

FAA

Report AV2025025
March 12, 2025

FAA Has Improved Its Oversight of COVID-19 Relief Funds Despite Implementation Inconsistencies

Highlights

Federal Aviation Administration (FAA)
AV2025025| March 12, 2025

FAA Has Improved Its Oversight of COVID-19 Relief Funds Despite Implementation Inconsistencies

Self-Initiated

Our Objective(s)

To assess FAA's oversight of airport sponsors' compliance with the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan Act (ARPA) rent relief and economic relief reimbursement eligibility requirements.

Why This Audit?

The CRRSA Act and ARPA awarded $10 billion in economic relief to eligible U.S. airports and concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic. By the end of December 2023, FAA had expended more than $8.5 billion in concession rent relief and economic relief grants. We previously identified weaknesses in FAA's policies and procedures for monitoring COVID-19 relief funds. Because of those weaknesses, we initiated this audit.

What We Found

FAA's revised policies have resulted in greater adherence to reimbursement requirements.

- Our previous review of FAA's oversight of the COVID-19 relief grant funds determined that the Agency's oversight process regarding supporting documentation impacted its ability to monitor program performance. During that review, we identified $271 million in unsupported costs, $85 million in questioned costs, and $3 million in improper payments.
- We recommended that FAA assess the risk of improper payments for different types of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) reimbursement requests and revise its policy on supporting documentation requirements to account for risk level. In response, FAA revised its COVID grant programs guidance, effective March 27, 2023.
- With these changes, FAA significantly reduced unsupported and questioned costs, as well as improper payments.

FAA inconsistently implemented the CRRSA Act and ARPA rent relief programs.

- To receive rent relief funds, FAA required airport sponsors to complete a Concession Plan. We found that FAA approved 76 percent of Concession Plans for the Airport Coronavirus Response Grant Program (ACRGP) and 70 Percent of Concession Plans for the Airport Rescue Grants Program (ARGP).
- Our review of 60 plans identified some inconsistencies in the program's implementation and an error in FAA's review, including a nonprofit business receiving rent relief, inconsistent application of airport lounges' eligibility as concessions, and airport sponsors inconsistently populating data fields for Concession Plans. Despite these inconsistencies we did not identify any significant improper rent economic relief payments in our review sample.



0 **Recommendations** FAA has reduced unsupported and questioned costs and improper payments for ACRGP and ARGP, so we are not making new recommendations. *(p. 12)*

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U.S. Department of Transportation
Office of Inspector General

Memorandum

Date: March 12, 2025

Subject: INFORMATION: FAA Has Improved Its Oversight of COVID-19 Relief Funds Despite Implementation Inconsistencies | Report No. AV2025025

From: Nelda Smith
Assistant Inspector General for Aviation Audits

To: Federal Aviation Administrator

The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act[1] and the American Rescue Plan Act (ARPA)[2] awarded $10 billion in economic relief to eligible U.S. airports and concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic. To distribute these funds, the Federal Aviation Administration (FAA) established the (1) Airport Coronavirus Response Grant Program (ACRGP) for the CRRSA Act and the (2) Airport Rescue Grants Program (ARGP) for ARPA. Between January 2021 and December 2023, FAA issued more than 630 airport concession relief grants and more than 4,100 economic relief grants. As of December 2023, FAA had expended more than $8.5 billion in concession rent relief and economic relief grants to airports for such purposes as capital expenditures, operating expenses (including payroll and utilities), debt payments, and concession rent relief.

In a prior audit[3] of FAA's award and oversight of funds appropriated by the Coronavirus Aid, Relief, and Economic Security (CARES) Act,[4] we identified weaknesses in FAA's policies and procedures for monitoring the relief funds that we determined contributed to more than $350 million in questioned or unsupported costs and $3 million in improper payments. Because of those issues and the importance of promoting effective stewardship of the significant funds allocated to FAA through the CRRSA Act and ARPA, we initiated this audit to

[1] Public Law Number (Pub. L. No.) 116-260 (2020).
[2] Pub. L. No. 117-2 (2021).
[3] *FAA Quickly Awarded CARES Act Funds but Can Enhance Its Oversight Approach To Promote Effective Stewardship* (Office of Inspector General (OIG) Report No. AV2022032), July 18, 2022. OIG reports are available on our website at https://www.oig.dot.gov.
[4] The CARES Act (Pub. L. No. 116-136 (2020)) was the first relief act that Congress passed to provide economic relief in response to the COVID-19 pandemic.

assess FAA's oversight of airport sponsors' compliance with CRRSA Act and ARPA rent relief and economic relief reimbursement eligibility requirements. Specifically, we looked at the Agency's policies and procedures to oversee rent relief and economic relief and if it consistently implemented the rent relief and economic relief programs. We conducted this audit in accordance with generally accepted Government auditing standards. Exhibit A details our scope and methodology. Exhibit B lists the organizations we visited or contacted, and exhibit C lists the acronyms used in this report.

