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Philadelphia Did Not Meet All of the Requirements for the COVID-19 Screening Testing Program at K-12 Schools

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Why OIG Did This Audit

- The Centers for Disease Control and Prevention (CDC) provided \$10 billion in American Rescue Plan (ARP) funding to 64 State and local health departments to support COVID-19 screening testing for teachers, staff, and students in K-12 school settings. Philadelphia was one of the recipients awarded ARP funding to implement a COVID-19 screening testing program at K-12 schools within its jurisdiction.
- This audit is part of a series examining the implementation of COVID-19 screening testing programs at K-12 schools. Specifically, this audit determined whether Philadelphia monitored the testing program and whether it used funds in accordance with Federal, subrecipient, and contract requirements.

What OIG Found

Philadelphia did not consistently monitor the implementation of the COVID-19 testing program; however, for the expenditures we reviewed, Philadelphia generally used the funding in accordance with requirements. Specifically:



We determined that Philadelphia did not monitor the subrecipient's compliance with background check requirements.



Philadelphia reimbursed the subrecipient \$10,525 in costs that were unallowable and \$247,095 in overpayments.

What OIG Recommends

We made two recommendations to Philadelphia: that it develop or update procedures for compliance with Federal, subrecipient, and contract requirements, including: (1) oversight of subrecipients to ensure background check requirements are followed and (2) monitoring of subrecipients' contract terms and conditions, and that it refund CDC \$257,620 in costs reimbursed to the subrecipient that were unallowable or were overpayments.

Philadelphia did not indicate concurrence or nonconcurrence with our first recommendation but stated that it disagreed with the finding related to our first recommendation, concurred with our second recommendation, and detailed steps it plans to take in response to our recommendations.

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INTRODUCTION

WHY WE DID THIS AUDIT

The American Rescue Plan (ARP) Act of 2021 (P.L. No. 117-2) provided relief to address the continued impact of COVID-19 on the economy, public health, State and local governments, individuals, and businesses. The Department of Health and Human Services (HHS), Centers for Disease Control and Prevention (CDC), provided \$10 billion in ARP funding for the Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) Reopening Schools program.¹ The ELC Reopening Schools program supported COVID-19 screening testing for teachers, staff, and students in K-12 school settings.²

The City of Philadelphia Department of Public Health (Public Health Department) is one of the ELC program recipients. This audit assessed the Public Health Department's compliance with Federal, subrecipient, and contract requirements for the COVID-19 screening testing program in Philadelphia. It is one of a series of audits examining CDC's ELC program for COVID-19 screening testing at K-12 schools.³

OBJECTIVES

Our objectives were to determine whether the Public Health Department: (1) monitored the implementation of and services provided under the COVID-19 screening testing program and (2) used ELC Reopening Schools funding in accordance with Federal, subrecipient, and contract requirements.

BACKGROUND

CDC's Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases Reopening Schools Program

The ARP Act, enacted March 11, 2021, appropriated \$47.8 billion to HHS to carry out activities to detect, diagnose, trace, and monitor COVID-19 infections and related strategies to mitigate the spread of COVID-19 (§ 2401 of the ARP Act; 42 USC § 247d). CDC utilized the ARP Act appropriations to provide \$10 billion through the ELC program to support COVID-19 screening

¹ The ELC program provides strategic investments through its cooperative agreement with health departments aimed at reducing domestic infectious disease-related illnesses and death. The ELC recipients include all 50 States, large local governments, and United States territories and affiliate health departments.

² "Screening testing" was intended to identify people with COVID-19 who were asymptomatic or did not have any known, suspected, or reported exposure to someone with COVID-19.

