



U.S. Department of Education
Office of Inspector General

Puerto Rico Department of Education's Use of ARP ESSER Funds to Measure Student Academic Progress

March 17, 2026
ED-OIG/ I25GA0233

INSPECTION REPORT

NOTICE

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. The appropriate Department of Education officials will determine what corrective actions should be taken.

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

March 17, 2026

Eliezer Ramos Parés
Secretary of Education
Puerto Rico Department of Education
P.O. Box 190759
San Juan, P.R. 00919-0759

Dear Secretary Ramos Parés:

Enclosed is our final report, "Puerto Rico Department of Education's Use of ARP ESSER Funds to Measure Student Academic Progress," Control Number ED-OIG/I25GA0233. This report incorporates the comments you provided in response to the draft report. The U.S. Department of Education's policy is to expedite inspection resolution by timely acting on findings and recommendations. Therefore, if you have any additional comments or information that you believe may have a bearing on the resolution of this inspection, you should send them directly to the following Department of Education official, who will consider them before taking final Departmental action on this inspection:

Kirsten Baesler
Assistant Secretary
Office of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Ave., SW
Washington, D.C. 20202

We appreciate your cooperation during this inspection. If you have any questions, please contact Juan E. Santiago-Díaz, Assistant Director, Elementary and Secondary Education Oversight Team, at Juan.Santiago@ed.gov or (202) 987-0370; or me at Ben.Sanders@ed.gov or (916) 213-7630.

Sincerely,

/s/

Ben C. Sanders
Director, Elementary and Secondary Education Oversight Team

Enclosure

Results in Brief

Puerto Rico Department of Education's Use of ARP ESSER Funds to Measure Student Academic Progress



Why Did the OIG Perform This Inspection?

Congress passed three coronavirus relief acts within a 1-year period that provided more than \$275 billion for an Education Stabilization Fund to prevent, prepare for, and respond to the coronavirus, including \$189.5 billion for the Elementary and Secondary School Emergency Relief Fund (ESSER). The American Rescue Plan Act (ARP) provided \$122 billion for ESSER to help State educational agencies (SEA) and local educational agencies (LEA) safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on students.

Ensuring that ARP ESSER funds are used effectively by grantees and achieve the intended impact is critical to help address the needs of students and educators. The Puerto Rico Department of Education (Puerto Rico DOE) was allocated about \$3 billion in ARP ESSER funds to support 860 schools serving about 261,000 students.

The objective of our inspection was to determine whether Puerto Rico DOE ensured that (1) services contracted for and paid with ARP ESSER funds to measure students' academic progress were provided as required and (2) results were used as intended to modify individual students' instructional plans and help prevent academic failure.

What Did the OIG Find?

We found that Puerto Rico DOE did not ensure that the services contracted for and paid with ARP ESSER funds to measure students' academic progress were provided in accordance with the executed contract. It also did not ensure that teachers used the results of the contractor-administered student academic proficiency assessments as intended to modify individual students' instructional plans and help prevent academic failure. As a result, Puerto Rico DOE used \$3.9 million in ARP ESSER funds to pay for student academic proficiency interim assessments that a contractor did not administer timely (10- and 20-week assessments) or at all (30- and 40-week assessments), and that did not achieve the intended purposes of helping teachers develop differentiated work plans based on each student's academic lag, diagnose students' immediate learning needs, and implement targeted re-teaching strategies effectively.

What Is the Impact?

Because Puerto Rico DOE did not ensure that the contractor performed all required services before paying the contractor and that teachers received and used the results of the student academic proficiency interim assessments as intended under the contract, \$3.9 million in ARP ESSER program funds were wasted. Those funds could have been used to benefit students and mitigate learning loss caused by the coronavirus pandemic.

What Are the Next Steps?

We made four recommendations to ensure that the \$3.9 million in ARP ESSER funds are not wasted, future contract work is adequately supervised by Puerto Rico DOE, and contractors are not paid for services they did not perform or that were outside the scope of the contract.

We provided a draft of this report to Puerto Rico DOE for comment. Puerto Rico DOE partially agreed with our finding and did not state whether it agreed with our recommendations, but did describe the corrective actions it plans to take to address three of the four recommendations.

We summarize Puerto Rico DOE's comments and provide our response at the end of the finding. We also provide the full text of Puerto Rico DOE's comments at the end of the report ([Puerto Rico DOE's Comments](#)). Because the attachment (spreadsheet) provided with Puerto Rico DOE's comments contained sensitive information that could not be reasonably redacted, we did not include it at the end of the report.

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Introduction

Background

On March 13, 2020, the President declared a national emergency due to the coronavirus pandemic. In response, Congress passed three coronavirus relief acts¹ within a 1-year period that provided more than \$275 billion for an Education Stabilization Fund to prevent, prepare for, and respond to the coronavirus, including \$189.5 billion for the Elementary and Secondary School Emergency Relief Fund (ESSER). The American Rescue Plan Act (ARP), the third coronavirus relief act passed, provided \$122 billion for ESSER to help State educational agencies (SEA) and local educational agencies (LEA) safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on students. Per section 2001(e)(2)(N)(i) of ARP, ESSER funds can be used to address learning loss among students by administering and using high-quality assessments to accurately assess students' academic progress and assist educators in meeting students' academic needs.