We appreciate the courtesies and cooperation of Department of Transportation representatives during this audit. If you have any questions concerning this report, please contact me or Marshall Jackson, Program Director.

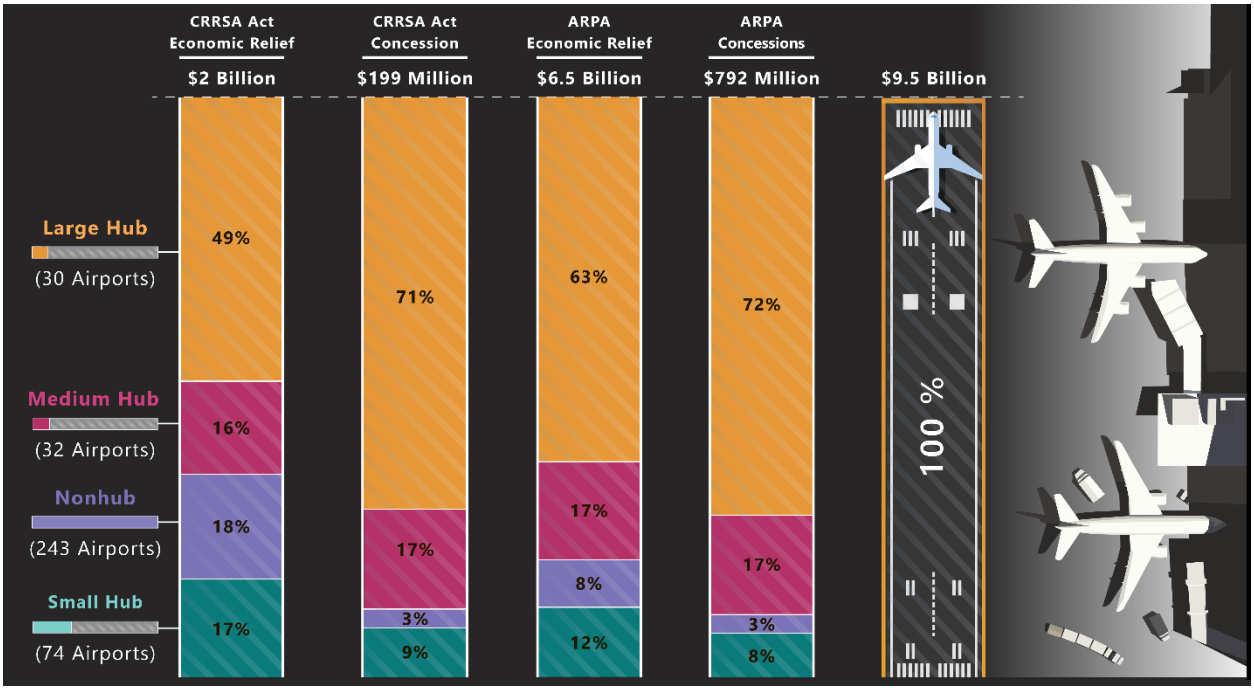
cc: The Secretary
DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100

Background

Enacted in December 2020 and March 2021, the CRRSA Act and ARPA—the second and third COVID-19 relief acts—collectively provided $10 billion in funding for immediate disbursement to more than 3,000 airports of various sizes across the country to prevent, prepare for, and respond to the COVID-19 pandemic. Funds provided within the CRRSA Act and ARPA were allocated to primary commercial service airports; eligible airport concessions within these airports;[5] and nonprimary commercial service, general aviation, and cargo airports.[6] Primary commercial service airports with more than 10,000 annual passenger boardings received funds under both relief acts. In addition, the acts provided concessions within these airports funds to relieve rent and minimum annual guarantees (MAGs) as identified in the contract between the airport sponsor and the concessionaire.[7] One condition for approving such a grant was that airport sponsors were required to distribute the relief to each concession based on its proportional share of the airport's total rent and MAGs of those eligible concessions at that airport. Nonprimary commercial service and general aviation airports were allocated funds based on airport categories, such as National, Regional, Local, and Basic.[8] See figure 1 for a detailed illustration of the funding breakdown between the two relief acts.