³ The first report in the series, [CDC Provided Oversight and Assistance; However, ELC Recipients Still Faced Challenges in Implementing COVID-19 Screening Testing Programs \(A-05-22-00010\)](#), was issued Sept. 26, 2023. The second report in the series, [Kentucky Did Not Meet All of the Requirements for the COVID-19 Screening Testing Program at K-12 Schools \(A-05-23-00018\)](#), was issued July 16, 2025.

testing for teachers, staff, and students with the stated purpose to reopen and keep schools operating safely. The objectives and goals of the ELC Reopening Schools program were focused on providing the resources to implement screening testing programs in schools. ELC program recipients were encouraged to align their approach to testing with CDC recommendations for K-12 schools whenever possible.⁴

According to CDC, screening testing was a tool that schools could utilize to help safely reopen as part of a comprehensive COVID-19 mitigation approach. CDC awarded the funds to existing ELC program cooperative agreement recipients to ensure the funding was deployed quickly to help schools reopen and remain open. In addition to providing diagnostic testing of symptomatic and exposed individuals, screening testing would help schools identify infected individuals without symptoms who may be contagious so that prompt action could be taken to prevent further transmission. With the ELC Reopening Schools funding, ELC program recipients could support implementing critical screening testing programs that were needed in schools. Recognizing that establishing a testing program was new for many schools, CDC and State and local health departments provided support and technical assistance to States and schools in implementing these programs.

In accordance with the ELC Reopening Schools guidance, most of the funding (at least 85 percent) must directly support prevention efforts in school districts.⁵ This support could be provided to schools either directly (e.g., partnering with laboratories) or indirectly (e.g., personnel support) to increase screening testing and to support COVID-19 prevention and mitigation strategies in all K-12 schools within the ELC recipient's jurisdiction. ELC program recipients could use a combination of approaches to provide the support and could use up to 15 percent of the funds for coordination, management, technical assistance, monitoring, data collection, and reporting activities.

Philadelphia's ELC Reopening Schools Program

The mission of the Public Health Department is to protect and promote the health of all Philadelphians. The Public Health Department prevents the spread of illness and infectious disease; encourages healthy behaviors to prevent chronic disease; plans for and responds to health emergencies; and collects, analyzes, and reports on a variety of public health data.

CDC awarded the Public Health Department approximately \$47.7 million on April 8, 2021, to implement the ELC Reopening Schools program. In response to the award, the Public Health Department focused on providing resources for K-12 schools to implement COVID-19 screening

⁴ From April 7–8, 2021, the \$10 billion was awarded to the 64 ELC program recipients according to a population-based formula. The funding was awarded for a 16-month project period ending July 31, 2022. On March 30, 2022, CDC notified the ELC program recipients that it would be extending the use of the ELC Reopening Schools funding through July 31, 2023.

⁵ CDC, "[ELC Reopening Schools: Support for Screening Testing to Reopen & Keep Schools Operating Safely.](#)" Accessed on June 23, 2025.

and diagnostic testing programs, aligning with CDC recommendations. The screening involved routine testing (e.g., weekly) of all staff, and students involved in sports and performing arts, regardless of COVID-19 symptoms or known exposures, to help identify cases and contain outbreaks early. Additionally, COVID-19 testing was conducted on symptomatic staff and students.

School District of Philadelphia Subrecipient Agreement for COVID-19 Testing in K-12 Schools

The Public Health Department entered into a subrecipient agreement with the School District of Philadelphia (School District) to provide COVID-19 testing services to students and staff in K-12 schools from July 1, 2021, through June 30, 2023 (subrecipient agreement period). In accordance with the subrecipient agreement, the School District was required to submit financial reports and testing data throughout the subrecipient agreement period. Additionally, the School District was required to submit invoices and other documentation to support the ELC Reopening Schools award subrecipient expenditures.

During the subrecipient agreement period, the Public Health Department paid the School District approximately \$27.7 million in ELC Reopening Schools funding for subrecipient expenditures. Most of the School District's expenditures, \$21.5 million, were payments to contractors that performed COVID-19 testing of students and staff in K-12 schools within the School District. The School District's remaining expenditures were for program costs that included air purifiers, personal protective equipment (PPE), COVID-19 test kits and testing supplies, and administrative costs.

Prior to commencing any work, the contractors were required to submit background check documentation for each contracted or subcontracted employee who performed COVID-19 testing of students and staff in K-12 schools within the School District.

