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

June 24, 2021

*This will be the last weekly edition of the COVID-19 Oversight & Enforcement Report. We began these weekly enforcement updates on May 8, 2020. Today, some 59 weeks (and a lifetime) later, the need for a weekly enforcement update focused on the pandemic response is no longer so acute. We will return with additional enforcement updates from time to time, as needed. Many thanks to the entire team that has worked on these updates over this past year, whose help and diligence has made this project a pleasure.*

### A. Congress

1. On June 22, the House Select Subcommittee on the Coronavirus Crisis held a [hearing](#) titled “U.S. Economy On The Path To Strong Recovery.” Federal Reserve Chair Jerome Powell testified regarding the Fed’s emergency pandemic lending programs and the current state of the economy. Select Subcommittee Chair James Clyburn (D-SC) expressed concerns about the Municipal Liquidity Facility and the Main Street Lending Program, stating: “During the crisis, state and local governments shed 1.5 million jobs, and there is little evidence that the Municipal Liquidity Facility saved jobs or led to their return,” and the “Main Street Lending Program, similarly, imposed restrictions that made its loans unattractive to struggling businesses and partner banks.”
2. On June 17, Select Subcommittee Chair Clyburn released a [memo](#) regarding the Select Subcommittee’s investigation into contracts the Department of Veterans Affairs (VA) and FEMA entered with Federal Government Experts, LLC (FGE) to supply N95 masks early on in the pandemic. According to the Select Subcommittee, documents obtained during the investigation show that FGE’s CEO Robert Stewart “lied to federal government officials more than 30 times to induce them to enter the contracts and cover up his failure to perform” and drove up the price of N95 masks for sale to the government, and that the federal government failed to perform due diligence in awarding FGE’s contracts. The memo notes that, while no taxpayer dollars went to FGE under the contracts, FGE’s dealings with the VA were “a waste of time and cost the agency labor hours.” On June 16, Stewart “was sentenced to 21 months in prison and three years of supervised release for making false statements to procure multimillion-dollar contracts to sell masks to these agencies, then failing to deliver.”
3. A bipartisan group of lawmakers [introduced](#) legislation to modernize the nation’s compensation system for people injured by vaccines. Representatives Lloyd Doggett (D-TX), Fred Upton (R-MI), and Mike Kelly (R-PA) introduced the legislation, which would amend the Vaccine Injury Compensation System by increasing the cap on damages for vaccine-injury claims, reducing the backlog of such claims, increasing the statute of limitations for bringing such claims, and requiring that HHS add new FDA-approved vaccines to the vaccine-compensation program within six

months of approval. Rep. Doggett said, “This legislation updates an important consumer protection tool to assure it is capable of fairly addressing the one-in-a-million injuries that may be associated with COVID-19 vaccines.”

4. In February, Senators Bob Menendez (D-NJ), Susan Collins (R-ME), Ron Wyden (D-OR), and Sharrod Brown (D-OH) [introduced](#) The National Coronavirus Commission Act of 2021, which would establish a 9/11 style commission to study the impact of the COVID-19 pandemic in the United States and assess vulnerabilities in the nation’s public health system. On June 14, Senators Menendez and Collins wrote an [op-ed](#) in *The New York Times* urging passage of the bipartisan legislation: “We should do everything in our power to prevent our country and our communities, small businesses and families from enduring a similar ordeal again, because it’s not a matter of if but when another pandemic or public health emergency will strike.”

### **B. Executive Agencies**

1. A New York man and a Georgia woman were arrested June 11 on a [criminal complaint](#) filed in the Western District of New York. The pair allegedly conspired to fraudulently obtain and misuse a nearly \$1 million PPP loan, which they used on personal expenses and to purchase two cars.
2. OSHA’s COVID-19 emergency temporary standard (ETS) for health-care employers [took effect](#) June 21. Employers must comply with most provisions, such as developing an infection-prevention program and creating a log of new virus cases, by July 5. Other mandates, such as worker training and those that could require physical changes to workspaces and buildings, have a July 21 compliance deadline.
3. OSHA has increased [enforcement](#) of COVID-19 workplace protections. Five months into the Biden Administration, OSHA has issued three times as many general duty clause violations as it did during the Trump Administration. OSHA also has increased the number of inspections of workplaces where COVID-19 could be a hazard, even if an employer or workers haven’t reported complaints to the agency. However, the proposed fines under the two administrations are about the same.

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

1. A federal judge [granted](#) Florida AG Ashley Moody’s request for a preliminary injunction against the CDC, which had issued a conditional sailing order requiring cruise operators to proceed through a four-phase framework prior to resuming passenger operations in US waters. AG Moody argued that the CDC order exceeded its legislative authority or, alternatively, that Congress impermissibly delegated its authority to the agency. The court found the state had standing to bring the lawsuit and was likely to succeed on the merits, but temporarily stayed the preliminary injunction to allow the CDC to propose a narrower rule. The agency could also appeal.

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

*No updates this week.*

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

*No updates this week.*