prime contracts which clarified that reimbursement requests must be reduced by any credits received from other COVID-19 relief programs, including PPP loans.

PPP loans were specifically for small businesses. When a contractor requested a PPP loan, it certified that current economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant. PPP loans provided small businesses with funds to pay 8 to 24 weeks of payroll costs (covered period), including benefits, as well as other eligible business costs. A borrower could apply for forgiveness once all loan proceeds for which the borrower wanted forgiveness had been used. Borrowers could qualify for forgiveness if, among other

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<sup>1</sup> Section 3610 of the CARES Act states that the maximum reimbursement authorized by this section shall be reduced by the amount of credit a contractor is allowed pursuant to division G of Public Law 116-127, Families First Coronavirus Response Act, which includes tax credits for certain types of sick and family paid leave. In addition, the CARES Act includes Section 2301, *Employee Retention Credit for Employers Subject to Closure Due to COVID-19*, and Section 2302, *Delay of Payment of Employer Payroll Taxes*.

<sup>2</sup> As of October 1, 2024, the Hanford Site is managed by the Hanford Field Office, to whom we will address and make recommendations. However, during the scope of our audit from 2020 through 2022, the Hanford Site was managed by the Richland Operations Office and the Office of River Protection, and to whom we will refer throughout the report.

things, at least 60 percent of the proceeds were spent on payroll costs. Additionally, borrowers had to certify that the requested forgiven payroll dollars were for “payroll costs to retain employees.”

The Hanford Site is an Office of Environmental Management site that was managed at the time by two Federal offices: the Office of River Protection (River Protection) and the Richland Operations Office. River Protection’s responsibilities included oversight of the prime contractors who were handling tank waste: Bechtel National Inc. and Washington River Protection Solutions LLC (WRPS). The Richland Operations Office oversaw other cleanup work at the Hanford Site which, in March 2020, included work by CH2M Hill Plateau Remediation Company and Mission Support Alliance, LLC. Both Federal offices also used General Support Services Contractors (GSSC) to complete the Hanford Site mission.

In May 2021, the Department’s Hanford Finance Division (Hanford Finance) began assessing the SBA’s publicly available data. According to Hanford Finance’s *Paycheck Protection Program Loan Forgiveness Assessment – Hanford*, dated September 2022, Hanford Finance expected that contractors and subcontractors performing most of their work volume with the Hanford Site would have few PPP loans and even fewer needing loan forgiveness because they were generally paid in full for either Hanford Site work scope or idle work. However, in June 2021, Hanford Finance identified HPM Corporation, the Hanford Site occupational medical contractor that continued to operate during COVID-19, as having received a PPP loan and being granted loan forgiveness. In July 2022, the SBA notified HPM Corporation and its owners that, due to their admitted illegal activities involving their application for forgiveness of a PPP loan totaling \$1,344,700, they were suspended from conducting business with the Federal Government.

There were 258 Hanford Site subcontractors who collectively received more than \$300 million of PPP loan forgiveness. In addition, the Department also paid Hanford Site companies approximately \$14 million in Section 3610 safety pay from 2020 through 2022.

We initiated this audit to determine if Hanford Site contractors were paid by the Department for the same costs that were covered by the Small Business Administration’s relief programs.

### *Guidance on Implementation of Section 3610*

In April 2020, the Office of Management and Budget and the Department issued guidance on Section 3610 of the CARES Act, highlighting the need for Federal oversight. The guidance on oversight warned against the potential for contractors to use multiple relief options and emphasized the importance of obtaining supporting documentation for reimbursements due to the specific restrictions in Section 3610. Office of Management and Budget Memorandum M-20-22, *Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019 (COVID-19)*, outlines guiding principles designed to support rationally based decisions that reflect the best interest of the Government, which are fully supported by contractor records that are subject to oversight. In recognition of the multiple relief options available, this guidance identifies steps agencies should have taken in exercising good stewardship to ensure relief achieved its desired impact and Federal funds were not being used to make multiple payments for the same purpose. Specifically, this guidance states, “For this

reason, it is important to secure fully supported documentation from contractors regarding other relief claimed or received, including credits allowed, along with the financial and other documentation necessary to support their requests for reimbursement under Section 3610.” Fully supported documentation, which may involve representations, helps reduce the risk of improper reimbursement.

In addition, Department of Energy Policy Flash 2020-22, *Guidance for using DOE’s Clauses developed to implement Section 3610 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act*, states that contracting officers must “work with Program Officials and the contractor to understand how the contractor is planning to use the relief provisions in the CARES Act and identifying [sic] any contractor and subcontractor employees to whom Section 3610 of the CARES Act may apply.” This policy also states that contracting officers must “work with the contractor to secure necessary documentation, representations, or both to prevent duplication of payment and ensure the correct reimbursement, including applicable credits.” Similar to Office of Management and Budget guidance, this policy recognizes the importance of obtaining financial and other documentation, including representations, regarding COVID-19 relief claimed or received to support reimbursement requests given the multiple COVID-19 relief options available. This policy further states, “Contractors are responsible for ensuring Federal funds are not being used to make multiple payments for the same purpose; [c]ontracting [o]fficers, however, must ensure appropriate contract administration and oversight.”