HOW WE CONDUCTED THIS AUDIT

Our audit covered approximately \$41.4 million in ELC Reopening Schools expenditures the Public Health Department incurred from April 8, 2021, through July 31, 2023 (audit period). Of the \$41.4 million in expenditures, \$27.7 million represented subrecipient expenditures the School District incurred to provide COVID-19 testing services to students and staff in K-12 schools. The remaining \$13.7 million represented non-subrecipient expenditures and other program costs, such as COVID-19 testing and test kits, PPE, air purifiers and filters, and transportation costs for private and charter K-12 schools.⁶

To address our first objective, we reviewed the Public Health Department's: (1) implementation of the testing program, including the terms and conditions of the subrecipient agreement and contracts; and (2) written procedures, guidance, and documentation regarding technical

⁶ In this report, "non-subrecipients" refers to contractors and vendors that provided services and supplies to the Public Health Department.

assistance provided to the School District. We also reviewed the background check documentation for all 86 contracted and subcontracted employees to determine whether the employees who conducted testing on School District property or at K-12 schools during the audit period had background checks completed prior to commencing any work.⁷ In addition, we interviewed Public Health Department officials to obtain an understanding of the Public Health Department's oversight activities to administer the COVID-19 screening testing program.

To address our second objective, we reviewed all nine vouchers and related invoices, supporting documentation, and reconciliations for \$27.7 million in subrecipient expenditures to determine whether the ELC Reopening Schools funding was used in accordance with Federal, subrecipient, and contract requirements. Of the 104 vouchers for non-subrecipient expenditures, we reviewed a nonstatistical sample of 28 vouchers and related invoices totaling approximately \$9 million in expenditures to determine whether the ELC Reopening Schools funding was used in accordance with Federal requirements. Our nonstatistical sample of 28 vouchers included the different types of non-subrecipient expenditures associated with ELC Reopening Schools funding. The results of our testing of non-subrecipient expenditures presented in the report cannot be generalized to the population of non-subrecipient expenditures during our audit period.

We conducted this performance 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.

Appendix A contains the details of our audit scope and methodology.

FINDINGS

The Public Health Department did not consistently monitor the implementation of the COVID-19 screening testing program. While the Public Health Department provided guidance and technical assistance to the School District and provided oversight of the subrecipient agreement, the Public Health Department did not monitor the School District's compliance with background check requirements. Specifically, we found that the Public Health Department did not ensure that the School District maintained background check documentation and that the contractors complied with background check requirements prior to commencing work for contracted employees who performed COVID-19 testing of students. We determined that the School District did not obtain, and the contractors did not maintain, sufficient background

⁷ Of the 86 contracted employees who performed COVID-19 testing, 49 were contracted to perform COVID-19 testing of students and staff at mobile sites within the School District, 21 were subcontracted to perform COVID-19 testing of students in K-12 schools within the School District, and 16 were contracted to perform COVID-19 testing of students and staff at private and charter K-12 schools within the Public Health Department's jurisdiction.

check documentation for 70 contracted and subcontracted employees who performed COVID-19 testing of K-12 students on School District property.⁸

For the expenditures we reviewed, the Public Health Department generally used ELC Reopening Schools funding in accordance with Federal, subrecipient, and contract requirements. Specifically, we determined the Public Health Department and School District maintained documentation to support subrecipient expenditures for COVID-19 testing services for students and staff in K-12 schools. However, of the \$27.7 million in subrecipient expenditures, we found that the Public Health Department reimbursed the School District for \$10,525 in costs that were unallowable and \$247,095 in overpayments. For the non-subrecipient expenditures we reviewed, we also determined that the Public Health Department maintained documentation to support the non-subrecipient expenditures charged against the testing program such as COVID-19 testing in private and charter K-12 schools, PPE, COVID-19 test kits, air purifiers and filters, and transportation costs.

The issues we identified occurred because the Public Health Department: (1) did not monitor the School District's compliance with contract requirements for background checks of contracted and subcontracted employees who performed COVID-19 testing of students and (2) failed to identify that certain costs were not reimbursable in accordance with Federal requirements and terms of the ELC Reopening Schools Award.