On March 24, 2021, the U.S. Department of Education (Department) awarded about \$81 billion in ARP ESSER funds to SEAs, about two-thirds of each SEA's total allocation. To receive the remaining funds, each SEA was required to submit a plan to the Department's Office of Elementary and Secondary Education for approval that described how the SEA would use ARP ESSER funds to safely reopen schools, support sustained access to in-person instruction, and address the academic, social, emotional, and mental health needs of students. By December 2021, the Department had awarded the remaining \$41 billion in ARP ESSER funds to SEAs. Effective use of ARP ESSER funds by grantees and contractors who perform services on their behalf is critical to helping ensure that the needs of students and educators are adequately addressed and intended impacts are achieved.

Puerto Rico Department of Education

The Puerto Rico Department of Education (Puerto Rico DOE), which is both an SEA and LEA for purposes of administering Federal financial assistance programs, is responsible for planning and administering all public elementary and secondary education and some postsecondary education in Puerto Rico. Its Secretary of Education, appointed by the

¹ The Coronavirus Aid, Relief, and Economic Security Act, enacted on March 27, 2020 (Public Law 116-136); Coronavirus Response and Relief Supplemental Appropriations Act, enacted on December 27, 2020 (Public Law 116-260); and American Rescue Plan Act, enacted on March 11, 2021 (Public Law 117-2).

Governor of the Commonwealth of Puerto Rico with the advice and consent of the Puerto Rico Senate, heads the agency.

Puerto Rico DOE was allocated about \$3 billion in ARP ESSER funds to support 860 schools serving about 261,000 students. As of November 25, 2025, it had drawn down about \$2.7 billion (90 percent) of its \$3 billion ARP ESSER allocation.² Puerto Rico DOE used \$3.9 million of its ARP ESSER funds to pay an educational technology services firm (contractor) to design, administer, tabulate, and analyze the results of interim assessments of Puerto Rico students' academic proficiency in five core subjects during school year 2023–2024. Puerto Rico DOE's Office of Academic and Programmatic Affairs was responsible for managing the \$3.9 million professional services contract³ (contract) and monitoring contractor performance. This contract was the focus of our review.

² Puerto Rico DOE has until July 29, 2026, to draw down and use the remaining 10 percent of its ARP ESSER funds.

³ The contract was executed on June 2, 2023.

Finding. Puerto Rico DOE Used \$3.9 Million in ARP ESSER Funds for Student Academic Proficiency Interim Assessments That Were Not Administered Timely or At All and Did Not Achieve Intended Purposes

We found that Puerto Rico DOE did not ensure that all services contracted for and paid with ARP ESSER funds to measure students' academic progress were provided by the contractor. It also did not ensure that teachers used the results of student academic proficiency assessments to modify students' instructional plans and help prevent academic failure. As a result, Puerto Rico DOE used \$3.9 million in ARP ESSER funds to pay for services that the contractor either did not perform or performed late, and that did not achieve the intended purposes of helping teachers develop differentiated work plans based on each student's academic lag, diagnose students' immediate learning needs so they could be addressed promptly, and implement targeted re-teaching strategies effectively. This wasteful⁴ spending meant that fewer funds were available for other allowable activities that could have helped mitigate the learning loss caused by the coronavirus pandemic.

In June 2023, Puerto Rico DOE awarded a \$3.9 million contract⁵ to an educational technology services firm to design, administer, tabulate, and analyze the results of interim assessments of students' academic proficiency in five subject areas during school year 2023–2024 (August 16, 2023, through June 7, 2024). The contract required that four assessments, covering five core subjects (English, Spanish, mathematics,

⁴ According to the U.S. Government Accountability Office, [waste](#) occurs when individuals or organizations expend government resources carelessly, extravagantly, or without adequate purpose. It can result in substantial losses to the Federal government, as well as diverting the availability of funds for other purposes.

⁵ The original contract, dated June 2, 2023, was amended twice. In December 2023, the contract was amended to correct a technical error by revising the contract end date from December 31, 2023, to June 30, 2024. In June 2024, the contract was amended to include updated terms regarding the remedies available to Puerto Rico DOE when the contractor is not meeting its contractual obligations and extend the contract end date to September 30, 2024, to provide the contractor with an additional 3 months to complete its work. The amended contracts did not change or alter the scope of work.

science, and social studies), be administered⁶ to approximately 260,000 students in grades 1 through 12. The assessments were to be administered every 10 weeks at the 10-, 20-, 30-, and 40-week interval marks, beginning in October 2023 and ending in March 2024.

