
Weekly COVID-19 Oversight & Enforcement Report

February 4, 2021

A. Congress

1. House Select Subcommittee on the Coronavirus Crisis Chair James Clyburn (D-SC) released a [statement](#) following a new [report](#) from the Government Accountability Office on the federal response to the COVID-19 pandemic. The report makes 13 recommendations to federal agencies to “improve the ongoing federal response and recovery efforts in the areas of public health, the economy, and program integrity.”
2. The Congressional Oversight Commission released its ninth [report](#). The report summarizes the Commission’s first eight reports and provides updates regarding recent key actions taken by the Treasury Department and the Federal Reserve on lending programs under the CARES Act. It also provides an update on the Commission’s oversight activities.
3. The House Energy and Commerce Subcommittee on Consumer Protection and Commerce will hold a [hearing](#) today on “Safeguarding American Consumers: Fighting Fraud and Scams During the Pandemic.”
4. Democratic lawmakers are [urging](#) federal health officials to address racial disparity in vaccine access nationwide, as data from some states show hard-hit nonwhite Americans who are eligible to receive it are not getting COVID-19 vaccinations in proportion to their share of the population. In a letter to acting HHS Secretary Norris Cochran IV, the lawmakers said the agency must work with states, municipalities, and private labs to collect and publish demographic data of vaccine recipients.
5. The Senate took a [tentative first step](#) Tuesday towards pushing through a massive COVID-19 stimulus package. The Senate voted 50 to 49 along party lines to begin the budget reconciliation process. That procedural move opens the door for Democrats to pass a stimulus package on their own, avoiding the filibuster that requires 60 votes for most legislation.

B. Executive Agencies

1. As directed by President Biden’s January 21st Executive Order, OSHA [has released](#) updated guidance on how to prevent exposure and the spread of COVID-19 in the workplace. This guidance is not mandatory and does not have the same legal effect as an OSHA standard. However, it does give some insight into what OSHA expects to include in an emergency temporary standard, which the new Administration wants the agency to consider and potentially implement by March 15, 2021. For more details on the guidance, see WilmerHale’s client alert [here](#).

2. This week in PPP fraud: (1) a Las Vegas man has been [charged](#) with bank fraud, making false statements, and money laundering after allegedly obtaining nearly \$2 million in PPP loans from seven different lenders, which he used to buy a Tesla, a Bentley, two condominiums, and to pay off his home mortgage. (2) Six individuals were [charged](#) with fraudulently obtaining approximately \$1.5 million in PPP loans on behalf of five businesses based in Georgia and South Carolina, which itself was part of a larger scheme in which Rodericque Thompson, of Atlanta, recruited others to apply for PPP loans on behalf of their businesses. Thompson helped others draft and submit loan applications, which included numerous false statements, in exchange for a percentage of the loan proceeds. (3) A Virginia man has [pleaded guilty](#) to bank fraud after obtaining \$2.5 million in PPP loan proceeds using fake tax and employment documents. He used these PPP funds to purchase a Lexus, a Cessna aircraft, a luxury residence in Virginia, and jewelry, clothing, accessories, and shoes.

C. State Attorneys General

1. New York AG Letitia James released a [report](#) examining the response of nursing homes throughout the state to the COVID-19 pandemic. Among other conclusions, the report states that numerous facilities failed to comply with infection control protocols, placing residents at increased risk, and many did not have sufficient PPE, thus endangering staff. The report also scrutinized New York State's response to COVID-19 as it pertains to nursing homes, concluding that a larger number of residents died than State data reflected and that government guidance requiring readmission of COVID-19 patients into nursing homes placed residents at increased risk. AG James' Medicaid Fraud Control Unit is investigating more than 20 nursing homes related to specific issues regarding their COVID-19 response.

D. Special Inspector General for Pandemic Recovery (SIGPR)

1. On February 1, SIGPR published its [quarterly report](#). The report indicates that the SIGPR is [looking into](#) former Treasury Secretary Steven Mnuchin's decision to roll back the Federal Reserve's emergency lending programs at the end of 2020, as well as Sen. Ted Cruz's (R-TX) role in persuading the central bank to expand the eligibility rules for the Main Street Lending Program to make it easier for oil and gas companies to apply for the low interest rate loans.

E. Pandemic Recovery Accountability Committee (PRAC)

No Updates this week.