
Weekly COVID-19 Oversight & Enforcement Report

December 3, 2020

A. Congress

1. The Congressional Oversight Commission released its [seventh report](#), which focuses on the Treasury and the Department of Defense's \$700 million loan to YRC Worldwide, Inc. The report is highly critical of the loan, noting that "the Department of Defense did not even consider whether the services it obtains from YRC could be obtained elsewhere" and that "[t]he Commission is concerned that the Treasury may have put taxpayers in a precarious position."
2. House Select Subcommittee on the Coronavirus Crisis Chair Jim Clyburn (D-SC) issued a [statement](#) criticizing Treasury's request that the Federal Reserve prematurely close key pandemic emergency lending facilities and return funds to the Treasury, contrary to the Federal Reserve's view that the facilities should be extended.
3. House Small Business Committee Chair Nydia M. Velázquez (D-NY) and Subcommittee on Investigations, Oversight, and Regulations Chair Judy Chu (D-CA) penned a [letter](#) to SBA Administrator Jovita Carranza, seeking more information on the status of the SBA's Economic Injury Disaster Loan (EIDL) program. EIDL has served as a critical lifeline to small businesses amidst the ongoing pandemic, supporting \$366 billion in new lending.
4. House Committee on Transportation and Infrastructure Chair Peter DeFazio (D-OR) and Chair of the Subcommittee on Aviation Rick Larsen (D-WA) made a formal [request](#) to the U.S. Government Accountability Office (GAO) to undertake a series of three studies. The purpose of these studies is to help inform Congress about the risks of air travel during a public health crisis, to better understand the Federal response that has been taken to address these risks, and to identify lessons learned that can inform future Federal legislation.
5. Sen. Elizabeth Warren (D-MA), House Oversight and Reform Committee Chair Carolyn B. Maloney (D-NY), and Rep. Katie Porter (D-CA) released the [findings](#) from their investigation into the effects of COVID-19 in residential behavioral health and addiction treatment facilities, and the actions these facilities are taking to prevent and mitigate outbreaks when they do occur.
6. Senators Chuck Grassley (R-Iowa) and Ron Wyden (D-Oregon), the top Republican and Democrat on the Senate Finance Committee, are [urging](#) the IRS and the Treasury Department to reconsider their newest guidance that warns companies away from trying to mix forgiven PPP loans and normal business deductions.

B. Executive Agencies

1. The U.S. Attorney's Office for the Western District of Washington [announced](#) that it has been allocated funding to hire an Assistant U.S. Attorney for a one-year term who will focus exclusively on prosecuting cases involving fraudulent schemes to obtain unemployment insurance benefits and related offenses through the CARES Act.
2. California's Occupational Safety and Health Standards Board [approved](#) an emergency COVID-19 rule, effective December 2, requiring employers to implement an effective COVID-19 prevention program.
3. A New Jersey man has been [charged](#) with wire fraud, bank fraud, and money laundering after fraudulently obtaining approximately \$1.8 million in PPP funds.
4. The ACLU [filed a lawsuit](#) in federal court seeking to impose social distancing and other coronavirus safety protocols on a Nebraska meatpacking company. The plaintiffs claim the plant, which employs 300-400 workers, is a public nuisance because the potential transmission of COVID-19 within and outside the plant would cause widespread disease, hospitalizations, and death not only among workers but also members of the public. OSHA opened an investigation into the plant in September.

C. State Attorneys General

1. A bipartisan group of 49 attorneys general wrote a [letter](#) to congressional leaders urging them to extend the spending deadline (currently December 30, 2020) to spend COVID relief funds that provide financial assistance to communities for expenses incurred due to COVID-19.
2. Idaho AG Lawrence Wasden announced an [agreement](#) with three Idaho gas retailers following concerns regarding the retailers' pricing practices during a declared emergency. The agreement requires the companies to provide consumers \$1.5 million in future discounted sales by selling fuel at below-market rates in order to meet their respective settlement obligations.
3. Minnesota AG Keith Ellison filed a [lawsuit](#) against Plainview Wellness Center for remaining open to the public in violation of Governor Tim Walz's executive order, and despite prior warnings from the AG's office that it was required to close.
4. Pennsylvania AG Josh Shapiro entered into a [settlement](#) with Nebraska-based ticket promoter Event Ticket Sales LLC, formerly doing business as Box Office Tickets, after an investigation in which the AG determined that ticket purchasers were receiving credits rather than refunds for cancelled events, in violation of the promoter's policy at the time the tickets were purchased. The investigation also found that customers were being charged additional fees in a deceptive manner. The settlement includes a suspended penalty and restitution for ticket purchasers who believe they were inappropriately charged fees.

D. Special Inspector General for Pandemic Recovery (SIGPR)

No updates this week.

E. Pandemic Recovery Accountability Committee (PRAC)

1. On November 20, PRAC released [a commissioned study on transparency in federal pandemic relief spending](#), identifying gaps in data sources and reporting and how to close them. The report concluded that these data gaps could impair PRAC's ability to oversee pandemic spending. For an executive summary of the report, click here: [Executive Summary](#)