Puerto Rico DOE Did Not Ensure All Contracted Services Were Provided

Puerto Rico DOE did not have adequate contract oversight and monitoring processes in place to ensure that, prior to making payments against the contract, the contractor had performed the agreed-upon services and otherwise met applicable contractual requirements. Puerto Rico DOE's contract monitoring activities primarily consisted of reviewing and approving the contractor's invoices and discussing with the contractor (via meetings and email) key issues and challenges facing the contractor, including errors in the assessments' content and difficulties in administering the assessments. However, the project manager (whom Puerto Rico DOE's Undersecretary of Academic and Programmatic Affairs told us lacked the knowledge and experience to effectively manage the contract and monitor contractor performance) did not verify that the contractor took appropriate corrective action to address those issues and challenges, and failed to enforce contractual obligations (for example, by withholding some or all payments to the contractor when it did not administer assessments timely or at all).

Article 16.C. of Puerto Rico DOE's "Guide for the Award and Contracting of Professional Services Paid for with Federal Funds Administered by the Auxiliary Secretariat of Federal Affairs" required that the contractor be supervised to ensure compliance with contract terms and conditions and the specifications in their proposals, and that an authorized Puerto Rico DOE representative be designated to review, certify, and approve the contractor's invoices. The guide did not require that the designated representative be experienced or meet specific professional qualifications, and did not include standardized procedures, protocols, checklists, or instructions to help guide Puerto Rico DOE employees when conducting contract monitoring activities, including invoice verification.

Title 2, Code of Federal Regulations (C.F.R.) section 200.318(b), requires that recipients and subrecipients of Federal funds maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts. Accordingly, at a minimum, Puerto Rico DOE should have had procedures in place to

⁶ The contract did not specify what "administering the assessments" entailed; however, in practice, the contractor designed the assessments, provided teachers and students at each school with access to the contractor's system, and tabulated and analyzed the assessment results.

follow up with the contractor if it was not administering or sharing the results of interim assessments timely or at all. When contract oversight and monitoring is lacking or not performed, a contractor may be paid for services not rendered or that differ from the services included in the contract. In this case, the contractor was paid the entire \$3.9 million contract amount even though it did not administer or share the results of the 10- and 20-week assessments timely and did not administer the 30- and 40-week assessments at all. When Puerto Rico DOE learned that the contractor was not meeting contractual obligations, it should have taken appropriate steps to hold the contractor accountable, in part, by withholding some or all payments to the contractor.⁷

Contractor Did Not Administer or Share the Results of the 10- and 20-Week Interim Assessments Timely

The contract required that the 10- and 20-week interim assessments be administered in October 2023 and December 2023, respectively, to provide teachers with sufficient time to review the results of those assessments and implement appropriate and timely actions to prevent student academic failure before school year 2023–2024 ended. However, the contractor did not administer the 10- and 20-week interim assessments until November 2023 (1 month late) and March 2024 (3 months late), respectively.

Puerto Rico DOE cited several challenges that contributed to the delays in the contractor’s administration of the 10- and 20-week interim assessments. According to the former project manager, challenges faced by the contractor included (1) limited availability in the schools’ calendars to administer the interim assessments, (2) lack of internet service or limited network broadband capacity at some schools, and (3) limited number of school computers available for students to take the assessments.

Additionally, Puerto Rico DOE’s Undersecretary of Academic and Programmatic Affairs cited challenges related to the system developed by the contractor to administer the assessments. The system-related challenges included (1) difficulties teachers and students had when attempting to access the contractor’s system or synchronize data, (2) incorrect information being reported in the contractor’s system (for example, system showing students as having completed the assessments without having taken them), and (3) information that should have been included in the contractor’s system but was not (for example, students and groups not found in the contractor’s system database despite teachers entering the information).

⁷ Article 8 of the contract states that if the contractor does not provide all specified services, Puerto Rico DOE may issue a payment based on the percentage of services completed.

The contract also required that the contractor make the 10- and 20-week assessment results available in its system (for applicable Puerto Rico DOE staff to access) within 48 hours of administering the assessments (Article 3.14 of the contract) and provide the files containing the 10- and 20-week assessment results to Puerto Rico DOE in November 2023 and January 2024, respectively (Article 6, deliverables 12 and 18, of the contract). However, there was no documentation or evidence to support that the contractor made the 10- and 20-week assessment results available in its system within 48 hours of administering the assessments. Additionally, the contractor did not provide the 10- and 20-week assessment results files to Puerto Rico DOE timely. It provided the 10-week assessment results file in January 2024, which was 2 months later than stipulated in the contract and 2 months after the assessment was administered; and the 20-week assessment results file in June 2024, which was 5 months later than stipulated in the contract and 3 months after the assessment was administered.

Contractor Did Not Administer the 30- and 40-Week Interim Assessments

The contractor did not administer the 30- and 40-week interim assessments to the nearly 260,000 students in grades 1 through 12 during school year 2023–2024, contrary to the terms of the contract. Instead, it administered alternative assessments to a much smaller number of students (5,585 students) after school year 2023–2024 had ended. Puerto Rico DOE’s project manager told us that the contractor administered the alternative assessments at the verbal request of the former Secretary of Education for Puerto Rico. The alternative assessments included content from the 30- and 40-week interim assessments that the contractor had already designed for the five core subject areas. Although the alternative assessments included some content from the 30- and 40-week interim assessments, the contractor administered those assessments after the school year had ended and to a significantly reduced number of students. Therefore, the results from the alternative assessments were not available to inform and help teachers implement appropriate and timely actions to address students’ academic lag before school year 2023–2024 had ended, one of the primary objectives stipulated in the contract. Per 2 C.F.R. section 200.459(b)(1), the nature and scope of the service rendered in relation to the service required are relevant factors in determining whether costs for professional services are allowable.