## Results of Review

### THE DEPARTMENT PAID SECTION 3610 COSTS COVERED BY FORGIVEN PPP LOANS

We identified \$2,181,565 in questioned costs for which 12 Hanford Site subcontractors received both Section 3610 funds and forgiven PPP loans. Of that amount, we questioned \$2,128,537 for 11 of the 12 Hanford Site subcontractors because they used the same Section 3610 labor hours to support forgiven PPP loans, thereby obtaining twice the appropriate amount of Federal funding. For the remaining \$53,028, 1 of the 12 Hanford Site subcontractors did not provide the support required for using Section 3610 funds. Therefore, the Department cannot reasonably assure that the subcontractor did not receive multiple sources of Federal funding for the same labor costs. A breakdown of the questioned costs can be found in Table 1.<sup>3,4</sup>

| Table 1: Questionable Section 3610 Costs |                                           |                                       |                               |                         |
|------------------------------------------|-------------------------------------------|---------------------------------------|-------------------------------|-------------------------|
| Subcontractor                            | Costs Questioned by Prime Contractor      |                                       |                               | Total Amount Questioned |
|                                          | Washington River Protection Solutions LLC | CH2M Hill Plateau Remediation Company | Mission Support Alliance, LLC |                         |
| A                                        | \$1,243,812                               | -                                     | \$97,933                      | \$1,341,746             |
| B                                        | \$299,813                                 | \$8,758                               | \$33,254                      | \$341,825               |
| C                                        | -                                         | -                                     | \$141,457                     | \$141,457               |
| D                                        | \$62,332                                  | \$21,457                              | \$12,360                      | \$96,149                |
| E                                        | \$34,149                                  | \$35,076                              | -                             | \$69,225                |
| F                                        | \$18,612                                  | \$35,765                              | -                             | \$54,377                |
| G                                        | \$30,095                                  | -                                     | -                             | \$30,095                |
| H                                        | -                                         | -                                     | \$18,189                      | \$18,189                |
| I                                        | -                                         | \$16,358                              | -                             | \$16,358                |
| J                                        | -                                         | -                                     | \$13,447                      | \$13,447                |
| K                                        | -                                         | \$5,670                               | -                             | \$5,670                 |
| Total Section 3610 Labor Double Payment  |                                           |                                       |                               | \$2,128,537             |
| L                                        | -                                         | \$53,028                              | -                             | \$53,028                |
| Total Other Section 3610 Issues          |                                           |                                       |                               | \$53,028                |
| Grand Total                              | \$1,688,812                               | \$176,112 <sup>1</sup>                | \$316,640 <sup>1</sup>        | \$2,181,565             |

Table Notes:<sup>1</sup> Because of our audit work, the Department received settlements from the CH2M Hill Plateau Remediation Company and Mission Support Alliance, LLC. These arrangements included costs related to PPP Loans. However, we are still questioning the remaining unsettled amounts at Washington River Protection Solutions LLC.

<sup>3</sup> We used a structured naming system to protect the anonymity of subcontractors. This system also ties to the naming conventions used throughout this section.

<sup>4</sup> The dollar amounts calculated are based on full amounts of Section 3610 identified to have overlapped with PPP loan forgiveness labor support. The dollars identified may exceed the forgiven PPP loan.



## Department Has Not Received Section 3610 Credits

As of January 2025, River Protection/Richland Operations Office prime contractors had not received a credit from 11 Hanford Site subcontractors who had received Section 3610 funds and had overlapping labor with forgiven PPP loans. The contract clause related to Section 3610 safety pay requires a subcontractor requesting Section 3610 funds to certify that it had not received, had not claimed, or would not claim any other reimbursement for Federal funds available under the CARES Act for the same purpose. However, our examination of 31 subcontractors who received Section 3610 safety pay and received PPP loan forgiveness revealed that 11 of these subcontractors used the same labor charges to support Section 3610 reimbursement and PPP loan forgiveness.

In addition, Subcontractor D was overpaid for and made potentially incorrect statements related to Section 3610 safety pay. Subcontractor D did not submit its invoice for some Section 3610 safety pay to the prime contractor WRPS until December 2020, even though the invoices were dated from April 2020 through August 2020. WRPS modified the subcontract in February 2021 to allow the use of Section 3610 safety pay. The subcontractor was then paid for those associated costs in March 2021 and March 2022, far beyond the critical timeframe necessary to keep the subcontractor in a ready state, the stated purpose of Section 3610. Additionally, because Subcontractor D invoiced WRPS beyond the fiscal years in which the safety pay was needed, it invoiced incorrect billing rates. Therefore, WRPS overpaid Subcontractor D's Section 3610 safety pay by \$3,914 (included in questioned costs in Table 1). After the Office of Inspector General notified WRPS, it credited the Department for the overpaid amount. Finally, when Subcontractor D completed the *Safety Leave Certification* form for the contract modification in April 2021, it certified that: (1) no Government source of relief was received; (2) it did not receive relief due to a lack of funding; and (3) it did not expect to receive relief from participation in the CARES Act PPP. Subcontractor D made these potentially incorrect statements after it had applied for PPP loan forgiveness in December 2020 and subsequently received forgiveness in January 2021.

## Lack of Supporting Documentation Related to Section 3610 Funds

We identified one separate Hanford Site subcontractor that did not provide the necessary supporting documentation to determine whether it used Section 3610 labor in its PPP loan forgiveness application. We requested the documentation in question from Subcontractor L by letter, email, and phone call. When contacted, Subcontractor L did not provide the supporting documentation for the forgiven loan. Therefore, we questioned the \$53,028 invoiced for Section 3610 costs.

## Reliance on Detective Oversight Versus Preventative Internal Controls

The labor overlap occurred, in part, due to a weakness in River Protection/Richland Operations Office's oversight process. Until recently, the Department utilized a letter of credit mechanism which allowed prime contractors to be paid prior to Department review. Accordingly, the

Department's oversight (i.e. post-payment invoice reviews) skewed to a more reactive than proactive oversight process.

Additionally, River Protection/Richland Operations Office intended to rely on detective oversight, such as external audits of the prime contractors' annual incurred cost or final rate agreements, as an internal control for monitoring claimed COVID-19 costs. A Richland Operations Office official stated that these audits are typically completed within 1 to 3 years after a cost submission but can be waived by Federal contracting officials when deemed appropriate. However, the types of costs we reviewed were at the subcontract level and likely would not be reviewed in detail during an audit of prime contractor incurred costs. Further, according to the Department, reimbursements were considered provisional until closeout audits were performed. While we recognize the important role contract audits can play in review and recovery of unallowable costs and improper payments for past periods of performance, contract audits are neither a substitute for active and preventive Federal oversight of contractor costs nor do they alleviate contracting officers from their obligation to "ensure appropriate contract administration and oversight."

