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## *Weekly COVID-19 Oversight & Enforcement Report*

October 29, 2020

### **A. Congress**

1. In response to requests from House Select Subcommittee on the Coronavirus Crisis Chair James Clyburn (D-SC), four companies that collectively received \$595 million in Payroll Support Program funds have [committed](#) to retain all current employees until after they have exhausted remaining program funds. According to a Subcommittee press release, these four companies employ a total of more than 30,000 Americans.
2. Representatives David McKinley (R-WV) and Bill Pascrell (D-NJ) led a [letter](#) along with 54 lawmakers to HHS Secretary Alex Azar expressing concern over recent coverage denials from health plans for COVID testing. The CARES Act sought to ensure test costs would be covered by the U.S. government, but “recent changes have created confusion regarding coverage requirements,” the letter says.
3. Senators Elizabeth Warren (D-MA) and Mazie Hirono (D-HI), members of the Senate Armed Services Committee (SASC), wrote to SASC Chair James Inhofe (R-OK) and SASC Ranking Member Jack Reed (D-RI), urging the Committee to hold a hearing on the Department of Defense’s role in Operation Warp Speed, the Trump Administration’s public-private partnership now tasked with producing and delivering safe and effective COVID-19 vaccines.
4. A group of 15 senators led by Senators Debbie Stabenow (D-MI) and Patrick Leahy (D-VT) [called on](#) the USDA to reverse its decision to exclude dairy farmers from receiving COVID-19 relief to cover losses related to meat production.

### **B. Executive Agencies**

1. Fourteen individuals have been [charged](#) after investigators uncovered a scheme involving fraudulent bank accounts and counterfeit stimulus checks. A network of individuals is alleged to have posted advertisements on Instagram and Snapchat offering people the ability to make “quick cash” by opening bank accounts at certain institutions. Once a bank account was open, the defendants deposited fraudulent stimulus checks into the accounts and withdrew funds themselves in cash. These funds were used to pay for luxury cars and apartments.
2. In other PPP fraud news: (1) A Washington state man was [charged](#) with fraudulently seeking over \$1.1 million in EIDL and PPP Loans. (2) A Virginia man [pleaded guilty](#) on Friday to wire fraud and theft of government property after submitting multiple fraudulent applications for PPP and EIDL loans and ultimately receiving nearly \$200,000. (3) A Florida man was [charged](#) with bank

fraud and illegal monetary transactions after receiving \$1.9 million based on a fraudulent PPP loan application. He wired over \$500,000 to a property management company in south Florida, and also purchased a Mercedes and a Ford F-250.

### **C. State Attorneys General**

1. Louisiana AG Jeff Landry, along with the state's U.S. Attorney Brandon Fremin, [announced](#) the arrests of five individuals accused of COVID-19 unemployment fraud. The individuals had perpetrated separate schemes in which they filed unemployment claims, claiming they had been laid off from employers for which they had never worked. General Landry signaled the announcement was just the first in a concerted effort to crack down on such frauds, saying these arrests were "just the beginning."
2. Led by the AGs of Massachusetts, New York, and Pennsylvania, a coalition of 24 state AGs wrote a [letter](#) to the US Department of Labor opposing the Department's proposed rulemaking, which would change the test of whether workers are employees or independent contractors under the Fair Labor Standards Act. The AGs argued the rulemaking disregards the statutory text and breaks with court precedent interpreting the FLSA. The AGs also made a COVID-19 based policy argument, stating that workers during the pandemic particularly rely upon the health insurance, paid leave programs, and other benefits usually afforded only to employees, but not independent contractors.
3. Arizona AG Mark Brnovich announced a [settlement](#) with Ticketmaster that would result in the refund of over \$71 million to those who purchased tickets to live events in the state that were canceled, postponed, or rescheduled due to the pandemic. The settlement requires court approval.

### **D. Special Inspector General for Pandemic Recovery (SIGPR)**

*No updates this week.*

### **E. Pandemic Recovery Accountability Committee (PRAC)**

1. Senators Chuck Grassley (R-IA) and Maggie Hassan (D-NH), along with Representatives Jody Hice (R-GA) and Ted Lieu (D-CA), introduced bipartisan legislation to increase transparency and accountability within the federal government. The Oversight.gov Authorization Act would authorize the establishment and maintenance of a website to help the public access reports published by Inspectors General. The bill would also improve the work of the PRAC by bolstering the webpage dedicated to housing information mandated under the CARES Act.