Alternative Assessments Were Not Incorporated into the Contract.

Puerto Rico DOE did not modify the contract to authorize the use of alternative assessments. According to the project manager, the former Secretary of Education for Puerto Rico verbally authorized the contractor to provide services outside the scope of the contract without amending the written contract, in part, because Puerto Rico DOE wanted to avoid the delays experienced with the 10- and 20-week interim assessments and it felt pressure to use the ARP ESSER funds before they expired. Puerto Rico DOE’s

Undersecretary of Academic and Programmatic Affairs told us that Puerto Rico DOE did not believe the contract needed to be amended because the changes in scope did not materially impact any contract provisions and the services provided outside the contract's scope (alternative assessments) cost the same as the 30- and 40-week interim assessments (no change in cost).

Puerto Rico DOE should have amended the contract in writing to comply with applicable requirements. Article 44 of the contract states that any service the contractor provides without a valid, signed, and current contract or its amendment will not be paid for by Puerto Rico DOE and the contractor will be responsible for its loss. Article 46 of the contract requires that any amendment, change, or modification regarding the terms and conditions of the contract be incorporated into the contract by a written amendment. It further notes that, in accordance with the rules governing the contracting of professional services, no payment will be made for services provided in violation of that clause if any official who requests and accepts services from the other party in violation of this provision does so without any legal authority.

Puerto Rico DOE Did Not Ensure That Teachers Received and Used the Results of the Interim Assessments as Intended

Puerto Rico DOE did not ensure that teachers received and used the results of student academic proficiency assessments to modify students' instructional plans and help prevent academic failure. The lack of oversight in this area occurred primarily because Puerto Rico DOE did not have adequate oversight and monitoring processes in place to ensure that all contracted services were being provided and intended purposes were being achieved, and it assigned contract management and oversight responsibilities to a project manager and unit that did not have the requisite knowledge and experience to effectively perform those responsibilities.

Puerto Rico DOE's Undersecretary of Academic and Programmatic Affairs told us that the project manager assigned to oversee the interim assessment project lacked the knowledge and experience to effectively manage the contract and monitor contractor performance. The undersecretary further noted that Puerto Rico DOE's Measurement and Assessment Unit should have been tasked with managing the contract instead of the Office of Academic and Programmatic Affairs because it had staff with the expertise needed to effectively oversee that type of project. The Office of Academic and Programmatic Affairs did not have staff with that same expertise. We also found that school principals generally did not provide sufficient training to their teachers to ensure that teachers understood how to access and use the results of the interim assessments to identify students' immediate learning needs and promptly address those needs,

which we concluded also contributed to the intended purposes of the assessments and contract not being achieved.⁸

Teachers' Receipt of Interim Assessments Results

As noted earlier in this finding, the contractor was 2 to 3 months late providing the 10- and 20-week assessment results files to Puerto Rico DOE. Puerto Rico DOE did not provide us with any documentation or evidence showing that it followed up with the contractor to expedite receipt of those files. Puerto Rico DOE provided us with documentation showing that it shared the 10-week interim assessment results file with teachers, but it did not provide documentation showing that it ever shared the 20-week assessment results file with teachers.

Teachers' Use of Interim Assessments Results

We interviewed 26 teachers from 7 regional education offices where the 10- and 20-week interim assessments were administered, in part, to determine whether they used the assessment results to modify students' instructional plans, if needed.⁹ Teachers were instructed to modify a student's instructional plan if the student scored 69 percent or lower on the assessment. Of the 26 teachers interviewed, 22 teachers (85 percent) told us that they did not use or could not recall using the interim assessment results to address their students' instructional needs.¹⁰ Only four teachers (15 percent) told us that they used interim assessment results to address their students' instructional needs. We could not verify if or how these four teachers addressed their students' instructional needs because they did not document that information in their weekly instructional plans.

⁸ According to the contractor's "Uniform Work Plan for Administering Interim Assessments for School Year 2023–24" and Puerto Rico DOE's project manager, school principals were primarily responsible for training their teachers on how to access and use the interim assessment results to address students' instructional needs.

⁹ We selected for interview a sample of 28 teachers from 7 regional education offices where the 10- and 20-week interim assessments were administered. We were unable to interview 2 (7 percent) of the 28 teachers in our sample because they were no longer working at the schools where the assessments were administered and our attempts to contact them were unsuccessful.

¹⁰ Of the 22 teachers who did not use or could not recall using the interim assessment results, 17 teachers said they never received the assessment results, 3 teachers said they received but did not use the assessment results, and 2 teachers could not recall whether they received the assessment results.