THE PUBLIC HEALTH DEPARTMENT DID NOT CONSISTENTLY MONITOR THE IMPLEMENTATION OF THE COVID-19 SCREENING TESTING PROGRAM

The Public Health Department Provided Guidance and Conducted Some Monitoring Activities

The Public Health Department provided guidance on K-12 schools' COVID-19 testing protocols and monitored the COVID-19 screening testing program throughout the audit period by:

- meeting regularly with the School District to review school-based activities including COVID-19 testing, reporting, and the implementation of other mitigation measures;
- monitoring the School District's budget, including the review and approval of revisions to the budget; and
- reviewing invoices and supporting documentation submitted by the School District, including an invoice reconciliation process that was documented by the Public Health Department throughout the subrecipient agreement period.

⁸ Of the 86 contracted employees reviewed, we determined there was sufficient background check documentation for all 16 contracted employees who performed COVID-19 testing of students and staff at private and charter K-12 schools.

The Public Health Department Did Not Monitor the School District’s Compliance With Background Check Requirements, and the School District Did Not Adhere to Contract Requirements

According to Federal regulations, non-Federal entities are responsible for oversight of the operations of Federal award-supported activities. The non-Federal entity must monitor the subrecipient’s activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved.⁹ Additionally, the School District was required to maintain all records pertaining to contracts for at least 3 years from the date of submission of the final expenditure report.¹⁰

In accordance with State law and the terms and conditions of the contracts to perform COVID-19 testing of students and staff in K-12 schools, before starting any work the contractors must submit to the School District, for each contracted or subcontracted employee, the following:

- State criminal history record report,
- State child abuse history certification,¹¹ and
- Federal Bureau of Investigation (FBI) Federal criminal history record report.¹²

Additionally, the contractors were required to retain all records and documentation pertaining to the contract for at least 6 years following the expiration of the contract.

According to State law, the criminal history of employees and prospective employees of public and private schools, including independent contractors and their employees, must not include a felony offense of the first, second, or third degree. The individual will be eligible for continued or prospective employment only if a period of 10 years has elapsed from the date of expiration of the sentence for the offense.¹³

We determined that the Public Health Department did not monitor the School District’s compliance with background check requirements of the contracted and subcontracted

⁹ 45 CFR § 75.342 and 45 CFR § 75.352(d).

¹⁰ 45 CFR § 75.361 and 45 CFR § 75.101(b).

¹¹ A “child abuse history certification” is defined as a certification from the Pennsylvania Department of Human Services as to whether the applicant is named in the Statewide database as the alleged perpetrator in a pending child abuse investigation or as the perpetrator of a founded report or an indicated report (23 Pa. Cons. Stat. Ann. § 6344(b)(2)).

¹² 24 Pa. Stat. § 1-111, as amended, and 23 Pa. Cons. Stat. Ann. §§ 6344 & 6344.2.

¹³ 24 Pa. Stat. § 1-111, as amended.

employees who performed COVID-19 testing of students, in accordance with Federal and contract requirements. The contractors did not submit background check documentation to the School District for any of the contracted and subcontracted employees who performed COVID-19 testing of K-12 students on School District property during the audit period. Additionally, the contractors did not maintain sufficient background check documentation in accordance with requirements. Specifically, of the 70 contracted and subcontracted employees who performed COVID-19 testing of K-12 students on School District property, we found that:

- Of 49 contracted employees:
 - 48 employees had State criminal history record reports that were dated after the contract had ended, and 1 employee's criminal history record report was not provided;
 - 6 employees had State child abuse history certifications dated before performing COVID-19 testing, 6 employees had State child abuse history certifications dated after the employees began performing COVID-19 testing, 5 employees had State child abuse history certifications dated after the contract had ended, and 32 employees' State child abuse history certifications were not provided; and
 - 49 employees' FBI Federal criminal history record reports were not provided; and
- 21 subcontracted employees did not have copies of the State criminal history records report, State child abuse history certification, or the FBI criminal history record report; however, 19 subcontracted employees had attestations that the employees' backgrounds were checked, but 2 did not.

Of the State criminal history record reports and child abuse history certifications we reviewed, we found that one of the contracted employees was not eligible for employment. Specifically, the contracted employee was convicted of a third-degree felony, and fewer than 10 years had elapsed since the expiration of the sentence for that offense.