The lack of Federal oversight in this area was concerning because the Department and its prime contractors did not identify in a timely manner the use of other COVID-19 relief options by subcontractors. One official explained that subcontractors provided representations (i.e., self-certifications) that no other relief was claimed and/or that duplicate billings would not occur. River Protection/Richland Operations Office primarily relied on its prime contractors to review subcontractor paid leave reimbursement requests under Section 3610, including use of other COVID-19 relief options. River Protection/Richland Operations Office did not proactively maintain all subcontractor Section 3610 safety pay data that was submitted by its prime contractors. It obtained some of the data only after it received an external audit or data request. To its credit, in mid-2021, when River Protection/Richland Operations Office became aware that subcontractors obtained or may have obtained PPP loans, it directed its prime contractors to work with its subcontractors to identify situations where duplicate payments may have occurred.

Additional controls to help ensure contracting officers can fulfill their oversight responsibilities, such as validation of self-certifications, should be put into effect prior to, or as close to real time as possible, for maximum effectiveness. As the chair of the Pandemic Response Accountability Committee<sup>5</sup> stated, "Prevention on the front end will reduce the volume of funds disbursed using a 'pay and chase' model—a problematic and ineffective approach that makes it difficult for agencies to recover improper or fraudulent funds."

## CONTRACTORS AND SUBCONTRACTORS RECEIVED FEDERAL PAYMENT AND PPP LOAN RELIEF FOR SAME WORK

We identified a significant number of Hanford Site contractors and subcontractors who improperly certified the need to receive PPP loan forgiveness for work performed on Department

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<sup>5</sup> Statement of Michael E. Horowitz, Chair, Pandemic Response Accountability Committee, Inspector General, U.S. Department of Justice, before the U.S. Senate Committee on Homeland Security & Governmental Affairs Emerging Threats and Spending Oversight Subcommittee Concerning "Examining Federal COVID-era Spending and Preventing Future Fraud."

contracts and subcontracts. Specifically, we found the Federal Government provided remuneration to Hanford Site contractors and subcontractors twice for the same work. Contractors and subcontractors received payment for both Department work and economic relief by claiming the employees' Federal contracted hours that were paid by the Department on the payroll calculation support for the forgiven PPP loans (i.e., forgiven payroll). Our audit examined 51 Hanford Site subcontractors who had received PPP loan forgiveness. We identified 37 (73 percent) subcontractors who received contractual payments from the Department for the same employee labor used to support the subcontractors' PPP loan forgiveness. Therefore, as indicated in Table 2, we determined that the Department paid over \$8.7 million for labor that was also paid through forgiven PPP loans. In addition, we reviewed all GSSC that received PPP loan forgiveness and found that all the GSSCs claimed personnel labor costs billed to Department contracts in their PPP loan forgiveness documentation, resulting in over \$3.1 million in duplicate payments.

| <b>Table 2: Subcontractors' and Contractors' Duplicated Cost</b> |                     |
|------------------------------------------------------------------|---------------------|
| <b>Forgiven Loan Amount in Question</b>                          |                     |
| Subcontractor Total                                              | \$8,721,233         |
| General Support Services Contractors Total                       | \$3,188,403         |
| <b>Grand Total</b>                                               | <b>\$11,909,636</b> |

### **Hanford Site Subcontractors Who Were Paid for Performed Government Work Also Received PPP Loan Forgiveness**

Hanford Site subcontractors did not remove the labor invoiced to and paid by the Department from their PPP loan forgiveness calculation. Specifically, 37 of 51 subcontractors (73 percent) received payment from the Department for labor that was also used to support their PPP loan forgiveness. We also identified that the Hanford Site contracted labor was not the only Federal labor used to support the forgiven loan. There were instances of other Department and/or other Federal agency-related contracted labor supporting subcontractors' forgiven loans. For example:

- Subcontractor AC<sup>6</sup> had several awards from Hanford Site prime contractors and received two forgiven PPP loans. The loans included 56 of 64 (88 percent) and 30 of 44 employees (68 percent) that worked on Hanford Site prime contracts. During this subcontractor's first forgiven covered period, it also had employees who were invoiced for Section 3610 safety pay. The cost impact for these duplicate payments is \$1,012,126.
- Subcontractor BD had 10 of 11 employees (91 percent) that were paid by the Department during the loan covered period. The cost impact of these duplicate payments is \$84,332.

<sup>6</sup> We used a structured naming system to protect the anonymity of contractors and subcontractors. This system also ties to the naming conventions used in Appendix 4.

- Subcontractor AV had 15 of 27 employees (56 percent) that were paid by the Department. The subcontractor informed the audit team that it also had other Department-related contract work. The cost impact of these duplicate payments is \$142,273.

### General Support Services Contractors Who Received PPP Loan Forgiveness Were Also Paid for Performed Government Work

Additionally, we found that all GSSCs that had forgiven PPP loans claimed employees paid by the Department on the forgiven payroll. GSSCs have direct contracts with the Department. The Department spends a significant amount of its contracting budget on GSSCs. GSSC contractors do not perform inherently governmental functions but instead perform support services such as advisory and assistance services. One of the GSSC contractors not only worked at the Hanford Site but had additional Department contracts at other Department sites. During COVID-19, the Department had most of the Hanford Site GSSCs continue working through telework. However, 10 GSSCs who were paid by the Department to telework during COVID-19 also received PPP loan forgiveness for the same payroll, totaling over \$3.1 million. For example:

