

Weekly COVID-19 Oversight & Enforcement Report

July 30, 2020

A. Congress
<ol style="list-style-type: none"> 1. Senate Republicans on Monday unveiled an approximately \$1 trillion virus relief package. The “Heals Act,” which differs significantly from the legislation House Democrats passed last month, includes more than \$100 billion for schools—most of which is reserved for schools that reopen for in-person learning; a liability shield to protect businesses from virus-related lawsuits; another round of direct stimulus payments; more PPP funding and money for emergency business loans; and a reduced extension of emergency federal unemployment benefits, among other measures. 2. Rep. James Clyburn, Chair of the Select Subcommittee on the Coronavirus Crisis, Rep. Bill Foster, and Rep. Mark Green, M.D., sent a letter calling on the Government Accountability Office (GAO) to conduct ongoing oversight of Operation Warp Speed and other government-funded vaccine-development initiatives. Relatedly, a group of House Democrats sent a letter to HHS Secretary Alex Azar asking for details on how Operation Warp Speed funds are being used to support the development of a COVID-19 vaccine. 3. The House adopted an amendment to the Agriculture Appropriations bill offered by Rep. Maxine Waters (D-CA) that prohibits using funds to implement President Trump’s Executive Order authorizing the use of the Defense Production Act to keep meat and poultry processing facilities operational during the COVID-19 emergency. Meanwhile, Senators Elizabeth Warren (D-MA) and Cory Booker (D-N.J.) released new information from their investigation into the activities of the country’s largest meat processors during the pandemic. 4. Lawmakers are introducing a bill to set up a government-backed funding vehicle to provide cash to struggling hotels and shopping centers that weren’t able to pause mortgage payments after the coronavirus shut down the U.S. economy.
B. Executive Agencies
<ol style="list-style-type: none"> 1. DOJ issued a business review letter, announcing that it will not challenge proposed efforts by several pharmaceutical companies to share information about “manufacturing facilities, raw materials, and supplies that could be used to produce COVID-19 treatments.” DOJ did indicate that the companies are not allowed to share information related to pricing or production costs. 2. In PPP fraud news, (a) DOJ arrested and charged a Florida man with fraudulently obtaining a \$3.9 million PPP loan and using the funds to buy a Lamborghini; (b) a Utah man was indicted on Tuesday for posing as a medical doctor to sell a baseless cure for COVID-19; and (c) DOJ charged

a Washington tech executive with fraudulently seeking over \$5.5 million in PPP loans and laundering the proceeds.

3. A lawsuit by anonymous workers and an advocacy group seeks to [force OSHA](#) to immediately inspect a meat-processing plant in Pennsylvania and to issue a “general duty clause” citation. The clause requires employers to provide workplaces that are free of known, potentially serious hazards that can be feasibly mitigated.
4. Three Democratic Iowa state legislators [called](#) on [OSHA](#) to review the state’s worker-safety inspection of a meat-processing plant where multiple workers have died from COVID-19. The state agency inspected the plant and declined to issue any citations. The legislators contend that the state agency has engaged in a pattern of “willfully inadequate inspections” at meat-processing plants because it hasn’t utilized the general duty clause to cite employers.
5. Virginia’s first-in-the-nation COVID-19 emergency worker protection rule has [taken effect](#). The temporary standard requires employers covered by the Virginia Occupational Safety and Health (VOSH) program to immediately comply with guidance from the CDC and state-issued instructions.

C. State Attorneys General

1. California AG Xavier Becerra is [reportedly](#) investigating Amazon’s workplace safety practices. The AG’s investigation, along with parallel investigations being conducted by California’s Division of Occupational Safety and Health and the San Francisco Department of Public Health, were disclosed in a judge’s decision declining to issue a preliminary injunction that would have closed one of Amazon’s fulfillment centers. New York AG Letitia James is conducting her own [investigation](#) of the company’s facilities in that state.

D. Special Inspector General for Pandemic Recovery (SIGPR)

1. On July 28, the U.S. Attorney’s Office for the District of Massachusetts entered into a [Memorandum of Understanding](#) with the SIGPR to investigate and prosecute fraud in the distribution of relief authorized by the CARES Act. The MOU will allow cooperation in matters involving loans, loan guarantees, and other investments made by the Treasury Secretary under the CARES Act. The MOU is similar to one entered into between the SIGPR and the Eastern District of Virginia on July 17.

E. Pandemic Recovery Accountability Committee (PRAC)

1. On July 23, PRAC released a [five-year oversight plan](#) for the government’s handling of coronavirus relief funds that features use of data analytics, artificial intelligence, and other technology. The main goals are to: detect waste, fraud, and a buse; promote transparency; facilitate coordinated oversight; and operate effectively as a committee. “By leveraging partnerships, practicing these values, and achieving these goals, the PRAC will fulfill its mission to ensure that Coronavirus relief and recovery funds intended to mitigate the economic, social, and health impacts of the Corona virus pandemic are awarded and used appropriately,” PRAC Acting Chair Michael Horowitz said in a statement that was released along with the plan.