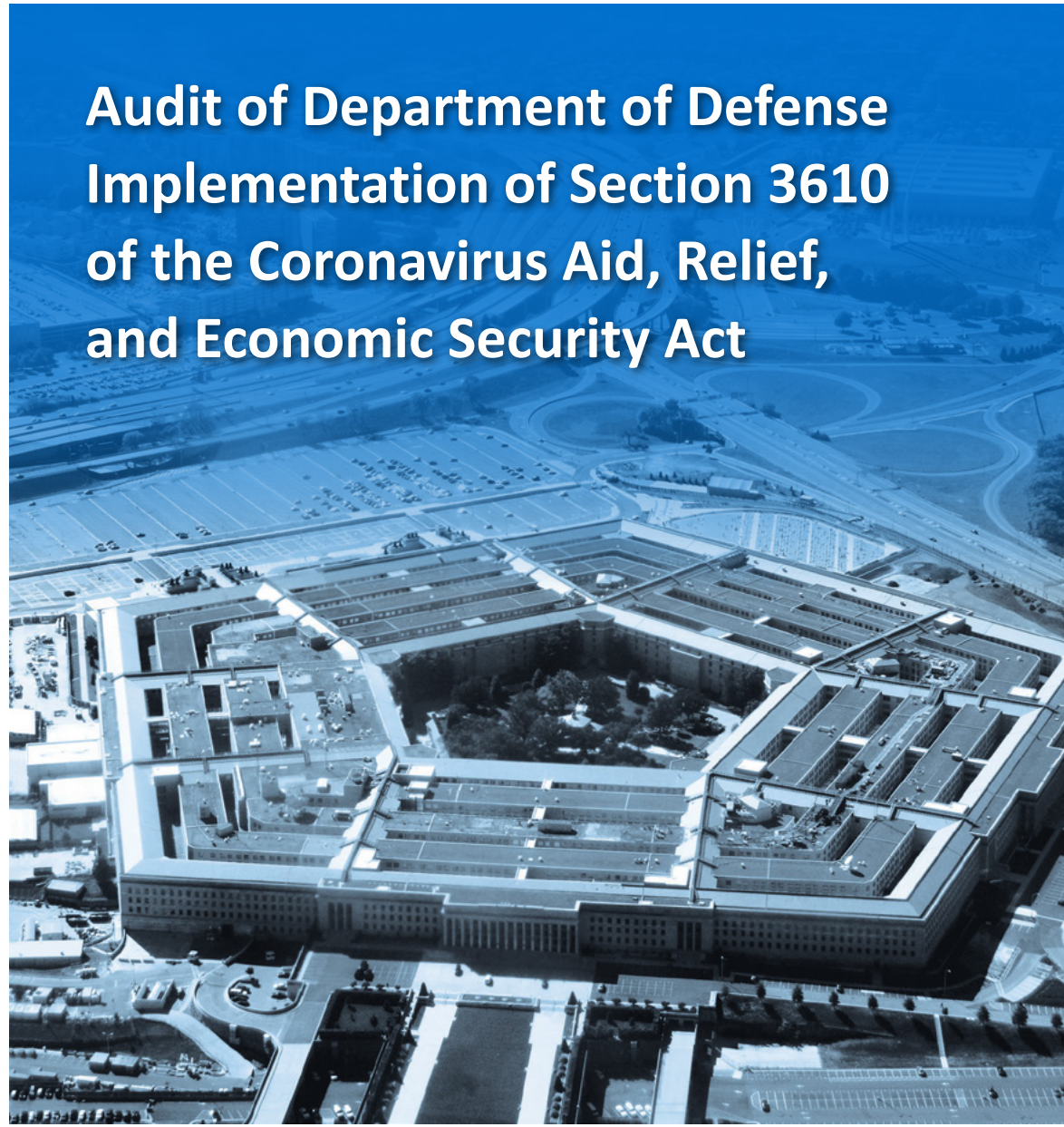




INSPECTOR GENERAL

U.S. Department of Defense

DECEMBER 9, 2020



Audit of Department of Defense Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





Results in Brief

Audit of Department of Defense Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act

December 9, 2020

Objective

The objective of this audit was to assess the DoD's implementation of section 3610 as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), including whether contracting officers properly authorized and reimbursed contractor costs. The CARES Act did not provide specific appropriations for section 3610, but instead authorized agencies to use any legally available funds.

Background

The President declared a U.S. national emergency on March 13, 2020, and signed the CARES Act into law on March 27, 2020. Section 3610, "Federal Contractor Authority," of the CARES Act authorized agencies to reimburse contractors for any paid leave, including sick leave, they provide to keep their employees or subcontractor employees in a "ready state," including to protect the life and safety of Government and contractor personnel. A ready state is defined as a contractor's ability to mobilize and resume performance in a timely manner.

In order to qualify, contractors must not have been able to work due to closures or other restrictions, and must have job duties that cannot be performed remotely. Contractors can only request the minimum applicable contract billing rates up to an average of 40 hours per week until December 11, 2020.

Results

In general, 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 CARES Act. For the 37 contracts reviewed, we 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, we identified some challenges that the DoD faced while implementing section 3610 that extended beyond our 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 other coronavirus disease-19 relief for the same leave expenses.
- The DoD's use of section 3610 authority was limited; as of September 30, 2020, only 96 of the 781 DoD affected contractors received assistance through section 3610.
- 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.





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

December 9, 2020

MEMORANDUM FOR DISTRIBUTION

**SUBJECT: Audit of Department of Defense Implementation of Section
3610 of the Coronavirus Aid, Relief, and Economic Security Act
(Report No. DODIG-2021-030)**

This report provides an assessment of the DoD's implementation of section 3610 as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This report also includes the results of our review of a nonstatistical sample of 37 contracts with \$28.3 million in section 3610 requests. In total, we identified 135 contracts with \$68.3 million in section 3610 requests as of September 30, 2020.

In general, 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 CARES Act. However, we identified challenges that the DoD faced while implementing section 3610, including that contracting officers had to rely on contractors to self-certify their use of other coronavirus disease-19 (COVID-19) relief programs. Ultimately, we found that the use of section 3610 authority was limited within the DoD when compared to the total number of contractors affected by COVID-19 closures and restrictions.

We conducted this audit from May 2020 through November 2020 in accordance with generally accepted government auditing standards.

If you have any questions or would like to meet to discuss the audit, please contact me at [REDACTED]. We appreciate the cooperation and assistance received during the audit.

A handwritten signature in black ink, reading "Theresa S. Hull".