- GSSC AB claimed 134 of 141 employees (95 percent) on the forgiven payroll that were also invoiced to the Department. This GSSC had two loans on which it certified an economic need for relief funds. For the second loan, 11 of 17 employees (65 percent) claimed on the forgiven payroll were invoiced to the Department. The cost impact of these duplicate payments is \$1,022,556.
- GSSC AG claimed 28 of 32 employees (88 percent) on the forgiven payroll that were also invoiced to the Department. We contacted many of the GSSC employees still working at the Hanford Site and determined that they had only worked on Department contracts during the time in question. The cost impact of these duplicate payments is \$504,635.
- GSSC AQ had 11 of 18 employees (61 percent) on the forgiven payroll that were also invoiced to the Department, resulting in a duplicate payment cost impact of \$270,909. The number of hours on the Department invoices were the exact number of hours included in the PPP loan forgiveness support documentation. The GSSC attempted to recalculate its PPP loan forgiveness without using the employees working for the Department but did not have enough eligible costs to cover the full forgiveness amount. In fact, the contractor was short by \$187,000.

### Lack of Non-Section 3610 COVID-19 Relief Guidance

These non-Section 3610 double payments occurred, in part, because there was not adequate guidance to prime contractors on expectations for oversight of work performed, and paid for by the Federal Government, during COVID-19 and specifically related to COVID-19 relief options. Though SBA PPP loan guidance did not specify whether an applicant could claim payroll that was covered by a Government contract, the Department could have identified and filled this gap with a policy flash or guidance because PPP loan forgiveness was required to be certified as a need for the subcontractors. Instead, contractors and subcontractors used labor approved and paid

for by the Federal Government to support the SBA's Federal forgiveness payroll calculation; therefore, they received payment (through forgiven loans) for the same labor costs that were previously paid by the Government. If the Department and prime contractors had provided additional guidance to subcontractors related to expectations for paid labor during COVID-19, subcontractors may have reassessed what employee costs were needed to continue operations during COVID-19.

Therefore, we determined the Department paid at least \$11.9 million for labor that was both paid on Government invoices and claimed in forgiven PPP loans. When these subcontractors claimed Department subcontracted labor on the forgiven payroll to the SBA, other small businesses with legitimate needs may have been unable to obtain PPP loans because the funding was used by contractors and subcontractors who had payroll covered through other Government payments. We are coordinating with law enforcement and legal counterparts to pursue appropriate remedies for the duplicate payments.

## INAPPROPRIATE SUBCONTRACTOR ACTION

Even with robust oversight, contracting officers still rely, in part, on contractors and subcontractors receiving Federal funds to adhere to applicable guidance. The duplicate payments for both Section 3610 and non-Section 3610 also occurred, in part, due to a failure of Hanford Site contractors to fulfill their obligations. Specifically, 45 of 56 subcontractors (80 percent) included costs already paid for by the Government in their PPP loan forgiveness calculation.

Standards of ethical conduct for Government contractors are addressed in numerous sources. These include Federal Acquisition Regulation, applicable contract clauses, and established ethics and compliance programs. The applicability of clauses and programs may vary depending on the size of a contractor. However, Hanford Site officials inserted a contract clause for Section 3610 requiring contractors to represent in any request for reimbursement that it “has not received, has not claimed, and will not claim any other reimbursement [...] for federal funds available under the CARES Act for *the same purpose*, including, but not limited to, funds available under sections 1102 and 1106 of the CARES Act.” Moreover, Federal Acquisition Regulation 3.1002, Contractor Code of Business Ethics and Conduct, Policy, prescribes that:

(a) Government contractors must conduct themselves with the highest degree of integrity and honesty and (b) [c]ontractors should have a written code of business ethics and conduct. To promote compliance with such code of business ethics and conduct, contractors should have an employee business ethics and compliance training program and an internal control system that:

1. Are suitable to the size of the company and extent of its involvement in Government contracting;
2. Facilitate timely discovery and disclosure of improper conduct in connection with Government contracts; and
3. Ensure corrective measures are promptly instituted and carried out.

However, during our audit, we identified eight subcontractors who submitted inaccurate or potentially false representations on their reimbursement requests for Section 3610 costs. Specifically, those subcontractors either certified that there was not, or would not be, duplication of funds received under the CARES Act and Section 3610, or they did not receive any Federal sources of relief that would benefit their company. Despite most of the subcontractors making these representations months before requesting loan forgiveness, the subcontractors still included Section 3610 costs already paid by the Department in their SBA loan forgiveness support and never provided an applicable credit back to the Government. For example, one of the subcontractors demonstrated to us that if it excluded labor already invoiced to and paid for by the Department in its support, the company would not meet the criteria necessary for full loan forgiveness.

## CONCLUSION

The Department did not take some important steps—such as ensuring that adequate safeguards were identified and implemented—to mitigate the risk of fraud, waste, and abuse during the Department’s response to COVID-19. Such safeguards were especially important because funds used for contractor paid leave reimbursements came from existing obligations for mission-related efforts. At the beginning of COVID-19, it was unknown how much paid leave reimbursement for COVID-19 would be incurred. Despite the amount of paid leave reimbursement, the implementation of strong internal controls is a preventative measure that helps ensure the Department is conducting its due diligence to protect the Government’s interest and taxpayer dollars. If the Department had required reviews of supporting documentation for contractor paid leave reimbursements and defined appropriate contract administration and oversight, the Department could have enhanced its ability to adequately monitor contractor paid leave reimbursements and identify improper payments. Additionally, policies and procedures requiring reviews of supporting documentation would help in a future situation where the work environment shifts dramatically, as it did during COVID-19.

Given that the Department was potentially eligible for credits based on the use of PPP loans in accordance with Section 3610, more work could have been done earlier to resolve the risk of loans exposing the Department to overpayments for paid leave reimbursements. As a result, we determined that the Department paid out nearly \$2.2 million in Federal funds to its prime contractors for subcontractor Section 3610 payroll hours that overlapped with forgiven PPP loans. According to the U.S. Attorney for the Eastern District of Washington, where the Hanford Site is located, “COVID-19 relief programs quickly ran out of money due to the number of businesses that requested funding, meaning that struggling, deserving small businesses were not able to obtain critically needed funding to keep their businesses afloat during the shutdowns and disruptions caused by the COVID pandemic.” Finally, preventive management oversight is critical because subcontractors may have or could go out of business before the Government can recover duplicate payments.

