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

June 11, 2020

### A. Congress

1. The **House Select Subcommittee on the Coronavirus Crisis** held a [briefing](#) on racial health disparities in the coronavirus crisis. Participants explained that communities of color have been disproportionately impacted by the coronavirus due to longstanding racial inequities in healthcare, jobs, and housing, and they warned that these communities were also likely to be harmed if the country reopens too soon.
2. House Ways and Means Committee Chairman Richard Neal (D-MA) and House Energy and Commerce Committee Chairman Frank Pallone (D-NJ) wrote a [letter](#) to Centers for Medicare & Medicaid Services Administrator Seema Verma calling for a probe into reports that nursing homes and assisted living facilities have been seizing residents' stimulus payments. Representative Gwen Moore (D-WI) sent a similar [letter](#) to the Treasury Inspector General for Tax Administration Russell George, urging him to exercise "oversight over fraudulent activity related to these payments." And Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) [wrote](#) to Acting HHS IG Christi Grimm asking her to issue alerts to providers and the public about these allegedly unlawful practices.
3. House Oversight & Reform Committee Democrats [requested](#) HHS's coronavirus vaccine development contracts with private companies because they're worried about the affordability of drugs made with taxpayer funding.
4. Senators Elizabeth Warren (D-MA), Chuck Schumer (D-NY), and Richard Blumenthal (D-CT) sent a [letter to Michael Horowitz](#) requesting that the PRAC investigate the Trump administration's effort—known as "Project Air Bridge"—to obtain and distribute PPE and other medical supplies to fight the coronavirus pandemic.
5. The Senate Judiciary Committee held a [hearing](#) entitled "COVID-19 Fraud: Law Enforcement's Response to Those Exploiting the Pandemic." The [testimony](#) includes a thorough description of actions DOJ has taken to date to combat coronavirus-related fraud and misconduct. Democratic and Republican senators said they are frustrated at the slow pace of prosecutions of scams exploiting the trillions of dollars in government stimulus money to combat the coronavirus.
6. Senate Commerce Committee members Richard Blumenthal (D-CT), Maria Cantwell (D-WA), and Ed Markey (D-MA) [unveiled](#) the [Essential Transportation Employee Safety Act](#), which "would prioritize coronavirus testing for transportation workers, and ensure employers implement critical health and safety requirements to keep their workforce safe."

7. Senate Finance Committee Chairman Chuck Grassley (R-IA) [said](#) he is putting a hold on two presidential nominees until President Trump explains his recent firings of two inspectors general.

### **B. Executive Agencies**

1. Bloomberg [reports](#) that **DOJ** has sent civil investigative demands to the country's four biggest meatpackers over potential antitrust violations.
2. On Tuesday, **DOJ** [announced](#) the first criminal securities fraud prosecution related to the COVID-19 pandemic. According to the allegations, Mark Schena, president of Arrayit Co., made false statements concerning Arrayit's ability to provide accurate and fast COVID-19 tests and made numerous misrepresentations to potential investors about the COVID-19 tests.

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

1. District of Columbia Attorney General Karl Racine reached [an agreement](#) with Instacart, in which the company agreed to provide workers up to 14 days of paid leave if diagnosed with COVID-19, or if they live with someone who has received such a diagnosis. The agreement applies nationwide.
2. Virginia Attorney General Mark Herring [requested](#) that the State Corporation Commission, Virginia's utility regulator, continue its suspension of utility disconnections until the State's businesses fully reopen. The regulator first halted all utility disconnections in the state in March; the current disconnection suspension rule expires on June 15.
3. New Mexico Attorney General Hector Balderas [launched a criminal investigation](#) of Bionet, amid concerns the company defrauded the State's Department of Health in its acquisition of masks, gloves, and other equipment needed to respond to the coronavirus pandemic. Bionet had been awarded a \$7 million PPE contract by the state.

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

1. On June 3, Senate Democrats introduced the "[Congressional Power of the Purse Act](#)," legislation designed to increase transparency of the executive branch's spending actions. In connection with the bill's introduction, Senator Chris Van Hollen (D-MD) published a 2019 [letter](#) by then-White House Counsel and now-SIGPR Brian Miller denying a request for information in connection with the Ukraine aid probe.

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

1. On June 5, several Democratic Representatives [sent a letter](#) to PRAC's Acting Chair Michael Horowitz requesting an investigation into the hundreds of federal contracts entered with first-time contractors related to the COVID-19 response efforts. The letter refers to a ProPublica analysis finding that "345 first-time federal contractors have been promised at least \$1.8 billion in federal contracts related to the COVID-19 pandemic. Of those 345 contractors, more than half of the companies did not have to compete for their contracts, compared with 32 percent of overall pandemic-related contracts. The lack of competition paired with the lack of a federal law to prevent price-gouging not only increases the risk of price gouging, but also for fraud and faulty products." The Members said "it is simply unacceptable for the government to enter into contracts with unreliable, unproven vendors. We understand that the unprecedented circumstances call for new and innovative solutions, but that does not mean due diligence must be abandoned."