Theresa S. Hull
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

Distribution:

UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT
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Audit of DoD Implementation of Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act

Objective

The objective of this audit was to assess the DoD's implementation of section 3610 as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), including whether contracting officers properly authorized and reimbursed contractor costs. The CARES Act did not provide specific appropriations for section 3610, but instead authorized agencies to use any legally available funds. See Appendix A for a discussion of the scope and methodology and for prior coverage.

CARES Act Section 3610 “Federal Contractor Authority”

The President declared a U.S. national emergency on March 13, 2020, and signed the CARES Act into law on March 27, 2020. Section 3610, “Federal Contractor Authority,” of the CARES Act authorized agencies to reimburse contractors for any paid leave, including sick leave, they provide to keep their employees or subcontractor employees in a “ready state,” including to protect the life and safety of Government and contractor personnel. A ready state is defined as a contractor's ability to mobilize and resume performance in a timely manner. In order to qualify, contractors must not have been able to work due to closures or other restrictions, and must have job duties that cannot be performed remotely. Contractors can only request the minimum applicable contract billing rates up to an average of 40 hours per week until December 11, 2020.¹ The Office of Management and Budget (OMB) and the DoD issued guidance for the implementation of section 3610.

OMB Guidance

OMB's mission is to assist the President in meeting his policy, budget, management, and regulatory objectives. OMB Memorandum M-20-22, “Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019,” April 17, 2020, outlines some guiding principles for implementing section 3610. The OMB memorandum states that using the guidelines will support “rationally based decisions that reflect the best interest of the Government in any given situation, fully supported by contractor records that are subject to oversight, and that safeguard the taxpayers funding these efforts.” Specifically, the memorandum provides the following guidance.

¹ Section 3610, “Federal Contractor Authority,” of the CARES Act's original deadline of September 30, 2020, was extended to December 11, 2020, by the “Continuing Appropriations Act, 2021 and Other Extensions Act,” October 1, 2020.

- Consider whether reimbursing paid leave to keep the contractor in a ready state is in the best interest of the Government for meeting current and future needs.
- Reimburse at contractor billing rates, which might include certain overhead costs in addition to labor, but “shall not include profit or fees.”
- Maintain mission focus and evaluate use of section 3610 in the broader context of all strategies to promote contractor resiliency.
- Be mindful of the challenges faced by small businesses.
- Work with the contractor to secure necessary documentation to support reimbursement and prevent duplication of payment.
- Track section 3610 by modifying contracts to implement section 3610 and enter “COVID-19 3610” on the contract action report (CAR).

DoD Guidance

The Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD[A&S]) is responsible for all matters pertaining to acquisition, including contract administration, the acquisition workforce, and the defense industrial base. The OUSD(A&S) issued several memorandums providing criteria and guidance on how the DoD acquisition workforce should implement section 3610 of the CARES Act, including, “Class Deviation-CARES Act Section 3610 Implementation,” April 8, 2020.² The class deviation to Federal Acquisition Regulation (FAR) Part 31, “Contract Cost Principles and Procedures,” established Defense Federal Acquisition Regulation Supplement (DFARS) 231.205-79, “CARES Act Section 3610 - Implementation.”³ The OUSD(A&S) memorandum and DFARS 231.205-79 guidance parallel the OMB memorandum guidance closely.⁴ However, the OUSD(A&S) memorandum requires that section 3610 costs also be segregated and identifiable in the contractor’s records so that compliance with all terms of section 3610 can be reasonably ascertained. See Appendix B for a full list of additional DoD-specific criteria and guidance for the CARES Act.

The DoD’s Use of Section 3610

Contracting officers implemented section 3610 on a variety of contracts, including services performed by aircraft and vehicle mechanics, engineers, intelligence agency contractors, recruiters, and clergy. We found that the majority of contracts

² The OUSD(A&S) revised its memorandum on October 14, 2020, to reflect the extension of section 3610 to December 11, 2020.

³ The Principal Director of Defense Pricing and Contracting issues class deviations when necessary to allow organizations to deviate from the FAR and DFARS.

⁴ OMB Memorandum M-20-22, “Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019,” April 17, 2020.

for which contracting officers implemented section 3610 authority were for contractor employees working at Government-owned facilities.⁵ As worksite closures and restrictions occurred, contracting officers used section 3610 authority to keep employees with special training and skills or security clearances in a ready state. Contracting officers also approved requests for paid leave for contractor employees required to quarantine after returning from overseas assignments or after being exposed to someone with coronavirus disease–19 (COVID-19).

For example, an Army contracting officer used section 3610 authority to approve the request for reimbursement of leave costs totaling \$9.2 million for 110 employees (90 of whom worked for small businesses) who were unable to travel overseas because of COVID-19 travel restrictions. The contracting officer stated that the employees needed to deploy immediately once travel restrictions were lifted.

A request for reimbursement under section 3610 differs from a traditional request for equitable adjustment. Under requests for equitable adjustment, contractors can request compensation for contract adjustments for which the contractor believes the Government is liable. However, section 3610 gave the option to reimburse contractors for leave costs where neither the DoD nor the contractor was at fault. Overall, contracting officers stated that section 3610 authority was beneficial. Contracting officers stated that section 3610 authority:

- allowed contractor employees to come back quickly rather than having them take other jobs;
- allowed the DoD to retain critical employees who had already gone through a lengthy vetting process or had already obtained security clearances;
- benefited small businesses that were not able to obtain other financial assistance;
- retained workers to accomplish the DoD’s mission; and
- prevented contractor employees from losing their security clearances because of financial hardships.

The number of contracts using section 3610 authority has increased steadily since the President signed the CARES Act. Using the Federal Procurement Data System-Next Generation (FPDS-NG), beta.SAM.gov, and a DoD Office of Inspector General (DoD OIG) data call, we identified 135 contracts where contracting officers

⁵ The Defense Contract Management Agency provides contract administration services for the DoD and is an essential part of the acquisition process from pre-award to sustainment; they also oversee contractors at contractor facilities. As of September 15, 2020, Defense Contract Management Agency representatives stated that they have not yet approved any section 3610 requests.

used section 3610 authority to authorize reimbursement to contractors for up to \$68.3 million in leave costs as of September 30, 2020.⁶ See Appendix C for the summary of the 135 contracts that implemented section 3610 by DoD Component.

In addition, through the data call, we identified 157 contracts where the contracting officers planned to use section 3610.⁷ Although not all contracting officers gave us estimated dollar values, we were able to identify at least \$49.9 million in potential future costs associated with section 3610 as shown in Table 1.