## Recommendations

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We recommend the Manager, Hanford Field Office:

1. Direct the contracting officers to determine whether credits are owed for the remaining unsettled amounts in Section 3610 funds that were paid to its prime contractors for subcontractors who received a forgiven PPP loan and did not remove those Section 3610 monies from their payroll cost calculation when applying for forgiveness;
2. Implement proactive oversight measures and preventive controls to track and monitor contractors' claimed costs;
3. Utilize the report to develop a list of contractors and subcontractors to include in risk assessment activities for Department audits and contractors' internal audits; and
4. Affirm the requirements and expectations of ethical conduct to all contractors, subcontractors, and their personnel who conduct business at the Hanford Site.

We recommend that the Director, Office of Acquisition Management:

5. Adjudicate Office of Inspector General referrals made to Suspension and Debarment officials in a timely manner and consider other contract remedies to address the subcontractors with questioned costs of \$2,181,565 and the contractors and subcontractors with \$11,909,636 in overlap for Hanford Site work and forgiven PPP loans.

We recommend that the Assistant Secretary, Office of Environmental Management:

6. Direct contracting officers under their purview to determine whether the Office of Environmental Management contractors took PPP loans. If so, implement appropriate corrective actions.



## Management Comments

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Management fully concurred with each of our recommendations. Specifically, for Recommendation 1, the Department responded that the contracting officer will determine whether credits are owed to the Department, in accordance with contract requirements, for those amounts that are not determined to be fraudulent. For Recommendation 2, the Department said it will continue to apply proactive oversight measures and preventative controls to track and monitor contractors' claimed costs. In relation to Recommendation 3, the Department stated that it has developed a list of contractors and subcontractors to include in risk assessment activities and it will continue to update the list. For Recommendation 4, the Department stated it will ensure FAR 52.203-13, *Contractor Code of Business Ethics and Conduct*, is included in prime contracts and flowed down to applicable subcontracts. The Department did not give a proposed action for Recommendation 5, but it did concur with the Recommendation. Finally, for Recommendation 6, the Environmental Management Head of Contracting Activity will issue direction to site contracting personnel to obtain documents verifying if contractors obtained PPP loans or other pandemic relief.

Management's comments are included in Appendix 3.

## Office of Inspector General Response

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Management's comments and corrective actions, where provided, are responsive to our recommendations.

### Objective, Scope, and Methodology

#### Objective

We initiated this audit to determine if Hanford Site contractors were paid by the Department of Energy for the same costs that were covered by the Small Business Administration's relief programs.

#### Scope

The audit was performed from November 2022 through January 2025 in Richland, Washington. The audit scope included reviewing invoices; Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act, Federal Contractor Authority (Section 3610), safety pay; and regular hours of the Office of River Protection/Richland Operations Office prime contractors' subcontractors who had received Paycheck Protection Program (PPP) loan forgiveness from January 2020 through December 2022. The audit was conducted under Office of Inspector General project number A22RL020.

#### Methodology

To accomplish our audit objective, we:

- Reviewed applicable policies, procedures, laws, and regulations pertaining to the Office of River Protection/Richland Operations and the Department.
- Reviewed reports issued by the Department, Office of Inspector General, Government Accountability Office, and other entities.
- Interviewed key personnel from the Office of River Protection/Richland Operations Office, Small Business Administration, Pandemic Response Accountability Committee, Defense Contract Audit Agency, and the Department's Office of Environmental Management.
- Attempted to reconcile contractors' and subcontractors' forgiven PPP loan supporting documentation with the PPP loan forgiveness submissions.
- Evaluated the Department's ability to monitor Section 3610 safety pay funds claimed throughout the audit scope.
- Selected 100 percent of the Hanford Site companies that received Section 3610 safety pay and had a forgiven PPP loan. One subcontractor was under review by the Office of Investigations; therefore, we reviewed the rest of the 31 companies.
- Obtained and reviewed subcontractors' invoices to determine if the invoices contained Section 3610 billings. We also compared the invoices' detailed billing information to the

contractors' and subcontractors' forgiven PPP loan documentation to determine if the invoices billed to the Department for Section 3610 safety pay and regular labor were for the same costs as those that were forgiven in Form 3508.

- Judgmentally selected 18 subcontractors who did not receive Section 3610 safety pay and had a forgiven PPP loan from 2020 through 2022. The judgmental factors were based on risk such as subcontractors identified in a Hanford Finance risk assessment, subcontract type, and subcontractor work scope. Since the selection was based on a judgmental or nonstatistical sample, results and overall conclusions were limited to the items tested and could not be projected to the entire population.
- Obtained and reviewed subcontractors' invoices to determine if the invoices contained labor billed to the Department. We also compared the invoices' detailed billing information to the contractors' and subcontractors' forgiven PPP loan documentation to determine if the invoices billed to the Department for regular labor were for the same costs as those that were forgiven in Form 3508.
- Selected 100 percent of the General Support Services Contractors who had a forgiven loan from 2020 through 2022.
- Obtained and reviewed General Support Services Contractors' invoices to determine if they contained Section 3610 safety pay billings. We also compared the invoices' detailed billing information to the contractors' forgiven PPP loan documentation to determine if the invoices billed to the Department for Section 3610 safety pay and regular labor were for the same costs as those that were forgiven in Form 3508.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. We assessed elements of the monitoring and control activities components, as well as the underlying principles of implementation of control activities and perform monitoring activities. However, because our audit was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit. To assess the reliability of the data elements needed to answer the audit objectives, we performed electronic testing, reviewed related documentation, and interviewed agency officials knowledgeable about the data. The results of our electronic testing showed that data elements key to our review contained high percentages of missing data. Therefore, we determined the data was not sufficiently reliable for the purposes of this report. Because the data was found to be unreliable, we based our findings on the review of source documents provided by contractors, subcontractors, and the Department.