[5] Federal regulation broadly defines a concession as one or more types of for-profit businesses that serve the traveling public. These businesses include those (1) located at the airport and engaged in the sale of consumer goods or services to the traveling public under an agreement with the recipient, another concessionaire, or the owner or lessee of a terminal, if other than the recipient, or (2) conducting a covered activity, such as electronic advertising, which takes place on an airport. See Title 49 Code of Federal Regulations (C.F.R.) Part 23 for additional details.
[6] Under the CRRSA Act, nonprimary commercial service and general aviation airports shared $45 million based on their airport categories. Of that amount, sponsors of nonprimary airports participating in the FAA Contract Tower Program will equally divide not less than $5 million.
[7] A MAG is usually based on some percentage of the airport concession's prior year's revenue and is intended to provide the airport sponsor with a revenue floor from these concession contracts.
[8] The National Plan of Integrated Airport Systems identifies airport categories and the amounts and types of airport development eligible for Federal funding under the Airport Improvement Program (AIP).

Figure 1. Funding Breakdown Between the CRRSA Act and ARPA for Primary Commercial Service Airports



Note: For additional details see Exhibit A: Scope & Methodology

Source: Office of Inspector General (OIG) analysis of FAA data

To distribute the funds, FAA used the tools and structure of its existing Airport Improvement Program (AIP), which it used for CARES Act grants and prior disaster recovery efforts. FAA's Office of Airport Planning and Programming (APP), which administers and oversees AIP grants, also performs the same duties for the Agency's COVID-19 relief grants and established ACRGP for the CRRSA Act and ARGP for ARPA to distribute these funds to airport sponsors.[9] After offering relief for concessions, airport sponsors then request reimbursement via the Department of Transportation's (DOT) Delphi eInvoicing system for payment requests, for eligible costs such as operational expenses, debt-service payments, and rent relief and MAGs. FAA reviewers manually assess all payment requests at Headquarters to ensure the requests meet applicable Federal[10] and Agency

[9] An airport sponsor, usually a county or municipality, is the airport's owner-operator. FAA guidance also refers to AIP grant recipients as airport sponsors. Sponsors receive grant awards on behalf of the airports while airport personnel manage day-to-day operations.

[10] Participation of Disadvantaged Business Enterprise in Airport Concessions, 49 C.F.R. § 23.3.

guidelines[11] for reimbursement (the table below outlines Federal and Agency guidelines for reimbursement under ACRGP and ARGP). Although FAA previously required airport sponsors to submit only detailed invoice summaries with their reimbursement requests, our recent audit[12] prompted the Agency to begin requiring supporting documentation for all expenses except payroll and debt-service expenses.

Federal and Agency Guidelines for Reimbursement Under ACRGP and ARGP

Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act
• Uniform Guidance at Title 2 C.F.R., Part 200
• Payment Integrity Information Act of 2019
• Policy and Procedures Concerning the Use of Airport Revenue
• ACRGP (CRRSA Act) and ARGP (ARPA) Frequently Asked Questions
• Concessions Rent Relief Grant Review Process Guide

Source: OIG analysis of FAA guidance

Because of the requirements and restrictions unique to ACRGP and ARGP concession rent relief funds, FAA required airport sponsors to submit separate Concession Rent Relief Plans (Concession Plans) for each program. These Concession Plans identified eligible airport concessions operating at airports and outlined the proportional allocation[13] to be provided. Upon FAA approving a Concession Plan, APP disbursed ACRGP and ARGP funds to the airport sponsor for waived rent or as credit to concessionaires.

[11] The Agency developed Frequently Asked Questions (FAQs) for ACRGP and ARGP to explain to airport sponsors how funds were allocated, how funds can be used, the grant application process, invoicing and payment processes, and the concession rent relief process. Additionally, grantees were required to adhere to FAA's *Policy and Procedures Concerning the Use of Airport Revenue,* 64 Federal Register 7696 (February 16, 1999).