The Public Health Department stated that it did not obtain or monitor the contracts the School District awarded to contractors and that monitoring of background checks was outside of its oversight responsibilities. Additionally, the Public Health Department did not have procedures for monitoring subrecipients' management of contracts, and the School District did not have procedures in place to ensure contractors submitted the background check documentation for contracted and subcontracted employees who performed COVID-19 testing of K-12 students. Failure of the Public Health Department to monitor the School District's management of contracts, specifically, ensuring that required background checks were conducted in accordance with Federal and contract requirements, placed the safety of children at an increased risk.

THE PUBLIC HEALTH DEPARTMENT GENERALLY USED ELC REOPENING SCHOOLS FUNDING IN ACCORDANCE WITH REQUIREMENTS FOR THE EXPENDITURES REVIEWED, BUT SOME DEFICIENCIES WERE IDENTIFIED

For the expenditures we reviewed, the Public Health Department generally used ELC Reopening Schools funding in accordance with Federal, subrecipient, and contract requirements. Specifically, we determined the Public Health Department and School District maintained documentation to support subrecipient expenditures for COVID-19 testing services for students and staff in K-12 schools. However, of the \$27.7 million in subrecipient expenditures, we found that the Public Health Department reimbursed the School District \$10,525 in costs that were unallowable and \$247,095 in overpayments. Additionally, for the \$9 million in non-subrecipient expenditures we reviewed, we determined that the Public Health Department maintained documentation to support the expenditures charged against the testing program.

The Public Health Department Improperly Reimbursed the School District for Certain Costs Using ELC Reopening Schools Funding

In the role as a pass-through entity, the Public Health Department was required to monitor activities of the subrecipient to ensure: (1) the awards were used for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the awards and (2) award performance goals were achieved.^{14, 15} Additionally, an improper payment is any payment that should not have been made or that was made in an incorrect amount, including overpayments.¹⁶ Payments made for costs determined to be unallowable must be refunded to the Federal Government.¹⁷

Unallowable Entertainment Costs

Costs of entertainment, including amusement, diversion, and social activities and any associated costs, are unallowable except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the HHS awarding agency.¹⁸ Additionally, in accordance with CDC guidance, the financial resources provided were to support school COVID-19 testing, prevention, and mitigation activities intended to support

¹⁴ 45 CFR § 75.352(d).

¹⁵ A “pass-through entity” is a non-Federal entity that receives a Federal award and provides a subaward to a subrecipient to carry out part of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract (45 CFR § 75.2).

¹⁶ 45 CFR § 75.2.

¹⁷ 45 CFR 75.410.

¹⁸ 45 CFR § 75.438.

open, in-person K-12 school environments during the COVID-19 pandemic.¹⁹ Mitigation activities included public health events that included students and other community members and were aimed at providing opportunities for increased detection and prevention of COVID-19.

The School District used \$10,525 in ELC Reopening Schools funding for entertainment costs invoiced by a contractor that was contracted to perform COVID-19 testing for students and staff. Specifically, the \$10,525 in costs that were invoiced were categorized as a community event, and the supporting documentation provided included receipts for bounce house rentals, audio equipment rental for a disk jockey, security guards, custom and pre-printed t-shirts, face painting, photobooth rental, and snacks. The costs were associated with a music festival.

The documentation provided did not include evidence that the music festival was to support school COVID-19 testing, prevention, and mitigation activities intended to support open, in-person K-12 school environments during the COVID-19 pandemic. Additionally, there was no documentation that pre-approval for the entertainment costs was received prior to the music festival. However, the Public Health Department reimbursed the School District \$10,525 for unallowable entertainment costs utilizing ELC Reopening Schools funding.

Overpayment to the School District

An improper payment is any payment that should not have been made or that was made in an incorrect amount, including overpayments.²⁰ Additionally, payments made for costs determined to be unallowable must be refunded to the Federal Government.²¹

The School District submitted four invoices to the Public Health Department for air purifiers purchased from a supplier totaling \$788,960 in expenditures; however, the Public Health Department incorrectly reimbursed the School District \$1,036,055 because it paid one of the invoices twice. As a result, the Public Health Department made an overpayment to the School District totaling \$247,095 in ELC Reopening Schools funding.

