

July 15, 2026

Via Electronic Mail

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Re: Pandemic Funding Oversight Report – Calendar Year 2026, 2nd Quarter

Dear Governor Healey and Commonwealth Leaders:

This letter serves as the Office of the Inspector General's (OIG) Pandemic Funding Oversight Report for the second quarter of Calendar Year 2026. Pursuant to Section 54 of Chapter 77 of the Acts of 2023, the OIG will continue to file quarterly reports on its pandemic funding oversight expenditures, activities, and findings through the end of Fiscal Year 2027.

The OIG's Special Funding Oversight Unit is responsible for overseeing pandemic funds distributed to public entities and reviewing programs that use those funds. Through these reviews, the OIG ensures that public entities (1) spend pandemic funds in accordance with applicable state and federal rules; (2) monitor programs to prevent and detect fraud, waste, and abuse; (3) document information about awards, spending decisions, and monitoring activities; and (4) measure the performance of programs and projects supported with pandemic funds.

During the second quarter, the OIG concluded a review of the Hotel & Motel Relief Grant Program and the Independent Movie Theater Grant Program. Through these programs, the Massachusetts Growth Capital Corporation (MGCC) transferred \$72,129,362 to 98 hotel grantees and \$2.7 million to 34 movie theater grantees to support small businesses negatively impacted by the 2019 novel coronavirus pandemic. The funds for these programs came from the Coronavirus State Fiscal Recovery Funds provided through the American Rescue Plan Act of 2021 (ARPA).

The OIG has three active reviews underway of appropriations of pandemic funds totaling approximately \$250 million. The OIG will report on those reviews when the work is complete.

Through its OIG Academy, the OIG provides training to employees of state agencies, local governments, school districts, and other public entities related to federal pandemic awards and the associated rules and best practices to administer that funding. In the second quarter, the OIG delivered two classes:

- “Managing Risk, Measuring Success” (April 2026) – Provides practical considerations for conducting program risk assessments and measuring and reporting on program success.
- “Preparing for the Next Emergency Now” (May 2026) – Recommends practical actions that public entities should consider in planning for future public emergencies.

Since delivering its first pandemic funding-related training in March 2022, the OIG has trained over 1,000 attendees.

In 2026’s second quarter, the OIG spent an estimated \$89,373.29 from the reserve fund on salary costs. Since funding was made available, the OIG has spent an estimated \$1,108,280.17.

If you have any questions or concerns about the OIG pandemic funding oversight program or this report, please reach out to me. Thank you.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG
Inspector General

Governor Healey and Commonwealth Leaders

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cc (by email):

The Hon. Lt. Gov. Kimberley Driscoll

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