Management officials waived an exit conference.

### Related Reports

#### Office of Inspector General

- Special Report: [\*Compilation of Challenges and Previously Reported Key Findings at the Hanford Site for Fiscal Years 2012-2018\*](#) (DOE-OIG-19-04, November 2018). Due to the complex nature of operations at the Hanford Site and the significant funding involved, as well as the trend of Office of Inspector General (OIG) findings involving mismanagement, weak internal controls, and fraud committed by contractors and subcontractors, we initiated this report to provide a consolidated body of work representing a compilation of OIG findings from fiscal year 2012 through fiscal year 2018. The OIG's objective was to highlight management challenges and key findings that were identified in its previous audits, inspections, and investigations related to the Hanford Site.

#### Department of Defense Office of Inspector General

- Audit Report: [\*Audit of Department of Defense Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act\*](#) (DODIG-2021-030, December 2020). Department of Defense (DoD) Contracting Officers complied with the Office of Management and Budget and DoD guidance to support rational decisions that were in the best interest of the Government when implementing Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act, Federal Contractor Authority (Section 3610). For the 37 contracts reviewed, the DoD OIG found that the majority of contracting officers ensured that contractors provided necessary supporting documentation, claimed only 40 hours per week for each employee, charged billing rates in line with the contract rates, and excluded profit from their request for reimbursement. In addition, the majority of contracting officers justified that contractors needed to be kept in a ready state and obtained information from the contractors on other relief claimed or received. However, the DoD OIG identified some challenges that the DoD faced while implementing Section 3610 that extended beyond the sample. Specifically, contracting officers had to rely on contractors to self-certify that the Section 3610 costs claimed were the only reimbursement that contractors were receiving for the paid leave, and that contractors were not being reimbursed from any other source of COVID-19 relief for the same leave expenses. DoD's use of the Section 3610 authority was limited; tracking and identifying DoD contracts using Section 3610 was not easy; not all contracts using Section 3610 authority were clearly identified in DoD information systems; and some contracts were mislabeled as using Section 3610 authority when they did not use it.

#### Government Accountability Office

- Audit Report: [\*COVID Relief: Fraud Schemes and Indicators in SBA Pandemic Programs\*](#) (GAO-23-105331, May 2023). In fiscal year 2023, the Government Accountability Office identified that there were 330 criminal and civil fraud cases brought by the Department of Justice which involved Paycheck Protection Program or COVID-19

Economic Injury Disaster Loans. Of these 330 cases, Federal prosecutors filed charges against 524 individuals for bank fraud, wire fraud, money laundering, identity theft, and other charges. Individual charges included: misrepresenting eligibility, falsifying documents, and using stolen identities. The Government Accountability Office calculated that there was about \$188 million in direct financial losses for 155 of the 330 cases which resulted in a guilty plea or conviction. These cases also accounted for 94 individuals sentenced to an average of 37 months in prison. It was noted that the number of cases will continue to grow, and as of January 2023, the Small Business Administration OIG had 536 ongoing investigations.

## Management Comments



EM-2025-000287

### Department of Energy

Washington, DC 20585

May 14, 2025

MEMORANDUM FOR SARAH NELSON  
ACTING INSPECTOR GENERAL

FROM: ROGER A. JARRELL II   
PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR  
ENVIRONMENTAL MANAGEMENT

SUBJECT: Management Response to the Office of Inspector General's  
Draft Report, *Paycheck Protection Program Loans at the  
Hanford Site (A22RL020)*.

Thank you for the opportunity to review and comment on the subject draft report. The Office of Environmental Management (EM) appreciates the auditors' work on this topic area.

EM remains committed to ensuring integrity in its billing and payment practices. This includes a focus on monitoring any identified circumstances used to fraudulently obtain loans and loan forgiveness under the Paycheck Protection Program at Hanford. EM continues to work with oversight entities in investigations of potentially fraudulent activity and in necessary enforcement actions requiring EM involvement.

EM concurs with the five recommendations under its purview. The attachment to this memorandum details actions already taken, or planned to be taken, by EM. General and technical comments to the draft report have been provided separately.

If you have any questions, please contact me or Ms. Nicole Schuller, Acting Director, Office of Acquisition and Contract Management, at (202) 586-5821.

Attachment

cc: Dae Chung, EM-5  
Steve Trischman, EM-5.1  
Melissa Rider, EM-5.2 (Acting)  
Marianna Du Bosq, EM-5.11  
Nicole Schuller, EM-5.21 (Acting)  
Lois Jessup, EM-5.112



### Attachment

#### **Management Response to Recommendations** **OIG Draft Report, *Paycheck Protection Program Loans at the Hanford Site*** **(A22RL020)**

**Recommendation 1:** We recommend the Manager, Hanford Field Office, direct the Contracting Officers to determine whether credits are owed for the remaining unsettled amounts in Section 3610 funds that were paid to its prime contractors for subcontractors who received a forgiven PPP loan and did not remove those Section 3610 monies from their payroll cost calculation when applying for forgiveness.

**Management Response:** Concur.

As noted in the Office of Inspector General (OIG) draft report, the OIG is coordinating with law enforcement and legal counterparts to pursue appropriate remedies for duplicate payments related to Coronavirus Aid, Relief, and Economic Security Act, Section 3610 and the Paycheck Protection Program (PPP) loan forgiveness. The Department of Energy (DOE) understands that federal OIGs are responsible for preventing and detecting waste, fraud, and abuse per the IG Act of 1978. DOE also understands it cannot settle alleged fraud against the federal government. That responsibility falls upon the Department of Justice (DOJ). Remaining unsettled amounts in the OIG draft report Table 1: *Questionable Section 3610 Costs*, are for subcontractors under a single prime contractor, the majority of which were identified and referred to the OIG by DOE and the prime contractor as potential fraud in August 2022, prior to commencement of the OIG's audit.