We asked Puerto Rico DOE for documentation showing the efforts it made to ensure that teachers were using the results of the 10- and 20-week assessments to help achieve the contract's objectives. In response, it provided a memorandum that the former Undersecretary of Academic and Programmatic Affairs issued to Puerto Rico DOE leadership and teachers on January 30, 2024, notifying them that the 10-week assessment results were available for teachers to use to reinforce their teaching and help students master their skills in each subject area. This memorandum was issued about 2 months after the 10-week interim assessments were administered. Puerto Rico DOE did not provide us with any documentation showing the efforts it made to ensure teachers were using the 20-week interim assessment results.

During our interviews with teachers, we also asked if and to what extent they received training from school principals on how to access and use the interim assessment results to address students' instructional needs. Only 7 (27 percent) of the 26 teachers interviewed stated that they received some training on how to access and use the assessment results to address students' instructional needs. The other 19 teachers (73 percent) either told us that they did not receive any training (18 teachers) or could not recall receiving training on how to access and use the assessment results (1 teacher). Through our work, which included reviewing a summary of the in-person trainings offered to Puerto Rico DOE employees, participant attendance sheets, and slides of the training presentations, we determined the contractor provided sufficient training to school principals and other Puerto Rico DOE employees on how teachers and others could access interim assessment results from the contractor's system, as required by the contract. However, as we learned from our interviews with 26 teachers, school principals did not always provide similar training to their teachers.

Based on the results of our interviews with teachers and the document (memorandum) that Puerto Rico DOE provided to show the efforts it made to ensure that teachers were using the results of the 10- and 20-week assessments, we concluded that Puerto Rico DOE did not provide sufficient outreach or training to ensure that teachers were using the interim assessment results as stipulated in the contract.

Intended Purposes of Assessments and Contract Not Achieved

The student academic proficiency assessments (10- and 20-week assessments and alternative assessments) that the contractor administered to Puerto Rico students did not achieve the intended purposes, as stipulated in the contract. As noted in the contract, the purpose of administering interim assessments every 10 weeks was to collect data on students' performance and identify the academic areas needing improvement, information that teachers could have used to promptly address students' immediate needs and modify instructional plans to address students' academic lag before school year 2023–2024 ended. However, contrary to contractual requirements,

the contractor did not administer interim assessments every 10 weeks per the established schedule (the 10- and 20-week assessments were administered late, and the 30- and 40-week assessments were never administered), and the results of the assessments that the contractor did administer were not always shared with or used by teachers. The Undersecretary of Academic and Programmatic Affairs for Puerto Rico DOE told us that when interim assessments are not administered timely and teachers do not receive assessment results promptly, the assessments lose relevance because students may not perform well due to the time that has passed and teachers may not be able to take appropriate actions early enough to help prevent academic failure.

We concluded that Puerto Rico DOE's use of \$3.9 million in ARP ESSER funds for the 10- and 20-week assessments and alternative assessments was wasteful because contractually required services were performed late or not at all, and teachers did not receive the student-level data they needed to timely assess students' academic proficiency in key subject areas and promptly implement appropriate corrective actions before school year 2023–2024 ended. Those funds could have been used for other allowable purposes, including activities designed to benefit students and mitigate learning loss caused by the coronavirus pandemic.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education require Puerto Rico DOE to—

1. Return the \$3.9 million charged to the ARP ESSER grant for the student academic proficiency interim assessments or take other remedial actions as appropriate, such as making accounting adjustments to other valid and allowable obligations incurred during the ARP ESSER grant period of availability.
2. Develop and incorporate into its existing contract monitoring and oversight policies and procedures, control activities, or protocols designed to ensure that only qualified personnel are assigned to manage and oversee contracts and those charged with that responsibility verify that the contractually required services are rendered (for example, by reviewing documentation supporting the completion of contract-related work) before paying the contractor.
3. Implement its contract amendment procedures, as designed, to ensure that all future changes to the scope of contracted work are documented and approved in writing.
4. Provide sufficient training to its employees, including teachers, who are responsible for implementing initiatives and activities under contracts funded with Federal education funds to help ensure that all contractual obligations and objectives are met and Federal education funds are used as intended.

Puerto Rico DOE's Comments

Puerto Rico DOE partially agreed with the finding, noting that the costs billed for the 30- and 40-week assessments (totaling \$1.4 million¹¹) were not supportable, reasonable, or allowable under applicable Federal requirements and contract provisions, and should not have been paid. It disagreed that the entire \$3.9 million contract should be questioned and identified \$2.5 million in deliverables (which include the 10- and 20-week assessments) that it asserts the contractor completed in accordance with the contract and therefore should receive payment for, while acknowledging that some services were delayed. It also noted that the entirety of the contract should not be questioned because the contract established that services would be offered to an approximate number of students (260,000 students) and, in several phases, the contractor administered assessments to more than 145,000 students and performed other services. Puerto Rico DOE further noted that it benefited from the student academic progress data that were collected through the assessments, while adding that denying payment to the contractor due to administrative or procedural circumstances and not the illegality of the services themselves could constitute unjust enrichment.

