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# *Weekly COVID-19 Oversight & Enforcement Report*

May 22, 2020

## A. Congress

1. Despite still not having a chairperson, the **Congressional Oversight Commission** issued its first [report](#) finding that the Treasury Department and Federal Reserve have disbursed only a fraction of the \$500 billion authorized by the CARES Act for assistance to distressed businesses.
2. The **House Energy & Commerce Subcommittee on Oversight & Investigations** released a “[COVID-19 Oversight Plan](#)” that details its priorities for conducting oversight in the coming months: testing and contact tracing; the supply chain for PPE; COVID-19 vaccines and vaccine candidates; food safety and supply; and commitment to science and public health.
3. Politico [reports](#) that the House will vote next week on bipartisan legislation to ease restrictions on how businesses use PPP loans, which can be forgiven if employers agree to maintain their payroll and avert layoffs during the pandemic. Similarly, Senate Small Business Committee Chairman Marco Rubio (R-FL) [said](#) lawmakers are considering changes to the Paycheck Protection Program to allow small businesses to pay workers beyond the initial 8-week threshold.
4. Senator Elizabeth Warren (D-MA) sent [letters](#) to the Federal Reserve Bank of New York and Federal Reserve Bank of Boston (with copies to Treasury Secretary Steve Mnuchin and Federal Reserve Chairman Jerome Powell) regarding the certification process for the recipients of bailout funds distributed through lending facilities developed by the Federal Reserve using taxpayer dollars from the CARES Act. In her letters, Senator Warren called on the Federal Reserve to implement a comprehensive and robust set of requirements for top executives of these companies to verify their eligibility before they receive any bailout funds.

## B. Executive Agencies

1. The **Treasury Department’s** internal watchdog is [auditing](#) a \$32 billion package of aid earmarked to support employees at passenger airlines, cargo carriers and related contractors included in the \$2.2 trillion coronavirus stimulus package. The IG’s office will assess the implementation of the program in addition to documentation submitted by carriers seeking the aid, among other issues, according to a March 30 [memo](#) tweeted Tuesday, May 18, by the PRAC.

2. The **Department of Defense (“DoD”) Office of Inspector General (“OIG”)** [released](#) a 13-page presentation on its COVID-19 oversight plan, which describes planned and ongoing audits, evaluations, and investigations that the DoD OIG intends to conduct of DoD programs, operations, and activities executed in response to COVID-19, as well as a review of the DoD OIG approach to criminal investigations and a summary of complaints the DoD Hotline has received.
3. The **Securities and Exchange Commission** [initiated](#) enforcement actions against two unrelated companies, Turbo Global Partners and Applied BioSciences Corp., that falsely purported to offer products to combat COVID-19, accusing them of defrauding the public and artificially inflating their share prices.
4. The **Department of Justice** [announced](#) that a Georgia woman was arrested for her alleged role in a conspiracy to defraud Medicare by submitting false and fraudulent claims for cancer genetic (CGX) testing, as well as her role in conspiring to submit fraudulent claims related to COVID-19 and other tests. She is charged by complaint with conspiring to violate the Anti-Kickback Statute and conspiring to commit health care fraud.

### C. State Attorneys General

1. In a May 19 [letter](#), 13 Democratic AGs, led by MA AG Healey, asked Amazon and Whole Foods to provide a state-by-state breakdown of workers who tested positive or died from the coronavirus. The same group of AGs [sent a letter](#) to Amazon and Whole Foods in late March.
2. Nine states [filed a lawsuit](#) against the EPA for relaxing a range of companies’ compliance and monitoring requirements with federal clean air and water laws in response to the coronavirus pandemic, arguing the policy is too broad and not transparent.
3. Pennsylvania’s AG has [opened a criminal investigation](#) into nursing home deaths. AGs in New Jersey, New York, and New Mexico have also launched their own nursing home investigations.

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

1. A bipartisan group of senators, led by Senator Chuck Grassley (R-IA), [introduced legislation](#) that would allow the SIGPR to fast track hiring staff to oversee how coronavirus stimulus funds are spent. The bill would expedite the office’s hiring and contracting authority and allow it to use volunteers and detailees from other government agencies.

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

1. PRAC expanded its [website](#) to include separate pages that track [ongoing work](#), [reports](#), [investigate press releases](#), [recommendations](#), and [“lessons learned.”](#) The pages contain compilations of work done by the OIGs from DOJ, DHS, HHS, and SBA, among others, that relate to the government’s pandemic response and recovery efforts.