
Weekly COVID-19 Oversight & Enforcement Report

June 18, 2020

A. Congress

1. The **House Select Subcommittee on the Coronavirus Crisis** [launched](#) an investigation into the disbursement of PPP funds by sending letters to the Treasury Department, SBA, and eight financial institutions. The letters were signed by the Subcommittee's seven Democratic members, with no Republicans joining. The Subcommittee is investigating "whether implementation of the [PPP] has favored large, well-funded companies over struggling small businesses in underserved communities—contrary to Congress' clear intent."
2. The **Select Subcommittee** also sent [letters](#) to CMS and the nation's five largest for-profit nursing home companies seeking information on the Trump Administration's enforcement of health and safety regulations during the crisis, data collection, and provision of life-saving supplies.
3. House Ways & Means Chairman Richard Neal (D-MA), Financial Services Committee Chairwoman Maxine Waters (D-CA), and Small Business Committee Chairwoman Nydia Velazquez (D-NY) sent a [letter](#) to Treasury Secretary Mnuchin and SBA Administrator Jovita Carranza requesting the names of all recipients of PPP loans, the dollar amount of all loans received, and the names of all applicants that did not receive PPP loans.
4. Following a [letter](#) from House Ways & Means Committee Chairman Richard Neal (D-MA) and Energy & Commerce Chairman Frank Pallone (D-NJ) to CMS Administrator Seema Verma calling on the agency to stop nursing facilities from seizing residents' stimulus payments, CMS issued [guidelines](#) clarifying that nursing homes and assisted living facilities cannot force residents to hand over their payments. The IRS also [issued an alert](#) to nursing homes and assisted living facilities clarifying that "payments are intended for the recipients."
5. Chairman Pallone (D-NJ), Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR), and Appropriations Subcommittee on the Interior and Environment Chairwoman Betty McCollum (D-MN) sent a [letter](#) to EPA Administrator Andrew Wheeler demanding answers for the Agency's relaxation of its enforcement policy during the pandemic.
6. Senators Elizabeth Warren (D-MA), Chris Coons (D-DE), and Richard Blumenthal (D-CT), and Representatives Pramila Jayapal (D-WA) and John Sarbanes (D-MD) [introduced](#) the [Coronavirus Oversight and Recovery Ethics \(CORE\) Act](#), which aims to ensure stronger oversight, accountability, and transparency in the federal government's response to the COVID-19 crisis. Among other things, the bill would provide the Congressional Oversight Commission with subpoena power and include certain protections for inspectors general.

7. Senator Kamala Harris (D-CA) and Representatives Jackie Speier (D-CA) and Jamie Raskin (D-MD) introduced the [COVID-19 Whistleblower Protection Act](#), legislation meant to ensure whistleblower protections for people who expose misuse of government funds that are intended to combat the COVID-19 pandemic.
8. Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) sent a [letter](#) to HHS Secretary Azar asking him to create a comprehensive public database of \$210 billion in funds distributed from the CARES Act to health care providers in the effort to fight the COVID-19 pandemic.
9. Senate Republicans are drafting legislation that would extend broad liability protections to employers, allowing them to be shielded from lawsuits if their customers or workers contract coronavirus. The proposal will [reportedly](#) allow employers to choose which governmental safety guidelines to follow.

B. Executive Agencies

1. On June 11, the D.C. Circuit [rejected](#) the AFL-CIO’s request to compel **OSHA** to issue an emergency temporary standard to protect workers from COVID-19. The court stated that OSHA’s decision not to issue an ETS was entitled to considerable deference, and that it was reasonable. Subsequently, other unions jointly [filed](#) a petition seeking an order from the court to force the federal **Mine Safety and Health Administration** to issue an ETS.
2. **DOJ** [charged](#) a Vancouver man for securities fraud and conspiracy to commit securities fraud in connection with a coronavirus-linked stock scheme. He is charged with illegally dumping shares after increasing demand through false and misleading stock promotional activities, including by claiming that the company could produce face masks of medical quality.

C. State Attorneys General

1. A bipartisan coalition of 38 state AGs wrote [a letter](#) to Apple and Google expressing “strong concerns regarding the proliferation of contact tracing apps,” which the AGs claim “do not sufficiently protect consumers’ personal information.” The AGs asked the companies to verify that all contact tracing apps on their platform are affiliated with a public health authority, or a healthcare institution working with such an authority, and to pledge to remove these apps “once the COVID-19 national emergency ends.”
2. Continuing an investigation originally launched in April, the Office of New York AG Letitia James has [interviewed](#) Amazon workers concerning claims of employee retaliation after the workers publicly complained about the company’s coronavirus-related worker safety practices.
3. A federal judge [granted](#) Washington AG Bob Ferguson’s application for a preliminary injunction against the Department of Education, which sought to restrict the CARES Act’s Higher Education Emergency Relief Fund student grants to only those students eligible for federal financial aid, thereby excluding students without a high school degree and students who have Deferred Action for Childhood Arrival (DACA) status, among others.

D. Special Inspector General for Pandemic Recovery (SIGPR)

1. On June 15, Senator Sherrod Brown (D-OH) and Senate Minority Leader Chuck Schumer (D-NY) [wrote](#) to Brian Miller, asking for his commitment to independence, particularly in the face of President Trump’s dismissal of several inspectors general.

E. Pandemic Recovery Accountability Committee (PRAC)

1. Acting PRAC Chair Michael Horowitz [announced](#) the release of PRAC's first report. The report identifies four common areas of concern: (1) financial management of CARES Act and other funds; (2) grant and guaranteed loan management; (3) information technology security and management; and (4) protecting health and safety. The report also contains individual summaries from 37 IG offices identifying the top pandemic-related challenges for the agencies they oversee.
2. PRAC's leadership wrote to congressional leaders with concerns that legal decisions from the Trump Administration could hinder their oversight efforts under the CARES Act. The CARES Act split its major programs between two "divisions" of the law: Division A included most of the major new relief programs like the PPP and the economic stabilization program, while Division B authorized government-wide appropriations for federal agencies involved in coronavirus response. Treasury Department attorneys recently concluded that the reporting requirements in the CARES Act only apply to Division B. "If this interpretation of the CARES Act were correct, it would raise questions about the PRAC's authority to conduct oversight of Division A funds," PRAC officials wrote. "This would present potentially significant transparency and oversight issues" of over \$1 trillion in pandemic-related funds.