

U.S. Treasury ERA2 Desk Review

April 2, 2026 Summary

Issue

- The U.S. Department of the Treasury is requiring a return of funds in the amount of \$238,140. The funds were disbursed through the Emergency Rental Assistance Program to 11 cases that were deemed to be fraudulent applications.

Background

- Pinellas County received \$45.8M of federal funding through the Emergency Rental Assistance program (ERA1 \$19.3 ERA2 \$21.5) to support housing stability during the COVID-19 pandemic.
- The federal funds were administered by the U.S. Treasury Department. It was a new, emergency response program with an emphasis on distributing payments quickly. Guidelines and requirements were developed by Treasury during the program implementation period.
- The Pinellas program was implemented between January 2021 and December 2022 by a collaborative partnership between Housing and Community Development, Office of Management and Budget, Clerk Finance, Clerk IG, and vendors Tetra Tech and Witt O'Brien.
- 32,732 applications were created, 7,992 applications completed and reviewed, 5,692 applications were approved and a total of \$40.6M disbursed in housing assistance payments.
- 148 fraudulent applications were identified by the County preventing \$3,070,611 in improper payments.
- 11 fraudulent applications were identified by the County after disbursement of funds totaling \$238,140. The Inspector General referred the cases to federal and local law enforcement agencies for prosecution.

Treasury Monitoring

- The U.S. Treasury Department notified Pinellas County in October of a compliance monitoring desk review of the ERA2 program. An entrance

meeting took place on 10/16/25 and weekly meetings were held throughout November.

- Program policies, procedures and information on fraudulent applications were requested and provided. 40 case samples were selected and reviewed in detail. One rental assistance payment error was identified resulting in an overpayment of \$339.32. General Funds utilized for the Family Housing Assistance Program (FHAP) in the same amount of \$339.32 were recharacterized as ERA2 funds to resolve the overpayment.
- On December 18th, following completion of the review, the lead monitor advised that the forthcoming Monitoring Report would include a substantive finding related to 11 fraudulent applications totaling \$238,140 identified by Pinellas County. The cases were previously reported to Treasury as required as well as to both federal and local law enforcement agencies for prosecution.
- An exit interview was held on 1/23/26 and a monitoring letter issued stating the County is responsible for remitting the \$238,140 back to Treasury. During the exit meeting and through additional follow up with the lead monitor, HCD staff sought clarification on an option to recharacterize other Pinellas County funds used to provide ERA like assistance as ERA2 expenditures in lieu of repayment.
- County response letter dated 2/13/26 requested approval to recharacterize County funds was submitted to Treasury.
- Treasury response letter dated 3/13/26 denied the request to recharacterize other County funds citing the October 4, 2024 ERA Joint Treasury OIG Notice (<https://oig.treasury.gov/system/files/2024-10/ERA-Joint-Treasury-OIG-Notice.pdf>) and ERA FAQs 47 and 48. A forthcoming Demand Letter is described as the first step in the federal debt collection process and the associated deadlines.
- \$107,125 of the \$238,140 amount identified as improper, potentially fraudulent payments were ERA1 funds, not ERA2 funds. The resulting balance of ERA2 funds distributed is \$131,015. This information was provided to Treasury on 4/2/26 since the 11 cases were not discussed during the desk review meetings. A response is pending.

- The County Attorney's Office is evaluating the viability of filing civil charges against the parties suspected of fraudulent applications.