
Weekly COVID-19 Oversight & Enforcement Report

July 23, 2020

A. Congress

1. The Congressional Oversight Commission released its [third report](#), which describes key actions the Treasury and Federal Reserve have taken under the CARES Act.
2. A group of House lawmakers is discussing extending the CARES Act's Payroll Support Program (PSP) for airlines through March 2021, warning that without action from Congress, hundreds of thousands of aviation workers could lose their jobs on October 1.
3. A group of 10 House Republicans is [urging](#) House Minority Leader Kevin McCarthy (R-CA) to support language in the next pandemic aid package that would direct OSHA to issue an emergency temporary standard covering virus transmission in the workplace, which OSHA has thus far resisted.
4. Senate Majority Leader Mitch McConnell (R-KY) and Sen. John Cornyn (R-TX) are [pushing](#) to give federal courts jurisdiction over personal injury and medical liability claims stemming from the pandemic as part of a temporary set of legal protections for businesses, schools, health-care providers, and other organizations. Under the proposal, defendants would be shielded from liability if they made reasonable efforts to comply with public-health guidelines; liability would attach only to gross negligence or intentional misconduct.
5. [In response to questions](#) from Sen. Elizabeth Warren (D-MA) about risks from changes to Department of Defense pricing and contracting policy amid the COVID-19 pandemic, the Under Secretary of Defense for Acquisition and Sustainment Ellen Lord said big defense contractors cannot divert the increased progress payments towards share buybacks, dividends, or executive salaries.

B. Executive Agencies

1. OSHA this week [issued](#) its second COVID-related citation when it fined an Ohio health-care firm \$40,482 for allegedly violating respiratory protection standards after the company reported the hospitalization of seven employees.
2. In response to a petition filed by two unions on June 16, 2020, the D.C. Circuit last week [declined](#) to force the Mine Safety and Health Administration to create an emergency temporary standard to protect mine workers from COVID-19.

3. On Tuesday, DOJ [announced](#) the indictment of two Chinese Nationals charged with hacking into the computer systems of hundreds of companies, governments, and individuals. DOJ alleges that the defendants probed for vulnerabilities in computer networks of companies developing COVID-19 vaccines, which has been the focus of much of the media coverage, but it appears that the scheme has been ongoing for over ten years.

C. State Attorneys General

1. New York AG Letitia James, along with 18 other state AGs, wrote a [letter](#) to the U.S. Department of Education alleging that the Department promulgated a rule that unlawfully restricts eligibility for CARES Act funds, including emergency aid grants to students impacted by school disruptions caused by the coronavirus. According to the state AGs, the Department's interim final rule limits eligibility to students who qualify for aid pursuant to the Higher Education Act, for which international students—among others—are not eligible, in violation of the CARES Act and the Spending Clause of the U.S. Constitution.
2. Minnesota AG Keith Ellison, leading a coalition of six state AGs, filed an [amicus brief](#) in support of the United Food and Commercial Workers Union lawsuit challenging the U.S. Department of Agriculture's New Swine Inspection System, a regulation the AGs believe strips critical worker and food safety protections in pork slaughterhouses. The AGs argue the new rule is particularly dangerous in light of recent COVID-19 outbreaks in slaughterhouse facilities nationwide.
3. Colorado Governor Jared Polis [signed a law](#) prohibiting entities from selling food, fuel, medical supplies, or other necessities for an excessive price during an emergency declared by the governor or the president. Colorado AG Phil Weiser is empowered to enforce the law. Colorado did not previously have a price-gouging statute, instead utilizing its general consumer-protection statute as an enforcement tool.

D. Special Inspector General for Pandemic Recovery (SIGPR)

1. On July 17, the U.S. Attorney's Office for the Eastern District of Virginia (EDVA) [entered into a Memorandum of Understanding](#) with the SIGPR to cooperate in investigating and prosecuting CARES Act-related financial misconduct and fraud. The MOU calls for EDVA to create an "accelerated process for SIGPR investigations to obtain needed preliminary legal process, including grand jury subpoenas and court orders, subpoenas, and civil investigative demands." Two EDVA Assistant U.S. Attorneys will serve as liaisons to SIGPR.
2. In a July 15 [letter](#), Sen. Elizabeth Warren (D-MA) called for SIGPR Brian Miller to investigate the report of a "COVID Lobbying Palooza." The [report](#) identified dozens of lobbyists with connections to President Trump who have lobbied for 27 companies that have received at least \$10.5 billion in COVID-19-related federal aid. Sen. Warren asked SIGPR to investigate this "influence-peddling" and the process through which conflicts of interest and ethics issues were being addressed. She also requested that an analysis of the SIGPR's investigation be included in its upcoming inaugural quarterly report to Congress.

E. Pandemic Recovery Accountability Committee (PRAC)

1. The PRAC website and Twitter account continue to highlight the efforts of the Offices of Inspector General at various agencies and the reports these offices are preparing.