[12] We recommended that FAA assess the risk of improper payments for CARES Act reimbursements and revise the Agency's policy on supporting documentation requirements to account for risk level. *FAA Quickly Awarded CARES Act Funds but Can Enhance Its Oversight Approach to Promote Effective Stewardship* (OIG Report No. AV2022032), July 18, 2022.

[13] An airport sponsor must provide this relief to each airport concession in an amount that reflects each eligible airport concession's proportional share of the total amount of rent and MAG of all eligible airport concessions at the airport. This is a set of ratios of each eligible concession's contribution to the total amount of rent and MAG income remitted to the airport by all members of the eligible population of remitting concessions.

FAA's Revised Policies Have Resulted in Greater Adherence to Reimbursement Requirements

FAA assigns each AIP grant recipient a payment-risk level, which then determines the level of supporting documentation the recipient must submit and the approval process for reimbursement.[14] To mitigate the significant risks associated with CARES Act funds, the Agency categorized payment requests from these funds to be a higher risk than most AIP requests.[15] FAA also required a manual review of all COVID-19 relief reimbursement requests—a process typically reserved only for AIP recipients assigned an elevated level of risk—and required COVID-19 relief grant recipients to submit all underlying documentation in support of reimbursement requests.[16]

In 2022, we reviewed FAA's oversight of the CARES Act grants and determined that although leveraging the AIP allowed the Agency to quickly award and distribute funds, changes in the Agency's oversight process regarding loosening supporting documentation requirements impacted its ability to monitor program performance.[17] At the time of our review in July 2022, this change contributed to more than $271 million in unsupported costs, $85 million in questioned costs, and $3 million in improper payments.[18] As a result, we recommended that FAA assess the risk of improper payments for different types of CARES Act reimbursement requests and revise its policy on supporting documentation requirements to account for risk level. In response, FAA revised its payment policy to require grantees' payment requests to include individual invoices, except for reimbursement of payroll and debt service for which the previous policy of an invoice summary and retaining supporting documentation would remain the

[14] The three risk levels—nominal, moderate, or elevated (lowest to highest)—pertain solely to the risk associated with submitting grant payments and may differ from the risk level assigned to the recipient for other grant administration activities.

[15] According to FAA, most AIP grant recipients are considered nominal risk, which requires them to provide only minimal supporting documentation in reimbursement requests. Airport District Office/Regional Office staff do not have to review or approve that documentation, and successfully submitted requests are processed automatically for reimbursement (manual reviews are performed for the final 10 percent of funds on a grant).

[16] According to FAA guidance, underlying payment request documentation means payroll receipts, janitorial contract invoices, debt-service payments, etc.

[17] FAA's initial guidance for CARES Act grant recipients, dated April 13, 2020, directed airport sponsors to "continue the current [AIP] practice of submitting underlying payment request documentation." The Agency amended this requirement to only require "summary invoices" in guidance it issued on December 3, 2020.

[18] An improper payment is a payment that should not have been made or that was made in an incorrect amount (including overpayment or underpayment) under statutory, contractual, administrative, or other legally applicable requirements.

requirement.[19] FAA implemented changes for all three programs—CARES Act, CRRSA Act, and ARPA—on March 27, 2023.

We found that after implementing these changes, FAA significantly reduced unsupported and questioned costs and improper payments for ACRGP and ARGP. We reviewed 141 payments, totaling more than $3.4 billion,[20] across both programs and found only one instance of an improper payment. Specifically, ARGP guidance states that FAA will reimburse sponsors for debt-service payments directly related to an airport that were due on or after March 11, 2021. However, we identified a transaction involving two invoices, totaling $26,672, paid to the airport sponsor that predated March 11, 2021. We contacted FAA regarding this transaction in July 2024. The Agency confirmed in August 2024 that the predated invoices were not eligible for reimbursement. Upon further inspection, FAA determined that program officials had previously identified the ineligible expense in August 2023 during the grant closeout process and required the funds be credited back to the grant. This action resolved our concerns.