Table 1. Number and Estimated Dollar Value of Pending Section 3610 Contracts

DoD Component	Number of Contracts	Dollar Value of Section 3610 Costs (thousands)*
Army	65	\$15,814
Air Force	27	26,559
Defense Counterintelligence and Security Agency	1	0
Defense Health Agency	1	75
Defense Logistics Agency	1	6,939
U.S. Cyber Command	1	142
Missile Defense Agency	2	331
U.S. Special Operations Command	59	0
Total	157	\$49,860

* Because contracting officers had not completed their reviews of these section 3610 requests, the dollar value is subject to change. The Army did not indicate the dollar value for 39 of the 65 contracts, so this dollar value represents 26 contracts. In addition, the Air Force did not indicate the dollar value for 23 of the 27 contracts, so this dollar value represents 4 contracts. The Defense Counterintelligence and Security Agency and the U.S. Special Operations Command did not indicate a dollar value at all. The Director of Policy, Deputy Assistant Secretary of the Navy (Procurement), stated that Navy contracting offices and contractors were waiting to submit section 3610 requests until the OUSD(A&S) had published additional guidance; therefore, the Navy had no pending requests for reimbursement.

Source: The DoD OIG.

⁶ FPDS-NG is a web-based tool for Federal agencies to report contract actions. The FAR requires contracting officers for most agencies to populate, complete, and submit CARs on all contract actions, including award and modifications, in FPDS-NG. The CAR is the information about the contract action that the contracting office submits to FPDS-NG.

Beta.SAM.gov is managed by the General Services Administration, which manages Federal acquisition and awards processes in 10 online websites that are now being merged into one. This site will become the official U.S. Government website for people who make, receive, and manage Federal awards.

⁷ The audit team reconciled the pending actions reported through the data call with the issued section 3610 contracts as of September 30, 2020. The audit team did not count a pending action if the contract has been issued since the data call.

We also identified 12 contract actions where the contractor requested reimbursement for section 3610 costs, but the contracting officer denied the request. Specifically, contracting officers denied the requests because:

- the contractor did not need to be put in a “ready state”;
- the contractor employee was placed in quarantine after returning from personal travel, but the contracting officer determined that the employee had disregarded DoD travel restrictions for contractor employees;
- the contractor provided insufficient documentation to support its claims for reimbursement; or
- there was insufficient funding available.⁸

Section 3610 Contracts and Sample

When we finalized our audit sample on July 6, 2020, there were 79 contracts with \$33.3 million in funds allocated to section 3610. Of the 79 contracts, we selected a nonstatistical sample of 37 contracts. See Table 2 for a summary of the contracts in our sample.

Table 2. Number and Dollar Value of Section 3610 Contracts in Our Sample

DoD Component ¹	Number of Contracts	Section 3610 Contract Dollar Value (thousands)	Dollar Amount Reviewed
Army	3	\$17,425	9,390
Air Force	3	5,325	5,311
U.S. Cyber Command	1	223	117
Navy and Marine Corps	1	170	170
National Geospatial-Intelligence Agency	9 ²	142	142
U.S. Special Operations Command	20 ³	5,028	5,028
Total	37	\$28,314⁴	20,157⁴

¹ To see a breakdown of the contracts by command, see Appendix C.

² The nine National Geospatial-Intelligence Agency contracts we selected for our sample were nine task orders under the same indefinite-delivery indefinite-quantity contract. No classified contracts were included in our universe or sample.

³ Of the 20 contracts, 18 were task orders under the same indefinite-delivery indefinite-quantity contract.

⁴ Total differs due to rounding.

Source: The DoD OIG.

⁸ DoD Instruction 6200.03, “Public Health Emergency Management Within the DoD,” March 28, 2019; and OUSD for Personnel and Readiness Memorandum, “Force Health Protection Guidance (Supplement 4) – Department of Defense Guidance for Personnel Traveling During the Novel Coronavirus Outbreak,” March 11, 2020, authorized the DoD to restrict contractor personnel during declared emergencies.

We chose a nonstatistical sample of 37 contracts, with \$28.3 million in funds associated with section 3610 costs. Of the \$28.3 million in funds associated with section 3610 costs, we reviewed a total of \$20.2 million during our audit. We assessed whether contracting officers complied with OMB and DoD guidance to support rational decisions that were in the best interest of the Government when approving and reimbursing contractors for section 3610 costs. To assess whether contracting officers complied with guidance, we verified that:

- contractors claimed on average only 40 hours per week for each employee across all contracts they worked on;
- billing rates were in line with minimum applicable contract billing rates for the contract and excluded profit;
- contractors provided necessary documentation to support reimbursement;
- employees were not double-billed on multiple contracts with the same contractor;
- contracting officers deemed the contractors essential to keep in a ready state; and
- contracting officers obtained information from the contractor on other relief claimed or received.

The DoD's Implementation of Section 3610

In general, DoD contracting officers complied with OMB and DoD guidance to support rational decisions that were in the best interest of the Government when implementing section 3610 of the CARES Act. However, we identified some challenges that the DoD faced while implementing section 3610 that extended beyond our sample. Specifically:

- contracting officers had to rely on the contractor's self-certification of their use of other COVID-19 relief options;⁹
- the DoD's use of section 3610 authority was limited; and
- tracking and identifying DoD contracts using section 3610 was not easy.

Results of Our Review of a Sample of Section 3610 Contracts

In general, DoD contracting officers complied with OMB and DoD guidance to support rational decisions that were in the best interest of the Government when implementing section 3610 of the CARES Act. For the 37 contracts reviewed, we 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 contract billing rates, and

⁹ We consider the self-certification the "affirmation that the contractor has not or will not pursue reimbursement for the same costs accounted for under their request" from other COVID-19 relief sources that is required by OUSD Memorandum, "Class Deviation--CARES Act Section 3610 Implementation," April 8, 2020.

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. See Table 3 for the results of the 37 contracts reviewed.

Table 3. Number of Contracts That Met or Did Not Meet Criteria for Implementing Section 3610

Criteria for Implementing Section 3610	Number of Contracts	
	Yes	No
Contractors provided necessary documentation to support request for reimbursement?	37	0
Contractors only claimed an average of 40 hours per week per employee?	34	3
Contractors charged billing rates that were in line with applicable contract billing rates for the contract?	37	0
Billing rates did not include profit?	35	2
Contracting officers justified that contractors needed to be kept in a ready state?	36	1
Contracting officer obtained information or self-certification on other COVID relief claimed by the contractor?	36	1

Source: The DoD OIG.

We found only one instance with a U.S. Special Operations Command contract where the contracting officer did not fully meet the criteria for the implementation of section 3610 and we determined that section 3610 authority should not have been used. The contractor employee was required to quarantine for 2 weeks after returning from travel for the contract. However, the period of performance for the contract ended before the employee completed the 2-week quarantine period. Therefore, keeping the contractor employee in a ready state was not in the best interest of the Government. In addition, the contracting officer paid the employee more than 40 hours per week and did not exclude profit. The contracting officer should have used the traditional request for equitable adjustment process rather than implementing section 3610.