Puerto Rico DOE did not state whether it agreed with the recommendations but described the corrective actions it plans to take to address Recommendations 2, 3, and 4. Those actions, in part, include reviewing Puerto Rico DOE's existing contract monitoring and oversight policies and procedures to ensure that only qualified personnel are assigned to manage and oversee contracts and providing those employees with targeted or refresher training covering contract oversight activities, such as verifying that contractually-required services are rendered before paying the contractor, documenting and approving amendments to a contract in writing, ensuring that all program objectives are met and Federal education funds are well invested, and adjusting contract invoices in cases where all services cannot be provided as planned.

OIG Response

We did not make any changes to the finding or recommendations based on Puerto Rico DOE's comments. We disagree with Puerto Rico DOE's assertion that the 10- and 20-week assessments and related services (totaling \$2.5 million) were completed in accordance with the terms of the contract. We recognize that the contractor performed some services, however, those services often did not meet contract requirements, and the related deliverables (such as the 10- and 20-week assessment results) were not

¹¹ This amount and the \$2.5 million amount in the next sentence were included in the spreadsheet that Puerto Rico DOE attached to its response.

always provided to or used by teachers to identify students' academic areas needing improvement and promptly address students' immediate needs. Additionally, those services were only provided to a little more than half (145,058, or 56 percent) of the 260,000 students anticipated under the contract.

Regarding Puerto Rico DOE's statement that it benefited from the student academic proficiency data collected through the administered assessments, we note that Puerto Rico DOE did not include in its response any information or documentation identifying the benefits received or describing how the data were used to modify individual students' instructional plans and help prevent academic failure.

Regarding Puerto Rico DOE's statement that denying payment to the contractor could constitute unjust enrichment, we note that the contract's termination clause provided Puerto Rico DOE with the authority to terminate the contract at any time and for any reason, including when it believed an immediate reduction of expenses was warranted. Accordingly, Puerto Rico DOE could have chosen to terminate the contract when it learned that services would not be provided in accordance with the contract. It also could have chosen to pay the contractor for services rendered using other available funds (non-ARP ESSER), where permissible.

Puerto Rico DOE's proposed actions, if implemented as described, are responsive to Recommendations 2, 3, and 4.

Appendix A. Scope and Methodology

Our inspection covered a \$3.9 million professional services contract (funded with ARP ESSER dollars) that Puerto Rico DOE awarded on June 2, 2023, to an educational technology services firm to design, administer, tabulate, and analyze the results of interim assessments of students' academic proficiency in five core subjects during school year 2023–2024 (August 16, 2023, through June 7, 2024). To accomplish our objective, we first gained an understanding of the following laws, regulations, and guidance relevant to the ARP ESSER program and the administration of professional services contracts:

- Coronavirus Aid, Relief, and Economic Security Act, enacted on March 27, 2020 (Public Law 116-136);
- ARP, enacted on March 11, 2021 (Public Law 117-2);
- 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- Puerto Rico DOE's approved ARP ESSER plan; and
- Puerto Rico DOE's "Guide for the Award and Contracting of Professional Services Paid for with Federal Funds Administered by the Auxiliary Secretariat of Federal Affairs."

We then reviewed and evaluated the contract to determine whether the \$3.9 million that Puerto Rico DOE paid to the contractor was allowable, supported, and consistent with the contract's terms and conditions; and helped achieve the purpose of the ARP ESSER program. We interviewed Puerto Rico DOE officials responsible for managing and overseeing the contract and reviewed relevant documents and records, including the Request for Proposal, contractor's proposal, "System for Continuous Monitoring for Academic Recovery" work plan¹² that Puerto Rico DOE developed for administering interim assessments every 10 weeks during the 2023–2024 school year, executed contract and related contract amendments, billing invoices, and the contractor's progress reports.

Through interviews with teachers and reviews of relevant documents and records, we gained an understanding of whether Puerto Rico DOE used the interim assessment results as the contract intended; that is, by using the results to help teachers develop differentiated work plans based on a student's academic lag, diagnose a student's

¹² The work plan established the objectives and the intended purpose of the project, resources needed (goods, services, or both), and how the project would be implemented.

immediate learning needs and take prompt action to address those needs, and implement targeted re-teaching strategies effectively. We interviewed 26 teachers to determine whether they used the results of student academic proficiency interim assessment results, and if they had received training from their school principals on how to access the interim assessment results in the contractor’s system and use them to address students’ instructional needs. We also reviewed relevant documents and records, including a memorandum issued by a former Undersecretary of Academic and Programmatic Affairs for Puerto Rico DOE on January 30, 2024, establishing “69 percent or lower” as the score threshold for purposes of identifying students with instructional needs requiring teacher intervention and adjustments to their weekly instructional plans, and showing the outreach that Puerto Rico DOE made to teachers encouraging and reminding them to use the 10- and 20-week assessment results.

