
Weekly COVID-19 Oversight & Enforcement Report

September 10, 2020

A. Congress

1. The House Select Subcommittee on the Coronavirus Crisis held a remote [hearing](#) with civil rights advocates and public health experts to examine the steps that must be taken to ensure a free, fair, and safe general election during the coronavirus pandemic.
2. The House Oversight and Reform Subcommittee on Economic and Consumer Policy is [expanding](#) its investigation into some pandemic-related government contracts to focus on all contracts negotiated by White House trade adviser Peter Navarro. Subcommittee Chair Raja Krishnamoorthi (D-IL) announced the widening of the probe on Tuesday, one day after the Trump Administration scrapped a \$646 million deal to obtain 43,000 ventilators from Philips Respironics, a unit of Royal Philips.
3. Speaker Nancy Pelosi (D-CA) and Treasury Secretary Steven Mnuchin have tentatively [agreed](#) to use a short-term spending bill to avoid a government shutdown at the end of September. The stopgap funding legislation would not include coronavirus relief or stimulus, but it removes the possible nightmare scenario of federal agencies being shut down and vital services halted in the middle of a pandemic.
4. Senate Republicans [proposed](#) a new, smaller package of coronavirus aid that includes jobless aid, liability protections for businesses, and school funding among other measures. It is expected to cost around \$300 billion, after the \$650 billion in new spending is offset with \$350 billion in savings from unspent funds from earlier coronavirus packages. The proposal adds new tax credits for private-school scholarships and homeschooling expenses, a longtime priority of conservative groups that many Democrats oppose. The plan would also take away the Federal Reserve's ability to make new emergency loans with coronavirus relief funds after January, a sharp shift from when Congress handed the central bank a key role in driving the economic rescue. Senate Majority Leader Mitch McConnell (R-KY) plans to bring the legislation to the floor for a vote on Thursday.
5. Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee Sherrod Brown (D-OH) and Senators Elizabeth Warren (D-MA), Chris Van Hollen (D-MD), Robert Menendez (D-NJ), and Jack Reed (D-RI) sent a [letter](#) to CFPB Director Kathy Kraninger regarding the agency's failure to use its authority to ensure that borrowers are aware of the mortgage relief options they are legally entitled to during the COVID-19 pandemic.

B. Executive Agencies

1. A New Jersey attorney was [charged](#) with bank fraud and money laundering after he allegedly submitted three fraudulent PPP loan applications on behalf of three different businesses. He received nearly \$9 million in loan funds, which he spent on a home, remodeling, and stock investments.
2. Public Citizen Inc. has [sued](#) the Department of Labor over a languishing Freedom of Information Act request related to the agency's response to coronavirus infections at meat-processing facilities. Public Citizen contends that release of the records would allow the public to understand what steps the Department has taken to protect workers at meatpacking plants.
3. 72 workers have [sued](#) their employers over alleged violations of the Families First Corona virus Response Act, an initiative overseen by the Labor Department aimed at creating leave options for workers as COVID-19 spread. Business groups and management attorneys warned in the spring that the legislation was hastily crafted and left companies vulnerable to a groundswell of litigation, including class or collective actions. Such an onslaught has yet to come to fruition, but attorneys predict more lawsuits before the law expires on Dec. 31, as schools return, businesses reopen, and the cold and flu season begins amid the threat of a COVID-19 resurgence.

C. State Attorneys General

1. Pennsylvania AG Josh Shapiro announced a price gouging [settlement](#) with New York-based wholesaler Complete Medical Supplies, which he said had sold nearly 100 N95 masks to Pennsylvania retailers at unlawful prices. General Shapiro had previously reached price gouging settlements with several of those retailers. The settlement requires the company to pay civil penalties and restitution.

D. Special Inspector General for Pandemic Recovery (SIGPR)

1. On September 8, the U.S. Attorney's Office for the Northern District of Texas [entered into a Memorandum of Understanding](#) with the SIGPR to cooperate in investigating and prosecuting financial misconduct and fraud related to the CARES Act. Two NDTX Assistant U.S. Attorneys will serve as liaisons to SIGPR.
2. Several job positions for SIGPR have been posted over the past week, including for a Management & Program Analyst to plan, organize, and prioritize projects for the SIGPR strategic planning process, and an Auditor Senior Quality Control Review and Assurance position.

E. Pandemic Recovery Accountability Committee (PRAC)

No updates this week.