We found a few instances where the contractor claimed slightly more than an average of 40 hours per week per contractor employee. For example, we found that, under an Army contract, a contractor had invoiced more hours than the allowed average 40 hours per week for 2 employees, 44 hours for 1 employee and 48 hours for the other employee. The contractor has since corrected the overcharge of \$626 for the 12 unallowable hours charged between the 2 employees.

Also, a request under a U.S. Special Operations Command contract included a request for reimbursement for 56 hours for one employee that should have been no more than 40 hours. The contractor has since corrected the request.

We also found that an Air Force contracting officer did not realize that profit needed to be removed from the billing rates under the section 3610 request. The contractor has yet to invoice for section 3610 expenses, and the contracting officer is determining how much profit needs to be removed from the request.

The majority of contracting officers in our sample obtained self-certifications from the contractors asserting that they had not and would not request funds from other COVID-19 relief measures for the same expenses reimbursed under section 3610. However, many contracting officers missed the opportunity to engage the contractor about other COVID-19 relief they might have received and instead relied only on the self-certifications from the contractors. We found that identifying and validating the use of other relief options used by contractors that also obtained section 3610 funds was a challenge that the DoD faced while implementing section 3610.

Contracting Officers Could Not Validate Contractor Use of Other Relief Options

DoD contracting officers relied on contractors to self-certify that the section 3610 costs being claimed were the only reimbursement that they were receiving for the paid leave and that they were not being reimbursed from any other source of funding for the same leave expenses. DoD contracting personnel do not have access to other agencies' databases. Therefore, if contractors did receive other COVID-19 funds from another Federal agency for the same expenses, the contracting officer had to rely on the contractor to reduce the requested reimbursement amount accordingly. Contractors can apply for assistance from various COVID-19 financial relief options administered by multiple agencies, including the:

- Paycheck Protection Program (PPP), established by section 1102 of the CARES Act and overseen by the U.S. Small Business Administration (SBA);
- tax credits, established in section 7001 of Public Law 116-127 "Families First Coronavirus Response Act" and overseen by the Department of the Treasury; and
- unemployment compensation programs, established in sections 2101, 2104, and 2107 of the CARES Act and overseen by the Department of Labor, and implemented by each state.¹⁰

¹⁰ As of August 27, 2020, the PPP stopped accepting applications for loans and the unemployment compensation program benefits have been extended to December 6, 2020. Additionally, the tax credits expire on December 31, 2020.

According to OMB and OUSD(A&S) guidance, contractors cannot receive additional financial relief from other COVID-19 programs without reducing the amount of the requested reimbursement under section 3610.¹¹ Contracting officers are encouraged to work with the contractor to secure necessary documentation to prevent duplication of payment and secure representations from contractors regarding any other relief claimed or received stemming from COVID-19, including an affirmation that the contractor has not or will not pursue reimbursement for the same costs accounted for under their section 3610 request. A contractor cannot receive duplicate relief for the same employee's leave expenses for the same timeframe from more than one COVID-19 relief program, such as the PPP.

While most DoD contracting officers in our sample did work with the contractor to obtain some type of agreement that the contractor would not use funds from other COVID-19 relief measures for the same expenses reimbursed under section 3610, DoD contracting personnel stated that they were not sure how they could verify that contractors were not actually receiving assistance from other COVID-19 programs. For example, one contracting officer stated that she knows she has to review whether the contractor is receiving any additional funds, but other than a statement the contractor signs to certify it is not receiving other assistance, she does not know what else she could require. Another contracting officer stated that he also relied on the certification statement and that he could not determine what other assistance the contractor was receiving because he did not have access to that information. Ultimately, DoD contracting officers had to trust the contractors to self-report because DoD contracting personnel do not have access to the SBA, the Department of the Treasury, the Department of Labor, or state unemployment databases.

To assess whether any contractors that received funds under section 3610 also received funds under the PPP, we coordinated with the SBA. The SBA identified that 14 out of the 67 contractors and subcontractors that received or were approved for reimbursements under section 3610 also received PPP loans.¹² Only 7 of the 14 contractors were in our sample of contracts, therefore we reached out to the remaining contracting officers to determine whether the contractors had disclosed that they also received PPP loans. We found that 3 of the 14 contractors disclosed that they received a PPP loan to the DoD contracting officers and reduced their section 3610 reimbursement requests accordingly. We also

¹¹ OMB Memorandum M-20-22, "Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019," April 17, 2020, and OUSD (A&S) Memorandum, "Class Deviation – CARES Act Section 3610 Implementation," April 8, 2020.

¹² On August 5-19, 2020, we sent a list of the 67 contractors that had received or were approved for reimbursements under section 3610 at the time. As of September 30, 2020, we identified that there is now a total of 96 contractors that had received or were approved for reimbursements under section 3610.

found that 3 contractors did not disclose the loan to the contracting officer nor did they provide a certification. At least eight contractors did not disclose that they received PPP loans to the contracting officer; however, these same contractors certified that they had not and would not use funds from other COVID-19 relief measures for the same expenses reimbursed under section 3610. Contracting officers for eight of the contracts relied on the contractor to self-certify and did not further engage the contractor on the contractor's use of other programs. We notified the contracting officers that the contractors had received PPP loans. However, contracting officers should take the opportunity, when approving the contractor's request for reimbursement, to have a detailed conversation with the contractor on other COVID-19 assistance that the contractor plans to use.

Contractors can receive loan forgiveness for PPP loans if they used the funds to pay payroll, mortgage interest, rent, or utilities, with at least 60 percent of the loan used for payroll costs. Receiving a PPP loan and section 3610 funds is not prohibited; however, it is prohibited if the contractor receives loan forgiveness and intended to use the PPP funds for the same expenses as those covered by the contractor's section 3610 request for reimbursement. We were not able to determine which contractors will receive loan forgiveness because the SBA recently started accepting loan forgiveness applications on August 10, 2020, and borrowers have 10 months from the end of their covered loan period to apply for loan forgiveness. Therefore, the SBA did not have information on which contractors would receive forgiveness because the application period was still open. We shared the list of contractors that we identified as receiving PPP loans with the contracting officers, Defense Contract Management Agency, and Defense Contract Audit Agency officials. This information should assist the Defense Contract Management Agency with its future contract administration and oversight responsibilities, and the Defense Contract Audit Agency with its future incurred cost audits.