RECOMMENDATIONS

We recommend that the Philadelphia Department of Public Health:

- develop or update ELC procedures for compliance with Federal, subrecipient, and contract requirements, including:

¹⁹ CDC, "[ELC Reopening Schools: Support for Screening Testing to Reopen & Keep Schools Operating Safely.](#)" Accessed on June 23, 2025.

²⁰ 45 CFR § 75.2.

²¹ 45 CFR 75.410.

- oversight of subrecipients to ensure background check requirements are followed and
- monitoring of subrecipients' contract terms and conditions; and
- refund CDC \$257,620 for costs reimbursed to the subrecipient that were unallowable or were overpayments.

PUBLIC HEALTH DEPARTMENT COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, the Public Health Department did not indicate concurrence or nonconcurrence with our first recommendation but stated it disagreed with the finding related to the first recommendation. The Public Health Department concurred with our second recommendation. The Public Health Department detailed steps it plans to take to address our recommendations.

PUBLIC HEALTH DEPARTMENT COMMENTS

The Public Health Department disagreed with the finding related to the first recommendation. Specifically, the Public Health Department stated that monitoring the School District's compliance with State background check requirements was outside its oversight responsibilities under the Federal award. Furthermore, the Public Health Department stated that it was the School District's responsibility under State law to ensure that employees, including independent contractors and their employees, have all the required background checks. However, the Public Health Department stated that its Division of Disease Control is in the process of updating the standard operating procedures for subrecipient monitoring. The Public Health Department indicated that these protocols will detail necessary processes for efficient and effective subrecipient monitoring.

The Public Health Department concurred with our second recommendation to refund CDC costs reimbursed to the subrecipient that were unallowable or were overpayments. The Public Health Department indicated that corrective actions will include: (1) reviewing, updating, and providing training to ensure all requested reimbursements are allowable; (2) implementing additional checkpoints for the invoice reconciliation process to ensure no charges are duplicative; and (3) working with appropriate City agencies to refund the unallowable costs and overpayments to CDC.

The Public Health Department's comments are included in their entirety as Appendix B.

OFFICE OF INSPECTOR GENERAL RESPONSE

Regarding our first recommendation, we maintain that monitoring compliance with the terms and conditions of the subrecipient agreement, which included compliance with State background check requirements, was part of the Public Health Department's oversight

responsibilities in its role as a pass-through entity. Federal regulations (45 CFR §§ 75.342 & 75.352(d)) require the Public Health Department to monitor the activities of the subrecipient (i.e., School District) to ensure the subrecipient agreement is used for authorized purposes, in compliance with Federal statutes, regulations, and terms and conditions of the subrecipient agreement. In this case, the terms and conditions of the subrecipient agreement between the Public Health Department and the School District specifically required the School District to comply with all Federal and State laws applicable to the School District, including compliance with background check requirements. Therefore, monitoring compliance with background check requirements under State law was within the Public Health Department's responsibilities in accordance with the terms and conditions of the subrecipient agreement.

We appreciate the Public Health Department's cooperation throughout our audit and the actions the Public Health Department plans to take to address our recommendations. We maintain that our first recommendation is valid.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered approximately \$41.4 million in ELC Reopening Schools award expenditures the Public Health Department incurred from April 8, 2021, through July 31, 2023 (audit period). We reviewed the Public Health Department's implementation of the testing program and oversight provided to the School District and K-12 schools during the audit period. Additionally, for the 86 contracted and subcontracted employees who performed COVID-19 testing on School District property and at private and charter K-12 schools during our audit period, we reviewed the background check documentation. Finally, we reviewed \$27.7 million in subrecipient expenditures and a nonstatistical sample of 28 vouchers totaling approximately \$9 million in non-subrecipient expenditures to determine whether the ELC Reopening Schools funding was used in accordance with Federal, subrecipient, and contract requirements.

We did not assess the overall internal control structure of the Public Health Department. Rather, we limited our review of internal controls to those applicable to our audit objectives. Specifically, we assessed the Public Health Department's: (1) processes and procedures for monitoring the COVID-19 screening testing program, including contract management, and (2) procedures for monitoring and maintaining documentation to support ELC Reopening Schools award expenditures. Any internal control deficiencies we found are discussed in this report.