FAA Inconsistently Implemented the CRRSA Act and ARPA Rent Relief Programs

To receive rent relief funds, FAA required airport sponsors to complete a Concession Plan. Because this type of relief was new to airport sponsors and because FAA wanted to better assure the information necessary to validate eligibility was collected, the Agency developed and distributed templates to each eligible airport sponsor. Agency guidance stated that the completed Concession Plans should primarily identify (1) eligible airport concessions operating at an airport and (2) the proportion of an airport's total award that would be provided to each eligible concession.[21] Additionally, FAA's template provided room for sponsors to include the concessionaire business's legal name (if different from concession name), CRRSA Act or ARPA rent relief provided to the concessionaires (if applicable), concessionaire participation in the Small Business Administration's (SBA) Paycheck Protection Program (PPP), and the airport sponsor's required

[19] FAA determined payroll and debt-service expenses to be the lowest risk because of their recurring and predictable nature.

[20] We reviewed 19 ACRGP payments totaling more than $400 million, followed by an additional sample of 39 transactions representing more than $140 million in economic relief. We also sampled 20 ARGP payments totaling $539 million and an additional 63 payments totaling $1.3 billion.

[21] FAA, *Airport Coronavirus Response Grant Program Frequently Asked Questions* (March 27, 2023); FAA, *Airport Rescue Grants Frequently Asked Questions* (March 27, 2023).

consultation with Airport Concession Disadvantaged Business Enterprises.[22] At the time of our review, we found that FAA approved 199 of the 260 Concession Plans for ACRGP (76 percent) and 143 of the 204 Concession Plans for ARGP (70 percent).

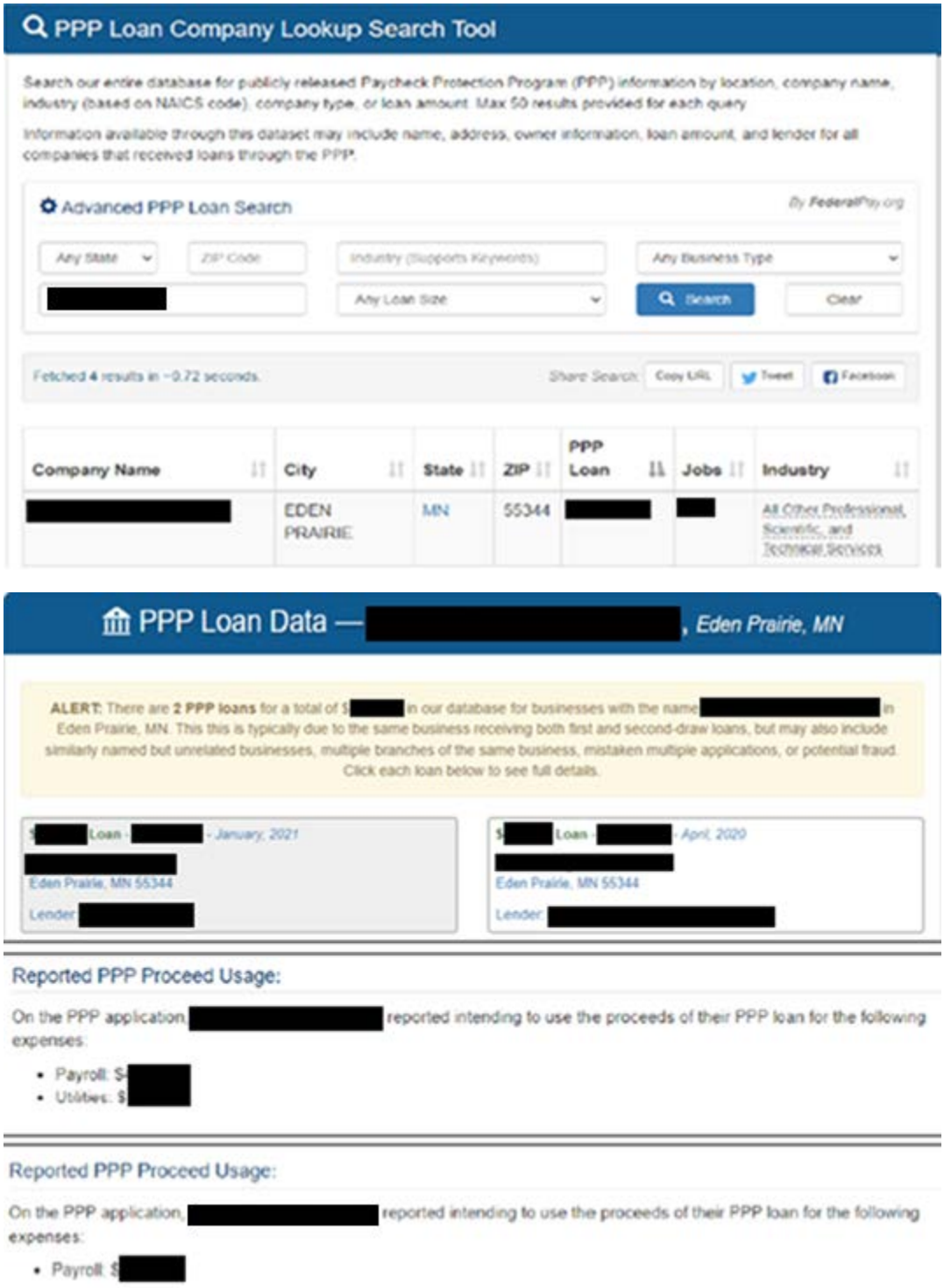
Once received, FAA:

- reviewed each Concession Plan for completeness of information,
- examined the legal business name of each concessionaire,
- assessed rent income to the airport during the qualifying baseline period,
- identified concessionaires ineligible for rent relief funds, and
- validated that concessionaires did not use the SBA's PPP Second Draw funds for rent or MAG payments using PPP Loan Database Lookup Tool (see figure 2).[23]

[22] 49 C.F.R. Part 23 defines an Airport Concession Disadvantaged Business Enterprise as "a firm seeking to operate as a concession that is a for-profit small business that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged . . . and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it."

[23] The SBA Second Draw PPP allowed certain eligible borrowers who previously received a PPP loan to apply for a second loan. Similar to First Draw PPP Loans, Second Draw funds could be used to help fund payroll costs, including benefits, or to pay for mortgage interest, rent, or utilities.

Figure 2. FAA's Sample PPP Loan Database Lookup Tool



Source: FederalPay.org Paycheck Protection Program Data Lookup, with redaction added by OIG to remove extraneous identifying information

According to FAA program officials, FAA attempted to provide airport sponsors as much guidance as possible to help them complete their Concession Plans. The Agency published and updated its guidance, as needed; hosted webinars that were later posted on its website for public review; and frequently met directly with airports to address any concerns. Airport sponsors we spoke with found FAA responsive to their inquiries and helpful throughout the process.

However, our review of 60 Concession Plans[24] identified some inconsistencies in the program's implementation and an error in FAA's review.

- **Nonprofit Business Received Rent Relief.** An airport sponsor certified that all concessions within its Concession Plans for ACRGP and ARGP were eligible for rent relief. FAA approved the Concession Plans for that sponsor, but our review identified that the sponsor provided rent relief totaling more than $25,000 to a concession within the plan that was a nonprofit trust. However, the ACRGP and ARGP requirements state that a sponsor can only be reimbursed for rent relief provided to "for-profit" entities.[25] When we asked FAA about this matter in July 2024, Agency officials said the airport sponsor self-certified the concession's eligibility to receive rent relief when creating the Concession Plans. We considered the rent relief payments made to this nonprofit trust to be an improper payment as the trust was an ineligible recipient.[26] The Agency agreed with our finding and requested that the sponsor revise its Concession Plans and redistribute rent relief funds provided to this concession to eligible concessions at the airport. The sponsor provided FAA a revised Concession Plan redistributing the previously allotted funds to all eligible concessionaires later that same year.

- **Airport Lounge Eligibility of Concessions.** Although Federal regulations do not define airport lounges differently than any other airport concession, when requesting rent relief payments from FAA, airport sponsors treated airport lounges differently through ACRGP and ARGP.[27] For example, some airports included airport lounges in their Concession Plans, while others did not. FAA officials told us that "some airports were incredibly generous" with rent relief but added that charging rent for airport lounges is not an FAA decision but an internal decision made by

[24] We sampled 33 ACRGP and 27 ARGP concession grants.
[25] This FAA guidance in conformance with the CRRSA Act and ARPA requires that the eligible concessions meet the definition established under 49 C.F.R. Part 23. Per definition, a concession is one or more of the types of for-profit businesses, listed in the C.F.R., that serve the traveling public.
[26] The Payment Integrity Information Act of 2019 (Pub. L. No. 116-117 (2020)) states that an improper payment includes any payment that should not have been made, such as payment made to ineligible recipients.
[27] Our review focused on airport lounges that had direct contractual agreements with the airport and not those that were affiliated with airports via an airline.

the airport based on the contractual relationship between the concessionaire and the airport. We identified one airport sponsor that included an airport lounge in its Concession Plans, but officials representing that lounge informed the airport sponsor that it does not take "Federal funds directly or indirectly." However, we found that this concessionaire, which operates lounges in 15 U.S. airports, received Federal funds for rent relief from ACRGP and ARGP totaling more than $1 million at 3 airports. A different airport sponsor informed us they had the same concessionaire but said FAA advised them that the concessionaire did not qualify for rent relief.