In addition to the PPP loan forgiveness, DoD contractors could also apply for tax credits, and contractor employees could be collecting unemployment benefits while contractors are requesting Federal assistance for those employees. However, at this time, we were unable to conduct analysis for these programs. The tax credits are available until December 31, 2020, and unemployment compensation benefits are handled by each state and would require obtaining information from each state to verify that contractor employees are not also receiving unemployment benefits. As a result, identifying contractors that might be receiving assistance through multiple programs for the same expenses will require extensive interagency coordination, but should be considered to detect potential fraud, waste, and abuse.

Use of Section 3610 Authority Was Limited in the DoD

The CARES Act was intended to provide fast and direct economic assistance to American workers, with section 3610 created to keep contractor employees the agency has deemed critical to national security or other high priorities in a ready state. During a congressional hearing, the Under Secretary of Defense for Acquisition and Sustainment stated that reimbursing contractors for section 3610 costs “is likely well beyond the department’s resourced ability to do so without significantly jeopardizing modernization or readiness” and stated that one prime contractor estimated up to \$1.5 billion in reimbursement requests under section 3610. However, only a few DoD contractors received assistance through section 3610. We identified that only 96 contractors and subcontractors, out of the total 781 DoD affected contractors and subcontractors, received assistance through section 3610 as of September 30, 2020.¹³ During our audit, we identified that section 3610 authority was not more widely used within the DoD because contracting officers were flexible and creative, the defense industrial base was declared a critical infrastructure, there was no appropriation of funds specifically for section 3610, and contractors used other forms of COVID-19 assistance.

Contracting Officers Were Flexible and Creative

Contracting officers remained flexible and creative to keep contractor employees working instead of causing them to be laid off or using section 3610 authority. Three contracting officers responsible for 11 of the contracts maximized telework and other alternatives; this resulted in less paid leave under section 3610. For example, a U.S. Special Operations Command contracting officer in charge of a contract, with more than 1,000 full-time equivalent employees, authorized all the contractor employees to telework or gave them alternate work assignments rather than causing them to be laid off. Therefore, the contracting officer had only \$45,154 in requests for reimbursements for two employees under section 3610. In another case, the contracting officer for a mobile recruiting tour contract authorized the contractor to shift its maintenance cycle to an earlier date.¹⁴ Only after the maintenance cycle was complete did the contracting officer authorize the use of section 3610 assistance. These flexible and creative approaches allowed the DoD to retain the services of its highly skilled, vetted, and cleared contractor employees during a period of uncertainty.

¹³ An affected contractor is one who cannot perform work on a Government-owned, Government-leased, contractor-owned, or contractor-leased facility or site approved by the U.S. Government for contract performance due to closures or other restrictions and is unable to telework because the job duties cannot be performed remotely. The number of affected contractors comprises those identified by the Defense Contract Management Agency, the Defense Logistics Agency, and through our analysis for the audit.

¹⁴ The maintenance cycle is the 4-week period during which the contractor employees perform annual maintenance on the mobile tour equipment.

The Defense Industrial Base Was Declared a Critical Infrastructure

The defense industrial base was identified as one of the critical infrastructure industries by the Department of Homeland Security in its March 19, 2020, memorandum on identifying essential critical infrastructure workers during the COVID-19 response.¹⁵ Within the defense industrial base, this included:

- workers who support essential services required to meet national security commitments to the U.S. military, including aerospace, mechanical, and software engineers; manufacturing and production workers; information technology support; security personnel; intelligence support staff and aircraft and weapon system mechanics and maintainers; and
- personnel working for companies and subcontractors that provide materials and services to DoD and Government-owned facilities.

The former Acting Principal Director of Defense Pricing and Contracting stated that as a result of the Department of Homeland Security memorandum, some companies were able to reopen after states forced them to shut down. The former Acting Principal Director also stated that some companies were able to rearrange their assembly lines and institute social distancing practices. This lessened their requests for section 3610 reimbursements. As a result, more DoD contractor employees were able to return to work, reducing the need for paid leave under section 3610.

There Was No Appropriation of Funds for Section 3610

The CARES Act did not provide specific appropriations for section 3610, but instead authorized agencies to use any available funds. According to the former Acting Principal Director of Defense Pricing and Contracting, defense contractors are waiting to see whether Congress will appropriate money for section 3610 before filing their claims because contractors do not want to go through the effort and additional cost of submitting a request if there are no funds.

A total of 12 contracting officers implemented section 3610 for the 37 contracts we reviewed during the audit.¹⁶ Five of those contracting officers had no concern about the availability of funds to cover the costs associated with section 3610-related requests. According to two of the five contracting officers, they used funding that would have otherwise been spent on payroll expenses regardless of COVID-19, and did not foresee a negative impact on funding. For example, an Air Force

¹⁵ Department of Homeland Security, "Memorandum on Identification of Essential Critical Infrastructure Workers during COVID-19 Response," March 19, 2020, stated that if you work in a critical infrastructure industry, you have a special responsibility to maintain your normal work schedule.

¹⁶ One National Geospatial-Intelligence Agency contracting officer was responsible for nine task orders under one indefinite-delivery indefinite-quantity contract. Additionally, there was one U.S. Special Operations Command contracting officer responsible for 18 task orders under one definite-delivery indefinite-quantity contract.

contracting officer stated that she would have used the funding to pay for the employees' salaries regardless and that a lack of specific funding for section 3610 had no impact on her contract.

However, the remaining seven contracting officers expressed concerns about identifying funds to cover section 3610 expenses or the future impact on funding for the contract because they paid section 3610 expenses. We found that a lack of funding was more of a concern on contracts for work such as repairing aircraft and vehicles. This work still had to be completed, and the funding could not be used for section 3610 expenses without future negative consequences to accomplishing the work under the contract or meeting mission needs. For example, a U.S. Special Operations Command contracting officer had to find up to \$15 million in funding to cover section 3610 expenses for his contractor and subcontractor employees. The contracting officer stated that he transferred funding from other contract line items under the contract and is also exploring transferring funds from other aircraft programs to cover the section 3610 costs. In addition, through our data call we identified two section 3610 requests that contracting officers disapproved because funds were not available and the contractor did not have the need to maintain a ready state.

Contractors Used Other Forms of COVID-19 Assistance

The CARES Act contained multiple relief scenarios for contractors to receive compensation, including loan relief, tax credits, and other assistance. Contracting officers stated that contractors used another Federal program, the PPP, which provided COVID-19 assistance instead of section 3610. For example, one contractor applied for and received a PPP loan to cover its employees' payroll and requested section 3610 relief only for its subcontractor who was not covered by the loan.