We conducted our audit from October 2023 through September 2025.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal, State, subrecipient, and contract requirements;
- met with Public Health Department officials to gain an understanding of how the Public Health Department monitored the implementation of and services provided by the School District and K-12 schools under the testing program;
- obtained and reviewed the Public Health Department's procedures for obtaining and maintaining documentation to support ELC Reopening Schools award expenditures;
- obtained and reviewed ELC Reopening Schools award expenditures incurred by the Public Health Department during the audit period;
- identified the 86 contracted and subcontracted employees who performed COVID-19 testing on the School District's property and in private and charter K-12 schools during our audit period;

- reviewed background check documentation associated with the 86 contracted and subcontracted employees;
- reviewed all 9 vouchers and related invoices totaling \$27.7 million in subrecipient expenditures;
- selected a nonstatistical sample of 28 vouchers totaling approximately \$9 million in non-subrecipient expenditures, out of 104 vouchers totaling approximately \$13.7 million, to ensure we reviewed the different types of non-subrecipient expenditures associated with ELC Reopening Schools funding;
- reviewed documentation supporting the nonstatistical sample of 28 vouchers for the non-subrecipient expenditures; and
- discussed the results of our audit with Public Health Department and School District officials.

We conducted this performance 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.

APPENDIX B: PUBLIC HEALTH DEPARTMENT COMMENTS



CITY OF PHILADELPHIA

DEPARTMENT OF PUBLIC HEALTH
1101 Market Street
Philadelphia, PA 19107

PALAK RAVAL-NELSON, PhD, MPH
Health Commissioner

JESSICA CAUM, MA, MPH
Director, Division of Disease Control

October 10, 2025

U.S. Department of Health and Human Services
Office of Inspector General
Office of Audit Services, Region V
233 North Michigan Avenue, Suite 802
Chicago, IL 60601

Report Number: A-05-24-00003

Dear Ms. Fulcher:

This letter is provided in response to a letter received on September 4, 2025 that included the draft report “Philadelphia Did Not Meet All of the Requirements for the COVID-19 Screening Testing Program at K-12 Schools,” which is the final draft of the preliminary report received in February 2025 titled “Philadelphia Generally Monitored the Implementation of and Services Provided Under the COVID-19 Screening Testing Program However Some Deficiencies Were Identified.” The purpose of this letter is to respond to the audit findings described in the report and to outline proposed corrective actions for the two recommendations issued by the Department of Health and Human Services, Office of Inspector General (OIG).

The Philadelphia Department of Public Health (PDPH) is proud of the successful school testing program that was implemented in the City of Philadelphia and supported by funding provided by the United States Department of Health and Human Services Centers for Disease Control and Prevention (CDC) Epidemiology and Laboratory Capacity (ELC) Reopening Schools program. The health, social, and economic impacts of the COVID-19 pandemic were devastating. Reopening Schools funding enhanced our capacity for COVID-19 readiness and response in schools and other childcare settings, which was a critical component of the City’s overall response to the pandemic. Between April 2021 and July 2023, ELC funding allowed for the administration of 1,126,963 COVID-19 tests in schools. In addition, funding was dedicated to the distribution of personal protective equipment (PPE) and testing supplies, such as over-the-counter (OTC) and point-of-care (POC) test kits and pediatric and adult KN95 masks, which were essential to protecting students and staff and allowing schools to reopen and stay open. The distribution of OTC kits aided in the rapid identification and isolation of cases, thus enabling schools to rapidly respond to cases and limit transmission. Furthermore, with the allowance from ELC to distribute OTC kits to summer camps, children were able to attend camp in safe and healthy conditions. In summary, this funding enabled Philadelphia to protect staff and students, while also helping the City begin the path to recovery through the reopening of schools.

While this program had many positive health, social, and economic impacts, we acknowledge the audit findings identified in the report and offer our responses to the two recommendations as outlined below:

- Recommendation: Develop or update ELC procedures for compliance with Federal, subrecipient, and contract requirements, including:
 - oversight of subrecipients to ensure background check requirements are followed and
 - monitoring of subrecipients' contract terms and conditions.

