
Weekly COVID-19 Oversight & Enforcement Report

January 21, 2021

A. Congress

1. President Biden [will seek](#) quick Senate approval of his \$1.9 trillion COVID-19 relief package, the American Rescue Plan. The package includes more than \$400 billion to combat the pandemic directly, including money to accelerate vaccine deployment and to safely reopen most schools within 100 days. Another \$350 billion would help state and local governments bridge budget shortfalls, while the plan would also include \$1,400 direct payments to individuals, more generous unemployment benefits, federally mandated paid leave for workers, and large subsidies for childcare costs.
2. Several lawmakers issued statements in support of President Biden's American Rescue Plan, including Chair of the Select Subcommittee on the Coronavirus Crisis Rep. [James E. Clyburn](#) (D-SC), House Appropriations Committee Chair [Rosa DeLauro](#) (D-CT), and Ranking Member of the Senate Finance Committee Sen. [Ron Wyden](#) (D-OR).
3. Twenty-six Senate Democrats, led by Senators Tammy Baldwin (D-WI) and Chris Murphy (D-CT), [wrote](#) to President Biden asking him to immediately invoke the Defense Production Act to boost production and stockpiling of testing supplies, PPE, and medical equipment.

B. Executive Agencies

1. After being [sworn in](#) as the 46th President of the United States on Wednesday, President Biden took [17 executive actions](#) in his first day in office. He is expected to [sign](#) 10 more executive orders today, largely focused on the federal government's COVID response.
2. President Biden's transition team [announced](#) on Monday that Gary Gensler, former chair of the CFTC following the 2008 financial crisis, has been nominated to serve as the next SEC chair. Gensler's nomination is being heralded by investor protection advocates, who expect a reversal of the broad deregulatory push under the Trump Administration and an overhaul of the SEC's enforcement agenda.
3. DOJ has [announced](#) the first civil settlement to resolve allegations of PPP fraud, entered into last week by a California company that allegedly received \$350,000 as a result of false statements to federally insured banks. SlideBelts Inc., an internet retail company and debtor in bankruptcy, and Brigham Taylor, the company's president and CEO, admitted that they falsely represented in loan documents that the company was not in bankruptcy when submitting a PPP loan application. As a result of the settlement, SlideBelts and its CEO have agreed to pay the United States a combined

\$100,000 in damages and penalties to resolve allegations that they committed fraud. SlideBelts also repaid the PPP funds it received.

4. A Texas man has been [charged](#) with filing loan applications fraudulently seeking more than \$5 million in PPP loan proceeds by claiming to have over 400 employees with an average monthly payroll of more than \$2 million. In the second application, he claimed to employ over 100 individuals and was able to obtain a loan over \$500,000. With each application, the defendant submitted a list of purported employees that he obtained from a publicly available random name generator on the internet. He also submitted forged tax documents with each application.
5. Virginia has [become](#) the first U.S. state to enact a permanent COVID-19 workplace rule, which will replace the temporary rule currently in place later this month. Like the temporary rule, the permanent rule will mandate that employers create a workplace infection protection program and train workers on how to comply, as well as set requirements for social distancing, cleaning, and masking. This comes as President Biden's OSHA is expected to issue a federal virus protection rule as well.

C. State Attorneys General

1. Vermont AG TJ Donovan reached a [settlement](#) of litigation it filed against Club Fitness of Vermont, Inc., and its owner, for remaining open for in-person business in violation of state executive orders. The settlement, which needs court approval, requires Club Fitness to close all fitness centers, contribute to a local nonprofit, and comply with executive orders concerning in-person commercial operations.
2. Massachusetts AG Maura Healey reached a [settlement](#) with Colonial Automotive Group, Inc., in which the car dealership agreed to pay \$1 million in penalties to resolve potential False Claims Act violations. According to General Healey's office, Colonial, which operates 16 car dealerships throughout the state, furloughed employees, encouraged them to apply for state unemployment benefits, and then successfully requested that they work without pay.

D. Special Inspector General for Pandemic Recovery (SIGPR)

No updates this week.

E. Pandemic Recovery Accountability Committee (PRAC)

1. PRAC last week released the [Federal COVID-19 Testing Report](#), a report that examines COVID-19 testing data compiled by six Offices of Inspector General across the federal government. The report observed that federal testing volume largely followed national trends, test reimbursement varied across different federal health programs, and testing patterns were generally proportional to the demographics of the populations served. PRAC chair Michael Horowitz noted that additional reports are to follow.