- **Airport Sponsors Did Not Populate Data Fields for Concession Plans.** We identified two airport sponsors that did not submit ACRGP Concession Plans in accordance with FAA guidance. One airport sponsor identified the name of the concession but did not identify the legal business names for its concessionaires. For FAA officials to validate sponsor certified data, Agency reviewers need the concessionaires' legal business names—which the airport sponsor did not provide—to verify SBA PPP loan information. Another airport sponsor provided the legal business name for the concessionaires but did not identify some of the concessionaires' tradenames. By not providing these data points, FAA could not effectively research and analyze SBA PPP loan data for some of these concessionaires, as required by ACRGP guidance.

Although program officials reviewed each Concession Plan to ensure compliance with Federal laws and requirements, we found these issues occurred because FAA required airport sponsors to certify many aspects of the plans. According to the Pandemic Response Accountability Committee,[28] the most common root cause that agencies report for improper payments is reliance on self-reported information or inability to authenticate eligibility.[29] When relief funds are provided to ineligible applicants, it reduces the amount of funds available to eligible airport concessions that have suffered economically due to the pandemic.

[28] The Pandemic Response Accountability Committee—established in March 2020 by the CARES Act—is a Committee of the Council of the Inspectors General on Integrity and Efficiency that coordinates and supports oversight of the covered coronavirus funds and the Federal Government's coronavirus response and identifies major risks that cut across program and agency boundaries.

[29] Pandemic Oversight, "Self-certification procedures may increase fraud risk in pandemic response programs," (Nov. 13, 2020), https://www.pandemicoversight.gov/news/articles/self-certification-procedures-may-increase-fraud-risk-pandemic-response-programs (last visited Nov. 18, 2024).

Other Matters

FAA guidance states that FAA will reimburse sponsors for monthly payments into a debt-service reserve fund (also called a debt-service sinking fund), which is directly related to the airport, and the airport sponsor must ensure that these payments are restricted to only debt-service payments. Typically, airports transfer revenues to these accounts on a regular basis as identified by local laws, regulations, or agreements with the actual airport owners. However, during our review, we found an airport sponsor had transferred funds from its improvement fund and therefore returned funds to that account upon reimbursement from FAA. When we asked officials from the airport sponsor why they had made the transfer from the improvement fund instead of the sinking fund, they indicated that the reduction in travel as a result of COVID-19 lockdowns had impacted revenues, and the airport trust agreement required that they make the deposits monthly. We found no evidence that the funds were misused by the airport sponsor, but we have concerns that by placing the funds in an improvement fund instead of a sinking fund, the sponsor may have violated FAA policies, such as its Airport Sponsors Grant Assurances or its Revenue Use Policy. APP officials we spoke with explained that this was a unique situation that fell outside their scope and that they would need to converse with FAA's Office of Financial Compliance.

Conclusion

Since our prior audit, which identified more than $350 million in financial discrepancies, FAA has strengthened its oversight of COVID-19 relief programs and demonstrated an improvement in managing the funds. The CRRSA Act and ARPA allocated $10 billion in funds to eligible U.S. airports and concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic, with FAA overseeing the distribution of these funds. As FAA closes out these grants and prepares for potential future relief programs, continuing to strengthen these processes is crucial to ensuring proper allocation of Federal funds to the Nation's airports.

Recommendations

With the implementation of the recommendations from our CARES Act audit, FAA has significantly reduced unsupported and questioned costs and improper payments for ACRGP and ARGP. For this reason, we are making no recommendations.

Agency Comments and OIG Response

We provided FAA with our draft report on February 11, 2025. We received FAA's technical comments without a formal written response on February 25, 2025. This report incorporates FAA's technical comments as appropriate.

Actions Required

We are not making recommendations, and no action is required.