Philadelphia Department of Public Health's response:

We disagree with this finding and maintain that monitoring the School District of Philadelphia's compliance with State background check requirements was outside of PDPH's oversight responsibilities under the Federal award. Federal regulations require non-Federal entities to monitor the activities of the subrecipient to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and terms and conditions of the subaward.¹ Monitoring compliance with background check requirements under State law was outside the scope of PDPH's monitoring responsibilities under Federal regulations and the terms and conditions of the Federal award. Further, as the largest school district in the Commonwealth, it is the School District's responsibility under State law to ensure that employees and prospective employees of public and private schools, including independent contractors and their employees, have all of the required background checks and are not barred from performing services that have direct contact with children.² For those reasons, PDPH takes no position on the report's finding related to the School District's enforcement of background check provisions in its subcontracts.

Notwithstanding the foregoing, PDPH's Division of Disease Control (DDC) is in the process of updating Standard Operating Procedures (SOPs) for subrecipient monitoring. These protocols will detail necessary processes for efficient and effective subrecipient monitoring, including creation of a comprehensive checklist to guide monitoring of grant requirements to ensure compliance with federal statutes and regulations and manage adherence to contract terms and conditions. All staff involved in management of subrecipients funded via ELC will be trained to these updated protocols.

- Recommendation: Refund CDC \$257,620 for costs reimbursed to the subrecipient that were unallowable or were overpayments.

Philadelphia Department of Public Health's response:

We concur with the audit finding regarding unallowable costs and overpayment and this recommendation. Corrective actions include: 1) review, update, and provide training on internal controls to ensure that fiscal analysts who review invoices evaluate all supporting documentation to ensure all requested reimbursements are allowable costs per funding guidelines; 2) implement additional checkpoints in the invoice reconciliation process to ensure no charges are duplicative; 3) work with the appropriate City agencies to refund \$257,620 of unallowable costs/overpayments to the CDC.

¹ 45 CFR § 75.342 and 45 CFR § 75.352(d).

² 24 Pa. Stat. § 1-111, as amended, and 23 Pa. Cons. Stat. Ann. §§ 6344 & 6344.2.

Please contact me if you have any questions or require any additional information.

Sincerely,



Palak Raval-Nelson, PhD, MPH
Health Commissioner

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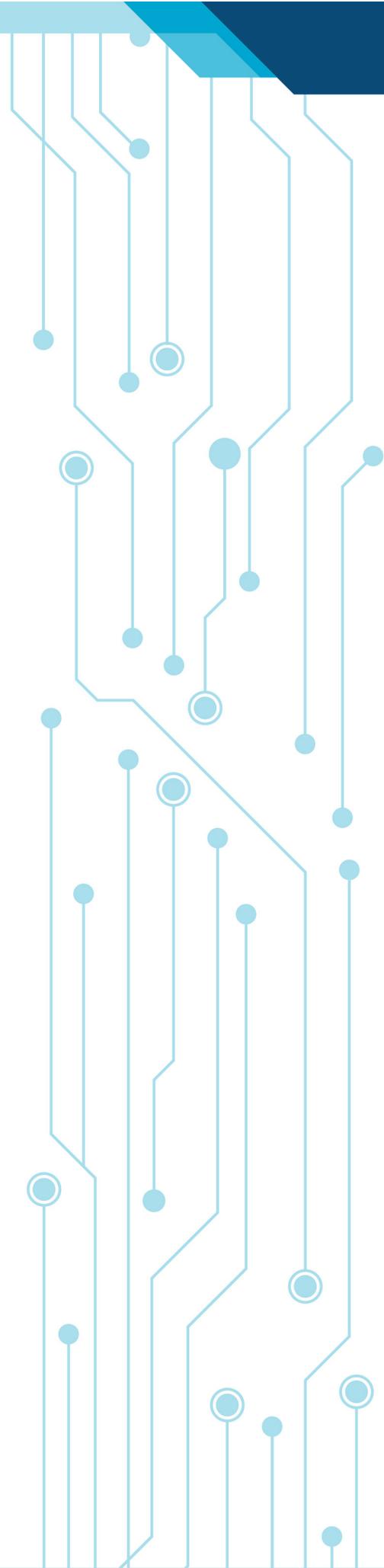
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