To the extent the OIG and DOJ determine any remaining unsettled amounts in Table 1 are not fraudulent, and that determination is communicated to DOE with adequate supporting information, the Contracting Officer will determine whether credits are owed to DOE in accordance with contract requirements.

**Estimated Completion Date:** March 31, 2026 – contingent upon OIG and DOJ determination that any remaining unsettled amounts in Table 1 are not fraudulent.

**Recommendation 2:** We recommend the Manager, Hanford Field Office, implement proactive oversight measures and preventive controls to track and monitor contractors' claimed costs.

**Management Response:** Concur.

DOE will continue to apply proactive oversight measures and preventative controls to track and monitor contractors' claimed costs in accordance with contract requirements.

**Estimated Completion Date:** Complete.

**Recommendation 3:** We recommend the Manager, Hanford Field Office, utilize the report to develop a list of contractors and subcontractors to include in risk assessment activities for Department audits and contractors' internal audits.

**Management Response:** Concur.

DOE has developed a list of contractors and subcontractors to include in risk assessment activities for Department audits and contractors' internal audits. A list was provided to the OIG in September 2022 at the commencement of the OIG's audit as part of DOE Hanford's PPP Loan Forgiveness Assessment. DOE will continue to update this list as part of routine and recurring risk assessment.

**Estimated Completion Date:** Complete.

**Recommendations 4:** We recommend the Manager, Hanford Field Office, affirm the requirements and expectations of ethical conduct to all contractors, subcontractors, and their personnel who conduct business at the Hanford Site.

**Management Response:** Concur.

DOE understands the term "all" to be limited to conditions specified in the Federal Acquisition Regulations (FAR) 3.1004 *Contract Clauses* and FAR 52.203.13 *Contractor Code of Business Ethics and Conduct*, specifically solicitations and contracts if the value of the contract is expected to exceed \$6 million and the performance period is 120 days or more. DOE will ensure FAR 52.203.13 is included in prime contracts and flows down to subcontracts to the extent practicable and reasonable in accordance with limitations set forth by regulation.

**Estimated Completion Date:** December 31, 2025.

**Recommendation 6:** We recommend that the Senior Advisor, Office of Environmental Management, direct Contracting Officers under their purview to determine whether the Office of Environmental Management contractors took PPP loans. If so, implement appropriate corrective actions.

**Management Response:** Concur.

The OIG is coordinating with law enforcement and legal counterparts to pursue appropriate remedies for duplicate payments related to Coronavirus Aid, Relief, and Economic Security Act, Section 3610 and the PPP loan forgiveness. DOE understands it cannot settle alleged fraud against the federal government. That responsibility falls upon the DOJ. Contingent upon DOJ's determination to pursue fraudulent claims, the EM Head of Contracting Activity (HCA) will issue direction to site contracting personnel to obtain documents verifying if contractors obtained PPP loans or other relief beyond CARES Act Section 3610 special leave/safety leave for the salary of employees who could not perform their duties by telework during the pandemic. Subcontractor

verification must flow through the prime contractors. If duplicate payments were received, the Office of Environmental Management contracting officer will seek to offset future invoices or start recovery of the associated contractor debt.

**Estimated Completion Date:** 180 days from the date of the HCA Direction Memo.



Department of Energy  
Washington, DC 20585

May 14, 2025

MEMORANDUM FOR JOHN E. MCCOY II  
DEPUTY ASSISTANT INSPECTOR GENERAL  
FOR AUDITS  
OFFICE OF INSPECTOR GENERAL

FROM: INGRID KOLB BERTA  
DIRECTOR SCHREIBER  
OFFICE OF MANAGEMENT

Digitally signed by BERTA  
SCHREIBER  
Date: 2025.05.14  
08:57:22 -0400

SUBJECT: Response to the Office of Inspector General Draft Audit Report  
Titled "Paycheck Protection Program Loans at the Hanford  
Site"

The Department of Energy (DOE) appreciates the opportunity to review the subject draft report on the "Paycheck Protection Program Loans at the Hanford Site." The draft report contained one recommendation for the Director, Office of Acquisition Management (OAM). The report recommends that the DOE Suspension and Debarment Official timely adjudicate referrals from the Office of the Inspector General related to Payment Protection Program Loans, and that OAM consider other contract remedies for contractors that requested credits for Section 3610 costs under the DOE contract if the costs were also later covered by the Small Business Administration payment protection program loans. OAM concurs with the OIG's recommendation.

### Non-Section 3610 Cost Impact

| Forgiven Loan Amounts Cost Impact   |             |
|-------------------------------------|-------------|
| Subcontractors' and<br>Contractors' | Amount      |
| AA                                  | \$1,126,460 |
| AB                                  | \$1,022,556 |
| AC                                  | \$1,012,126 |
| AD                                  | \$913,809   |
| AE                                  | \$858,636   |
| AF                                  | \$526,244   |
| AG                                  | \$504,635   |
| AH                                  | \$503,062   |
| AI                                  | \$453,553   |
| AJ                                  | \$435,857   |
| AK                                  | \$416,251   |
| AL                                  | \$385,527   |
| AM                                  | \$372,909   |
| AN                                  | \$346,274   |
| AO                                  | \$310,299   |
| AP                                  | \$277,831   |
| AQ                                  | \$270,909   |
| AR                                  | \$199,626   |
| AS                                  | \$175,342   |
| AT                                  | \$170,348   |
| AU                                  | \$168,910   |
| AV                                  | \$142,273   |
| AW                                  | \$142,066   |
| AX                                  | \$135,658   |
| AY                                  | \$126,855   |
| AZ                                  | \$122,968   |
| BA                                  | \$115,408   |
| BB                                  | \$102,972   |
| BC                                  | \$101,139   |
| BD                                  | \$84,332    |
| BE                                  | \$82,595    |
| BF                                  | \$68,194    |
| BG                                  | \$53,113    |

|                    |                     |
|--------------------|---------------------|
| BH                 | \$ 46,813           |
| BI                 | \$40,143            |
| BJ                 | \$34,972            |
| BK                 | \$16,087            |
| BL                 | \$14,400            |
| BM                 | \$8,957             |
| BN                 | \$ 8,569            |
| BO                 | \$7,963             |
| BP                 | \$2,137             |
| BQ                 | \$859               |
| <b>Grand Total</b> | <b>\$11,909,636</b> |

