

Weekly COVID-19 Oversight & Enforcement Report

October 15, 2020

A. Congress
<ol style="list-style-type: none"> 1. The Select Subcommittee on the Coronavirus Crisis released a staff report on the Payroll Support Program, which Congress created to “preserve aviation jobs” by providing payroll assistance to companies in exchange for keeping workers employed. According to a committee statement, the report reveals that Treasury allowed aviation contractors to fire thousands of workers while still receiving hundreds of millions of dollars in taxpayer funds intended to protect those workers’ jobs. 2. In a letter to Labor Secretary Eugene Scalia, House and Senate Democrats requested information regarding his Department’s involvement in the watering down of CDC recommendations to the Smithfield Foods Sioux Falls meatpacking plant that experienced a major COVID-19 outbreak. 3. House Energy and Commerce Committee Ranking Member Greg Walden (R-OR) and Representatives Michael Burgess (R-TX) and Brett Guthrie (R-KY) requested a GAO assessment of COVID-19 contact tracing apps. 4. House Energy and Commerce Chair Frank Pallone (D-NJ), Health Subcommittee Chair Anna G. Eshoo (D-CA), and Oversight and Investigations Subcommittee Chair Diana DeGette (D-CO) wrote to HHS Secretary Alex Azar raising concerns over his decision to overrule career scientists at the FDA by announcing that the Trump Administration would allow laboratory-developed tests, including those for COVID-19, to come to market without FDA review. 5. Senators Elizabeth Warren (D-MA), Patty Murray (D-WA), and Gary Peters (D-MI) sent a letter to the GAO calling for an immediate investigation to understand the extent of undue political influence at the CDC and FDA and whether this interference has violated the agencies’ scientific integrity and communication policies. 6. House Small Business Committee Chair Nydia M. Velázquez (D-NY) requested that the SBA comply with data requests from the GAO related to SBA’s COVID-19 response programs, specifically the Economic Injury Disaster Loan (EIDL) Program.
B. Executive Agencies
<ol style="list-style-type: none"> 1. On October 7, Deputy AG Jeffrey Rosen spoke at the BBB National Programs NAD 2020 Conference about combatting false and unfair commercial practices in light of COVID-19, particularly focusing on fraudulent COVID-19 “cures.” Rosen noted that, to date, DOJ has filed charges in approximately 110 COVID-related cases nationwide, with hundreds more under active investigation. Rosen highlighted a few specific cases, including charges brought against a man who

sought investors after claiming in an Instagram video to have created an injection that would cure corona virus. Rosen also highlighted the Department's use of the anti-hoarding provision of the Defense Production Act, reporting that, to date, the Anti-Hoarding Task Force has filed 13 criminal complaints related to hoarding or price gouging. Rosen specifically cautioned companies selling products that "might be helpful during the pandemic ... [that] are not preventions or cures" to "take care to say accurate things. That is where good legal counsel can play a very constructive role." In closing, Rosen reiterated, as DOJ has in the past, that the Department's focus is on "rooting out true scams and frauds" and that it does not intend to prosecute "good-faith minor missteps."

2. A Texas man has been [charged](#) with wire fraud, bank fraud, and money laundering after submitting 15 fraudulent PPP loan applications to eight different lenders seeking approximately \$24.8 million. These applications were accompanied by falsified tax documents and forged bank statements. He ultimately received over \$17 million, which he used to purchase a 2020 Bentley convertible and multiple homes. To date, the government has seized \$6.5 million.
3. OSHA has [proposed](#) almost \$1 million in penalties for safety and health violations at 62 companies since the start of the COVID-19 pandemic this year. More than a third of that total came from COVID-related citations issued in the last week of September. Among these, the largest was for \$26,988 to Genesis HealthCare Inc.'s Westfield Center, in Westfield, N.J., which is a skilled nursing center and senior living community.

C. State Attorneys General

No updates this week.

D. Special Inspector General for Pandemic Recovery (SIGPR)

No updates this week.

E. Pandemic Recovery Accountability Committee (PRAC)

No updates this week.