Sampling Methodology

Puerto Rico DOE provided us with two spreadsheets listing the 42,182 teachers who taught the 145,058 students who completed the 10- and 20-week assessments and scored 69 percent or less on both assessments. From the population of 42,182 teachers, we judgmentally selected 28 teachers to interview to determine whether they used the interim assessment results to modify students’ instructional plans and help prevent academic failure and whether they received training from their school principals on how to access the interim assessment results in the contractor’s system and use them to address students’ instructional needs. From each of the seven educational regions, we judgmentally selected the top four teachers who had the most students scoring 69 percent or below on both the 10- and 20-week assessments (28 teachers total).¹³ Two teachers were no longer employed by Puerto Rico DOE at the time of our interviews and therefore could not be interviewed. We conducted interviews with the other 26 teachers, 9 in person and 17 by telephone. Because our sample was judgmentally selected and not large enough to project the results with the precision required by our policy, the results of our sample cannot be projected to the entire population of teachers.

Use of Computer-Processed Data

We relied, in part, on computer-processed data from the contractor’s interim assessment administration system to identify the population of teachers who could be selected for an interview. Puerto Rico DOE provided us with two spreadsheets showing the results of the interim assessments administered to students during school year

¹³ The contractor administered interim assessments to 140 students who were taught by these 28 teachers.

2023–2024: one showing the results of the 10-week interim assessment and one showing the results of the 20-week interim assessment. We used the data in those two spreadsheets to identify the students who completed and scored 69 percent or lower on both assessments and their respective teachers. To assess the reliability of that data, we traced and compared selected student information (such as student identification number, school code, and grade) in the spreadsheets to information in Puerto Rico DOE’s student information system. We traced and compared selected information for a statistically valid, random sample of 20 students.¹⁴ Based on the work performed, we determined that the data in the two spreadsheets were sufficiently reliable for their intended purposes.

We also relied, in part, on funding-related data in the Department’s grants management system to identify Puerto Rico DOE’s ARP ESSER authorization, drawdown activity, and remaining balance as of November 25, 2025. Because we considered the Department’s grants management system to be the best and most reliable source for ARP ESSER funding-related data, we did not assess the reliability of the data.

Compliance with Standards

We conducted our work in accordance with the Council of the Inspectors General on Integrity and Efficiency’s “Quality Standards for Inspection and Evaluation.” Those standards require that we plan and perform our work to obtain sufficient and appropriate evidence to support our findings and provide a reasonable basis for our conclusions. We believe that the evidence obtained provides a reasonable basis for our conclusions.

We conducted our inspection at Puerto Rico DOE’s schools in the cities of Aibonito, Bayamón, Dorado, Loiza, Morovis, and Santa Isabel, and our offices from March through September 2025. We discussed the results of our work with Puerto Rico DOE officials on September 2, 2025, and provided them with a draft of this report on January 14, 2026.

¹⁴ We selected 20 students from the population of 145,058 unique students who completed and scored 69 percent or lower on both (10- and 20-week) interim assessments. We designed our sample to allow for acceptance or rejection of data for each student in the population at an 80 percent confidence level. If the data were not reliable for 4 (20 percent) or more of the 20 students, then the data for the entire population would be considered unreliable because the accuracy of the data did not meet the 80 percent confidence level.

Appendix B. Acronyms and Abbreviations

ARP	American Rescue Plan Act
C.F.R.	Code of Federal Regulations
Contract	\$3.9 million professional services contract, executed on June 2, 2023, between Puerto Rico DOE and contractor
Department	U.S. Department of Education
ESSER	Elementary and Secondary School Emergency Relief
LEA	local educational agency
OIG	Office of Inspector General
Puerto Rico DOE	Puerto Rico Department of Education
SEA	State educational agency

Puerto Rico DOE's Comments



DEPARTMENT OF

EDUCATION

GOVERNMENT OF PUERTO RICO
OFFICE OF THE SECRETARY

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February 6, 2026

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**Re: PRDE Response to I25GA0233 Draft Inspection Report, Puerto Rico DOE's
Use of ARP ESSER Funds dated January 14, 2026**

The Puerto Rico Department of Education (PRDE) submits the following response to the Office of Inspector General's (OIG) Draft Inspection Report regarding PRDE's use of ARP ESSER funds for the administration of student academic assessments under Contract No. [REDACTED] with [REDACTED]

[REDACTED] PRDE notes that it has existing policies, procedures, and internal controls in place to address contract monitoring, oversight, amendments, and implementation of federally funded activities. Nonetheless, PRDE recognizes the importance of reinforcing these controls to ensure consistent and effective application across all program areas and offices.

1. PRDE acknowledges the OIG's findings concerning deficiencies in contract oversight and the untimely administration of certain assessments. However, PRDE clarifies that a portion of the services questioned by the OIG were, in fact, rendered in accordance with the contract terms and were necessary for the implementation of the

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project. Accordingly, PRDE reviewed the invoices associated with the contract to assess compliance with the contractual deliverables and timelines, as established within the [REDACTED] contract clauses. Therefore, PRDE disagrees in part with the OIG's finding and questioned cost, as it explains as follows.