Tracking the Use of Section 3610

Not all contracts that used section 3610 authority were clearly identified in DoD information systems, resulting in a lack of transparency. In addition, some contracts were incorrectly labeled as using section 3610 authority when they did not use it. DoD contracting officers are required to track and identify their use of section 3610. The OMB memorandum stated that, as an initial step to support accountability and transparency in connection with section 3610, agencies should report section 3610 modifications to FPDS-NG, entering "COVID-19 3610" at the beginning of the description of requirements data field on the CAR.¹⁷ The memorandum also stated that the CARs must also include the National

¹⁷ OMB Memorandum M-20-22, "Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019," April 17, 2020.

Interest Action Code established for identifying all COVID-19–related procurement actions. Additionally, DoD-specific guidance states that contracting officers should create a separate line item for section 3610 reimbursements to enable segregation of section 3610 costs.¹⁸

Alternative Forms of Tracking Costs

As a result of our data call, we identified 30 contracts where the contracting officers did not modify the contracts to implement section 3610 authority; rather, the contracting officers authorized the contractors to invoice section 3610 leave costs on already established contract line item numbers. Contracting officers did not modify contracts for various reasons. Some contracting officials decided it was more efficient and effective to not modify the contract, and instead separated section 3610 expenses on specific invoices. One contracting officer was concerned about losing the funds on the contract if she moved them to another contract line item number. Another contracting officer knew that the expenses were section 3610-related for a specific month only and did not see the need to modify the contract. In some instances, the contractors were required to submit a separate invoice for section 3610 to clearly identify section 3610 expenses.

While some contracting officers identified the costs for section 3610 via invoices rather than a separate contract line item number, these contracts are not easily tracked or identified within FPDS-NG. Of the 30 contracts that contracting officers did not modify, 13 contracts were exempt from reporting in FPDS-NG, and the remaining 17 contracts were not identifiable within FPDS-NG. Based on our request, the contracting officers issued administrative contract modifications identifying that section 3610 authority was used for the 17 contracts. These modifications will increase the DoD’s transparency and help identify and track section 3610 costs. Because these contracts did not initially show up in FPDS-NG as implementing section 3610 authority, we shared the information we collected during this audit with officials from the Defense Contract Management Agency and Defense Contract Audit Agency.¹⁹

Mislabeled Contracts

We found that contracting officers mislabeled contracts in FPDS-NG as using section 3610 authority. We found that some contracting officers were unclear as to which contracts section 3610 authority applied. Correctly labeling contracts in FPDS-NG is an important step for contracting officers to support accountability

¹⁸ OUSD(A&S) Memorandum, “Implementation Guidance for Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act,” April 9, 2020.

¹⁹ The Defense Contract Audit Agency’s primary function is to conduct contract audits and related financial advisory services.

and transparency when using section 3610 authority. FPDS-NG supports Federal-wide analysis of contractor payments, assists in oversight of section 3610 implementation, and helps safeguard taxpayer dollars against duplicative and wasteful spending. We identified 72 contracts that were labeled as implementing section 3610, but were not implementing section 3610 authority on the contract and therefore should not have been labeled as section 3610.

The contracts were issued by contracting officers from the Army, Navy, Air Force, National Guard Bureau, Defense Advanced Research Projects Agency, Washington Headquarters Services, Defense Microelectronics Activity, and Defense Logistics Agency, with the majority, 39 out of 72, being issued by contracting officers from the National Guard Bureau.²⁰ As of December 4, 2020, contracting officers have corrected all of the CARs in FPDS-NG. Contracting officers should label contracts as section 3610 in FPDS-NG only when they are specifically using section 3610 authority and approving reimbursement of leave expenses for keeping contractor employees in a ready state. This will help improve the DoD's accountability of contracts for which contracting officers implemented section 3610.

Summary

We reviewed multiple aspects of the DoD's implementation of section 3610 of the CARES Act. While we found that in general DoD contracting officers complied with OMB and DoD guidance to support rational decisions that were in the best interest of the Government when approving section 3610 requests, we did find some challenges that the DoD faced while implementing section 3610 that extended beyond our sample. These challenges included contracting officers having to rely on the contractor's self-certification of the use of other COVID-19 relief measures, tracking and identifying section 3610 in DoD contracts, and the lack of a specific appropriation for section 3610.

In addition, contracting officers should have a detailed conversation with the contractor about the use of other COVID-19 relief when reviewing and approving section 3610 reimbursement requests. Contracting officers should also label contracts as section 3610 only when they are specifically using section 3610 authority to reimburse for leave expenses to keep the contractor in a ready state. Ultimately, the overall use of section 3610 was less than expected when compared to the number of affected contractors due to the flexibility and creativity of contracting officers, the declaration of the defense industrial base as critical, and the lack of appropriations for section 3610.

²⁰ Only unclassified contracts are reported to FPDS-NG, and some agencies are exempt from entering all contract information into FPDS-NG.

Appendix A

Scope and Methodology

We conducted this performance audit from May 2020 through November 2020 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.

Criteria and Guidance Reviewed

We reviewed the following criteria and guidance.

- Section 3610 of the CARES Act, “Federal Contractor Authority,” March 27, 2020
- OUSD for Personnel and Readiness Memorandum, “Force Health Protection Guidance (Supplement 4) – Department of Defense Guidance for Personnel Traveling During the Novel Coronavirus Outbreak,” March 11, 2020
- Department of Homeland Security, “Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response,” March 19, 2020
- OMB Memorandum M-20-18, “Managing Federal Contract Performance Issues Associated with the Novel Coronavirus,” March 20, 2020
- DoD Instruction 6200.03, “Public Health Emergency Management Within the DoD,” March 28, 2019
- OUSD(A&S) Memorandum, “Class Deviation – CARES Act Section 3610 Implementation,” April 8, 2020
- DFARS 231.205-79, “CARES Act Section 3610 – Implementation”
- OUSD(A&S) Memorandum, “Implementation Guidance for Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act,” April 9, 2020
- OMB Memorandum M-20-22, “Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019,” April 17, 2020
- OUSD(A&S) Frequently Asked Question, “Implementation Guidance for Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act,” April 24, 2020
- OMB Memorandum M-20-27, “Additional Guidance on Federal Contracting Resiliency in the fight Against the Coronavirus Disease,” July 14, 2020

- OUSD(A&S) Memorandum, “Memorandum for Record Template for Contracting Officers for Coronavirus Aid, Relief, and Economic Security Act Section 3610 Reimbursement,” August 17, 2020
- OUSD(A&S) Memorandum, “Class Deviation – Section 3610 Reimbursement Requests,” Revision 1, October 14, 2020
- DFARS 252.243-7999, “Section 3610 Reimbursement”
- OUSD(A&S) Memorandum, “Class Deviation – CARES Act Section 3610 Implementation,” Revision 2, October 14, 2020
- OUSD(A&S) Frequently Asked Questions, “Implementation Guidance for Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act,” October 14, 2020
- Section 106 of the Continuing Appropriations Act, 2021 and Other Extensions Act, “Division A – Continuing Appropriation, 2021,” October 1, 2020