## FEEDBACK

The Office of Inspector General has a continuing interest in improving the usefulness of its products. We aim to make our reports as responsive as possible and ask you to consider sharing your thoughts with us.

If you have comments, suggestions, and feedback on this report, please reach out at [OIG.Reports@hq.doe.gov](mailto:OIG.Reports@hq.doe.gov). Include your name, contact information, and the report number.

For all media-related questions, please send inquiries to [OIGpublicaffairs@hq.doe.gov](mailto:OIGpublicaffairs@hq.doe.gov) and include your name, contact information, and the report number.

## **Paycheck Protection Program Loans at the Hanford Site DOE-OIG-25-22**

### **Report Addendum for Identified Contractor Comments**

The U.S. Department of Energy Office of Inspector General (OIG) released a public report that refers to work performed by external parties. Pursuant to Public Law 117-263, Section 5274, non-governmental organizations and business entities specifically identified in an audit report prepared by the OIG have the opportunity to submit a written response for the purpose of clarifying or providing additional context to any specific reference. The OIG notified each external party related to this report on June 17, 2025, giving them 30 days to provide a response. The response is appended to the final, published report. The OIG reviews any response for the purpose of preventing the improper disclosure of classified or other nonpublic information, and, if necessary, will redact such information.

In response to our final report on *Paycheck Protection Program Loans at the Hanford Site*, one contractor provided written responses for the purpose of clarifying or providing additional context to specific references in the report. Washington River Protections Solutions LLC agreed with the Department of Energy's concurrence response for Recommendation 1 and is committed to addressing any questions raised by the cognizant Department of Energy contracting officer following completion of any prerequisite OIG and Department of Justice actions. In addition, the contractor stated that in August 2022, and based on the results of reviews and controls, Washington River Protections Solutions LLC and the Department of Energy referred this area to the OIG for further investigation. This was done prior to commencement of the OIG's audit. Washington River Protections Solutions LLC stated it was unable to fully assess or respond to the specific quantitative findings of the report due to a lack of supporting information such as subcontractor names or specific employee payroll information but will work to resolve any future questions raised by the cognizant Department of Energy contracting officer.

The response from Washington River Protections Solutions LLC is provided below.



July 10, 2025

To Whom It May Concern:

CONTRACT NO. DE-AC27-08RV14800 – Washington River Protection Solutions Response to DOE-OIG-25-22, Paycheck Protection Program Loans at the Hanford Site

WRPS appreciates the opportunity to respond to DOE-OIG-25-22, Paycheck Protection Program Loans at the Hanford Site.

In August 2022 and based on the results of reviews and controls, WRPS and DOE referred this area to the OIG for further investigation. This was done prior to commencement of the OIG's audit. WRPS is unable to fully assess or respond to the specific quantitative findings of the report due to a lack of supporting information such as subcontractor names or specific employee payroll information, but will work to resolve any future questions raised by the cognizant DOE Contracting Officer.

The following are provided as additional factual context on the use of CARES Act paid leave during the COVID-19 pandemic:

- WRPS is responsible for the FY 2020-2021 cost billed to DOE under TOC Clause, "Paid Leave Under Section 3610 of CARES Act to Maintain Employees and Subcontractors in a Ready State,". The CARES Act required maintaining adequate documentation and segregation of cost including information by individual employee and number of leave hours.
- FY 2020-2021 WRPS CARES Act Section 3610 cost billings to DOE were executed in accordance with federal regulations and DOE direction. This included appropriate segregation of Section 3610 time/cost and obtaining subcontractor certifications declaring they did not receive duplicative benefit from other programs.
- The WRPS subcontractors identified by the DOE-IG for potential overlap in loan and Section 3610 COVID-19 invoiced costs have submitted signed certifications affirming that their billings to WRPS do not duplicate other compensation or benefits. Under Title 18 U.S. Code Section 1001, making false or fraudulent statements to the U.S. Government is a felony.
- Companies applying for loan forgiveness were additionally required to certify no duplication of benefit with other programs. This certification is between the other company (subcontractor) and the SBA. In accordance with the loan application, the federal government can pursue recovery of loan amounts and/or criminal charges if a company mis-represents the loan application and/or uses loan funding for unauthorized purposes.
- WRPS holds no legal authority or responsibility for SBA backed PPP loans under Section 1106 of the CARES Act to other companies, including subcontractors. Further, WRPS holds no legal authority, responsibility or involvement for SBA forgiveness of PPP loans to other companies.

## **Conclusion**

- WRPS agrees with the Department of Energy concurrence response for Recommendation 1, and is committed to addressing any questions raised by the cognizant DOE Contracting Officer following completion of any prerequisite OIG and DOJ actions.
- WRPS CARES Act Section 3610 cost billings to DOE were executed in accordance with federal regulations and DOE direction, including implementation of procedures to obtain certifications that subcontractors were not receiving duplicative assistance from other available relief programs for the COVID-19 pandemic.
- The federal government has jurisdiction and responsibility for key actions associated with the recovery of any duplicative assistance provided to identified subcontractors, especially in instances where there is the potential for fraudulent certifications or activities.