First, PRDE reviewed the information related to enrollment data. It is valuable to clarify that the contract established that services were to be offered to an approximate of 260,000 students. Therefore, since the contract itself indicates an approximate number of participants, PRDE disagrees that the entirety of the contract payment should be questioned. In several phases the vendor complied with offering the administration of the assessments to more than 145,000 students; and performed other activities in connection with contract requirements.

Moreover, Clause 6 of the contract establishes the conditions for payment and organizes deliverables by implementation phases. Based on PRDE's review:

- **10-week assessments:**

The administration of the 10-week assessments occurred in November 2023, consistent with the contractual implementation phase, and the corresponding services were billed in December 2023. PRDE understands that these services were rendered and invoiced in alignment with the contract schedule.

- **Deliverables 1-4 (test validation by academic experts):**

These deliverables were billed after the January 2024 deadline specified in the contract. Nonetheless, the contractor provided PRDE with the required validation documentation during the project period, which was

necessary to continue implementation. This is sustained by the meeting minutes and supporting documentation submitted with the invoices.

- **Deliverables 5–7:**

Supporting documentation, included within the system, demonstrates that the validation processes for these deliverables were performed between September and December 2023, as required by the contract. Although invoiced in January 2024, PRDE acknowledges that the services themselves were rendered within the contractual requirements.

- **Deliverables 14–21:**

PRDE found that these services were performed on some occasions with delays in the delivery of parts of it due to circumstances that are not the responsibility of the vendor. PRDE performed two contract amendments to extend the period of performance of the contract, thus, both parties accepted that the timeline was duly changed until September 2024

However, all services were ultimately rendered and billed accordingly. PRDE understands that the delayed performance could reduce the overall effectiveness of these deliverables but maintains that the underlying services were completed; and that PRDE benefited from the data of student progress that was collected through the assessments that were properly administered.

State law doctrine of unjust enrichment provides that the one party/Government may not retain the benefit of services actually received without providing compensation, where doing so would result in an inequitable advantage. Courts have recognized that, even in the public sector, the Government should not be unjustly enriched by accepting and using services rendered in good faith when nonpayment

is due to administrative or procedural circumstances, rather than the illegality of the services themselves. In such cases, denying payment could constitute unjust enrichment, contrary to principles of equity and good-faith public administration.

Therefore, based on the review of the supporting documents of the invoices submitted by the provider and the explained doctrine, PRDE determined to pay for the aforementioned services because they were rendered as established within the contract and contract amendments.

Notwithstanding the above PRDE concurs with the OIG that the costs billed for the 30 and 40-week assessments are not supportable. The contractor administered alternative assessments to a significantly reduced number of students (more than 5,000 students) and this action was not aligned with the contract terms, nor could the contract be amended verbally. PRDE cannot justify payment for these services. It recognizes that these costs do not meet allowability, nor reasonability standards under applicable Federal regulations and contract provisions.

Therefore PRDE agrees that the costs associated with this portion shouldn't have been paid.

Finally, PRDE is committed to strengthening its contract oversight, invoice verification, and documentation procedures to ensure that future payments are made only for services that are fully rendered, and compliant with contractual and Federal requirements. Therefore, being that PRDE is an education agency and believes that education is the key to resolve many matters, it will ensure all appropriate staff are trained and up to date regarding all contract and invoice review oversight procedures.

Please see attachment 1, which discloses the analysis made by PRDE in connection with questioned costs, and what costs PRDE believes that should not be in question.

2. As part of PRDE's procedures, the contracting unit, which is usually the lead of a work plan or of an initiative is the one that oversees the implementation of a contract that is derived from the same work plan or initiative. However, PRDE will review its existing contract monitoring and oversight policies and procedures, if needed, to continue to ensure that only qualified personnel are assigned to manage and oversee contracts and that these related staff are well trained. Additionally, as part of this effort, PRDE will reinforce control activities requiring designated personnel to verify, through appropriate supporting documentation, that contractual required services have been rendered prior to approving payments to contractors. To achieve these corrective measures, PRDE will implement targeted training to be provided to staff responsible for contract oversight and invoice interventions to ensure full compliance with established procedures.
3. PRDE will continue to implement its contract amendment procedures, as designed, to ensure that all changes to the scope of work under existing and future contracts are properly documented and approved in writing prior to execution. PRDE will also reinforce internal guidance through additional reviews and manuals; and provide refresher training to relevant personnel to ensure consistent adherence to these procedures.
4. PRDE will provide additional training to employees responsible for implementing initiatives and activities under contracts funded with Federal education funds, including program staff and administrative personnel from different offices, as applicable. These trainings will be designed to reinforce existing requirements, clarify roles and

responsibilities, and help ensure that all contractual obligations and program objectives are met and that Federal education funds are well invested. Additionally, PRDE will include as part of trainings, options to adjust invoices in cases that the entirety of the services can't be provided, as planned.

The estimated completion date for policy reviews and trainings is December 2026.

PRDE remains committed to continuous improvement and to maintaining strong internal controls to ensure compliance with all applicable Federal requirements.

Respectfully,



Lic. Eliezer Ramos Parés
Secretary