Universe and Sample

We used FPDS-NG to identify a universe of section 3610 contracting actions. We searched for actions with “COVID-19 3610” in the Description of Requirements data field and “COVID-19 2020” as the National Interest Action. We also identified contracts that were missing “COVID-19 3610” in the Description of Requirements data field, but were implementing section 3610. We used beta.SAM.gov reports to identify additional contracts that had “3610” in the Description of Requirements data field, but did not have “COVID-19 2020” as the National Interest Action data field. We also conducted a manual data call to the Military Departments, combatant commands, and Defense agencies to identify contracts that used, planned to use, or had denied requests for the use of section 3610 authority. The data call identified an additional 30 contracts that had used section 3610 authority.

We picked a nonstatistical sample in two phases. The first sample set was selected from our initial results from contracts we identified in FPDS-NG and beta.SAM.gov. The second sample set was selected from the results of FPDS-NG, beta.SAM.gov, and the data call received later in the audit. We selected a total of 37 contracts with the highest dollar values where the contractor had already invoiced for section 3610 costs on the contract. We selected contracts from various Defense agencies, Military Departments, or combatant commands to obtain a broader picture of the DoD’s implementation of section 3610.

After verifying contract information in Electronic Document Access (EDA) and with the contracting officers, we identified 79 contracts that implemented section 3610 authority as of July 6, 2020:

- 12 contracts issued by the Army (we selected 3 contracts for our sample),
- 23 contracts issued by the Air Force (we selected 3 for our sample),
- 5 contracts issued by the U.S. Cyber Command (we selected 1 for our sample),
- 1 contract issued by the Navy and Marine Corps (we selected 1 for our sample),
- 13 contracts issued by the National Geospatial-Intelligence Agency (we selected 9 for our sample), and²¹
- 25 contracts issued by the U.S. Special Operations Command (we selected 20 for our sample).²²

The team excluded any classified contracts from the universe, sample, and contracts that planned to use section 3610.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.²³ We did not identify any significant internal control weaknesses, but did identify some areas to consider when managing section 3610 CARES Act contracting actions. Specifically, contracting personnel had to rely on the contractors to self-certify that contractors were in line with section 3610 guidance, including that they were not obtaining funds for the same expenses from other relief measures. The DoD should consider an interagency review to identify any contractors that received relief for the same expenses. We will provide a copy of the report to the senior officials responsible for internal controls and policy for management of section 3610 CARES Act contracting actions.

Review of Documentation and Interviews

We reviewed selected section 3610 CARES Act contracts and modifications from EDA and reviewed contract documentation from contract files and the Army's Paperless Contracting Files system. We combined the data to determine whether the contracting offices complied with OMB, OUSD(A&S), and DFARS requirements. We primarily looked at the request for reimbursement and any invoices or additional funding modifications issued during the scope of our review.

²¹ The nine contracts were task orders under the same indefinite-delivery indefinite-quantity contract.

²² Of the 20 contracts, 18 were task orders under the same indefinite-delivery indefinite-quantity contract.

²³ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

We interviewed contracting, procurement, and policy personnel covering DoD implementation of section 3610 of the CARES Act and related management control programs at the:

- Defense Pricing and Contracting,
- Army,
- Air Force,
- Navy,
- U.S. Special Operations Command,
- U.S. Cyber Command, and
- National Geospatial-Intelligence Agency.

We reviewed documentation related to our review of section 3610 CARES Act reimbursements, including:

- requests for reimbursements and approval documents,
- determination of applicability,
- contractor's signed statement of certification,
- contract modifications,
- universal block modification on implementation of section 3610 of the CARES Act,
- proposed labor rates,
- COVID-19 invoices,
- historical invoices,
- internally issued guidance for section 3610 implementation, and
- e-mail correspondence between contracting officers and contractors.

Coordination With the Small Business Administration

We provided a list of affected contractors that we created based on information obtained from the Defense Contract Management Agency, the Defense Logistics Agency, and through our analysis for the audit. The list included the contractor's name, data universal numbering system number, and tax identification number. The SBA compared the tax identification numbers against their database of loan recipients. The information that the SBA provided identified which of the affected contractors had received an SBA loan.

Use of Computer-Processed Data

We relied on computer-processed data from FPDS-NG and beta.SAM.gov to identify a universe of contracting actions for section 3610 of the CARES Act. We checked contract documentation in EDA to validate the information reported in FPDS-NG; otherwise, we did not assess the reliability of the computer-processed data we obtained from FPDS-NG or beta.SAM.gov because we did not rely on their data records within the system in reporting our audit results. Our audit work for our review of individual contracts and modifications did not use FPDS-NG and beta.SAM.gov; therefore, their use in the report does not materially affect our audit results.

We also used EDA to obtain contract documentation that we identified in FPDS-NG and beta.SAM.gov. We did perform some validation testing by comparing FPDS-NG and beta.SAM.gov to the EDA documentation and the documentation we obtained from the Army's Paperless Contracting Files system and from the contracting officers.

We relied on information from the Army's Paperless Contracting Files system. To assess the accuracy of computer-processed data, we verified FPDS-NG and EDA data against the official records obtained from contracting officers and the Army's Paperless Contracting Files system. Based on the FPDS-NG data obtained for Army contract modifications, we used the Army's Paperless Contracting Files system to obtain signed copies of contracting actions to verify. We cross-checked the Paperless Contracting Files documents against the EDA contracts to verify that the information was consistent and accurate. Therefore, we determined that the data obtained from the Army's Paperless Contracting Files system were sufficiently reliable to accomplish our audit objective.

Use of Technical Assistance

We met with an analyst from the DoD OIG Quantitative Methods Division to discuss our nonstatistical sample selection of contracts based on the universe we identified. Based on our discussion, the analyst determined that a nonstatistical sample was most appropriate for our audit objectives. Our sample was limited to specific contracts, and our results should not be projected across other contracts.

Prior Coverage

The Government Accountability Office (GAO) issued one report in the last 5 years related to section 3610. Unrestricted GAO reports can be accessed at <https://www.gao.gov/>.