Exhibit A. Scope and Methodology

This performance audit was conducted between January 2024 and February 2025. We conducted this 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To assess FAA's oversight of airport sponsors' compliance with the CRRSA Act and ARPA requirements, we tested FAA's grant files for compliance with Federal laws and regulations, as well as FAA guidance, policies, and procedures such as the Agency's FAQs. To address our objectives, we developed a standardized checklist to evaluate payments that we sampled in accordance with Agency guidance. We also contacted or interviewed APP officials and conducted site visits to four airport sponsors to understand the Agency's oversight activities for the CRRSA Act and ARPA.

We reviewed ACRGP and ARGP payments for operations, maintenance, payroll, debt service, and concession rent relief.[30] Our review focused on primary airports because they received 99 percent of the CRRSA Act and ARPA funds, and it excludes CRRSA Act obligations to nonprimary commercial service, general aviation airports, and nonprimary airports participating in the FAA Contract Tower program, as well as ARPA obligations for the Federal share of airport development grants and nonprimary airports. Using a two-stage sampling methodology with probability proportional to size of the expended amount, we selected a statistical sample of 58 payments representing more than $550 million (28 percent) of all economic relief and 33 concession grants representing more than $111 million (73 percent) of all concession grants obligated under ACRGP. Similarly, for ARGP, we statistically sampled 83 transactions representing more than $3 billion (54 percent) of all economic relief grants and 27 concession grants representing more than $365 million (74 percent) of all concession grants.

To obtain an overall understanding of ACRGP and ARGP, we interviewed FAA officials to determine their roles and responsibilities in reimbursing funds to airport sponsors and to learn about the program's guidance, award process, relevant data, expenditures and reimbursements, and compliance reviews.

[30] ACRGP and ARGP concession rent relief payments were lump-sum payments from FAA to the airport sponsor, making these payments equivalent to a single payment.

To assess the effectiveness of FAA's CRRSA Act and ARPA grant management policies and procedures, we obtained access to FAA's System of Airports Reporting and Delphi and independently reviewed and validated CRRSA Act and ARPA data, grant files, and related documentation. This access allowed us to assess FAA's oversight of grantee compliance with applicable Federal laws and regulations. We retrieved grant files—including grant agreements, annual financial reports, and closeout reports—from both databases. We reviewed each document for clarity, correctness, and overall completion to identify any issues with grant issuance, acceptance, and compliance. Access to these systems also enabled us to:

- Download reimbursement requests and supporting documentation from Delphi. We reviewed this material for compliance with the CRRSA Act, ARPA, 2 C.F.R. Part 200, and FAA's FAQs and Revenue Use Policy.
- Determine questioned costs. In line with the definition of "questioned costs" in the Inspector General Act of 1978, we determined which costs were not supported by adequate documentation to address conflicting information, such as date incurred, date due, or date paid.
- Determine unsupported costs (e.g., costs that lacked sufficient or any documentation) to show whether related payments were proper or improper.
- Determine improper payments. Per Federal and Agency guidance, operational expenses incurred prior to January 20, 2020, were ineligible for reimbursement under both Acts. Federal and Agency guidance also limited eligibility of debts to those incurred before December 27, 2020, for CRSSA Act funds and those incurred before March 11, 2021, for ARPA funds.

Exhibit B. Organizations Visited or Contacted

Federal Aviation Administration Facilities

FAA Headquarters

Other Organizations

City & County of San Francisco, California

Lee County Port Authority, Florida

Miami-Dade Aviation Department, Florida

San Diego County Regional Airport Authority, California

Exhibit C. List of Acronyms

ACRGP	Airport Coronavirus Response Grant Program
AIP	Airport Improvement Program
APP	Office of Airport Planning and Programming
ARGP	Airport Rescue Grants Program
ARPA	American Rescue Plan Act
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
C.F.R.	Code of Federal Regulations
COVID-19	Coronavirus Disease 2019
CRRSA Act	Coronavirus Response and Relief Supplemental Appropriations Act
DOT	Department of Transportation
FAA	Federal Aviation Administration
FAQs	Frequently Asked Questions
MAGs	Minimum Annual Guarantees
OIG	Office of Inspector General
PPP	Paycheck Protection Program
Pub. L. No.	Public Law Number
SBA	Small Business Administration

Exhibit D. Major Contributors to This Report

MARSHALL **JACKSON**	PROGRAM DIRECTOR
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