Report No. GAO-20-662, "Observations on Contractor Paid Leave Reimbursement Guidance and Use," September 2020

The GAO identified some differences across guidance documents issued by OMB and seven other agencies, including the date from which contractors could request reimbursement and the extent to which rates could include profit or fees. The GAO also found that contract obligations data in FPDS-NG may not capture the full amount of section 3610 reimbursements. Specifically, the Department of Energy reimbursed contractors for almost \$550 million under section 3610 without modifying the contract, so these obligations were not reported to FPDS-NG.

Appendix B

Summary of 3610 Criteria and Guidance

Office of Management and Budget Memorandums

OMB Memorandum M-20-18, “Managing Federal Contract Performance Issues Associated with the Novel Coronavirus,” March 20, 2020

This memorandum states that maintaining the Federal contract base through COVID-19–related disruptions includes agencies being flexible with performance timeframes when telework or other virtual work environments are not available as well as when contractors cannot perform their work due to restrictions such as social distancing and quarantining.

OMB Memorandum M-20-22, “Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019 (COVID-19),” April 17, 2020

This memorandum provides guiding principles to support the use of section 3610 by agencies and the acquisition workforce. Specifically, this memorandum states that agencies should consider whether providing paid leave to keep the contractor in a ready state is in the best interest of the Government, to be mindful of challenges faced by small businesses, look at the impact of funding or not funding the paid leave, follow the restrictions in section 3610, secure the necessary documentation to support the reimbursement and prevent duplication of payment, and track the use of section 3610.

OMB Memorandum M-20-27, “Additional Guidance on Federal Contracting Resiliency in the Fights Against the Coronavirus Disease (COVID-19),” July 14, 2020

This memorandum provides supplemental guidance to memorandums M-20-18 and M-20-22 that further addresses the resiliency of the Federal acquisition workforce and the Federal contractors that support our agency missions, including in the fight against COVID-19. This memorandum clarifies that the effective date of section 3610 begins on the date of enactment of the CARES Act, and any reimbursement made before March 27, 2020, should not be identified as a payment made under section 3610.

Office of the Under Secretary of Defense for Acquisition and Sustainment Memorandums

“Class Deviation – CARES Act Section 3610 Implementation Memorandum,” April 8, 2020²⁴

This memorandum states that contractors can obtain relief from other sources than section 3610 of the CARES Act, including tax credits and the PPP. It further discusses the contracting officer’s duties in collecting information from the contractor on other relief secured and to avoid the duplication of payments.

“Implementation Guidance for Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act,” April 9, 2020

This memorandum, issued for implementing the CARES Act, states that the implementation of section 3610 depends on the contract type and details what contracting officers should do for each contract type to account for COVID-19–related costs. This memorandum also details what contracting officers must do to have proper documentation for future audit purposes.

“Implementation Guidance for Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act, Frequently Asked Questions,” April 24, 2020²⁵

The Frequently Asked Questions covers many topics concerning implementation of Section 3610. Specifically, this document defines “ready state” as referring to a contractor’s ability to mobilize and resume performance in a timely manner. This Frequently Asked Questions also identifies that any legally available funds under the contract can be used for section 3610 reimbursements.

“Memorandum for Record Template for Contracting Officers for Coronavirus Aid, Relief, and Economic Security Act Section 3610 Reimbursement,” August 17, 2020

This template is for contracting officers to use to document their rationale for reimbursing costs under section 3610. The template provides a section for the contracting officer to document why the contractor is “affected” and the estimated reimbursement costs, including direct labor, fringe, overhead, and general and administrative costs. This documented review of the reimbursement request will help support the contracting officer’s determination that the total amount of paid leave costs are eligible for reimbursement.

²⁴ OUSD(A&S) updated its memorandum on October 14, 2020, to reflect the extension on section 3610 to December 11, 2020.

²⁵ OUSD(A&S) updated its Frequently Asked Questions on October 14, 2020, to reflect the extension on section 3610 to December 11, 2020.

***“Class Deviation – Section 3610 Reimbursement Requests,”
Revision 1, October 14, 2020***

This class deviation provides guidance for contracting officers when reviewing and processing contractor requests for section 3610 reimbursements. This deviation provides three checklists to identify the information a contracting officer may need to assess a contractor’s section 3610 reimbursement request. The checklists provide guidance for processing reimbursement requests and may be tailored to fit specific circumstances.

***“Class Deviation – CARES Act Section 3610 Implementation,”
Revision 2, October 14, 2020***

This class deviation provides guidance for extending the date through which paid leave may be taken to be eligible for reimbursement under section 3610. This deviation extended the time period for which paid leave must be taken from March 27, 2020, through September 30, 2020, to March 27, 2020, through December 11, 2020.

“Implementation Guidance for Section 3610 of the Coronavirus Aid, Relief, and Economic Security Act, Frequently Asked Questions,” October 14, 2020

The Frequently Asked Questions covers many topics concerning implementation of Section 3610. Specifically, this document includes updates to the questions to reflect the extension of eligibility for reimbursement under section 3610 until December 11, 2020.

Appendix C

The Number and Dollar Value of Section 3610 Contracts by DoD Component

DoD Component	As of September 30, 2020		Sample Selected July 6, 2020	
	Number of Contracts	Dollar Value (thousands)	Number of Contracts	Dollar Value (thousands)
Army Contracting Command – Aberdeen Proving Ground	17	\$32,949	3	\$17,425
Army Health Contracting Activity	7	211	0	0
Army Medical Research and Development Command	1	0	0	0
Army Mission and Installation Contracting Command	2	8	0	0
Army 409th Contracting Support Brigade	2	0	0	0
Air Force Combat Command	1	211	0	0
Air Force Education and Training Command	8	196	1	184
Air Force Materiel Command	21	25,302	2	5,141
US Air Forces in Europe	1	2	0	0
Cyber Command	5	685	1	223
DoD Education Activity	27	3,089	0	0
National Geospatial-Intelligence Agency	13	197	9	142
Naval Facilities Engineering Command	1	0	0	0
Naval Supply Systems Command	2	56	0	0
Marine Corps Logistics Command	1	170	1	170
Special Operations Command	25	5,175	20	5,028
Washington Headquarters Services	1	53	0	0
Total	135	\$68,304	37	\$28,314*

* Total differs due to rounding

Source: The DoD OIG.

Acronyms and Abbreviations

CAR	Contract Action Report
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
COVID-19	Coronavirus Disease–2019
DFARS	Defense Federal Acquisition Regulation Supplement
EDA	Electronic Document Access
FAR	Federal Acquisition Regulation
FPDS-NG	Federal Procurement Data System-Next Generation
GAO	The Government Accountability Office
OMB	Office of Management and Budget
OUSD(A&S)	Office of the Under Secretary of Defense Acquisition and Sustainment
PPP	Paycheck Protection Program
SBA	U.S. Small Business Administration

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