
Weekly COVID-19 Oversight & Enforcement Report

July 2, 2020

A. Congress

1. Several news outlets [reported](#) that former Joint Chiefs of Staff Chairman Joseph Dunford is the leading contender to chair the **Congressional Oversight Commission**—a position that, under the CARES Act, must be jointly selected by House Speaker Nancy Pelosi (D-CA) and Senate Majority Leader Mitch McConnell (R-KY).
2. The **House Select Subcommittee on the Coronavirus Crisis** held a hearing on a recent GAO [report](#) raising concerns about how federal agencies are administering the \$2.6 trillion appropriated by Congress during the pandemic. GAO found that the SBA is not prepared to address fraud risks associated with its small-business loans, and that the IRS and Treasury made payments to more than a million deceased individuals. Subcommittee Chairman Jim Clyburn (D-SC) [said](#) the report “details how missteps led to ‘significant delays in testing,’ shortages in critical supplies, and ‘significant risk’ of fraud in the [PPP].”
3. The Republican Steering Committee [tapped](#) Representative James Comer (R-KY) to be the top Republican on the Oversight Committee.
4. Rep. Ted Lieu (D-CA), and five other members of the House Judiciary Committee [introduced](#) a bill to enable Congress to independently enforce subpoenas and other Congressional actions by directly levying penalties against those refusing to comply.
5. The House passed a bill that would provide more assistance to renters, homeowners, and people experiencing homelessness during the COVID-19 pandemic. House Financial Services Committee Chairwoman Maxine Waters (D-CA) and Representative Denny Heck (D-WA) published an [op-ed](#) on Medium calling for the Senate to act on the legislation. On a similar topic, Senator Elizabeth Warren (D-MA) and Representatives Chuy Garcia (D-IL) and Barbara Lee (D-CA) introduced the Protecting Renters from Evictions and Fees Act of 2020, which would extend and expand the eviction moratorium for renters that is scheduled to end July 24, 2020.
6. House Oversight and Reform Committee Chairwoman Carolyn Maloney (D-NY), Representative Mark DeSaulnier (D-CA), and Senators Elizabeth Warren (D-MA) and Ron Wyden (D-OR) sent a [letter](#) to Venntel, Inc. launching an investigation into the collection and sale of sensitive mobile phone location data that reveals the precise movements of millions of American adults, teens, and even children, including in connection with the response to the coronavirus crisis.
7. Politico [reports](#) that Senate Small Business Chair Marco Rubio (R-FL) and a bipartisan group of lawmakers are nearing agreement on a new wave of small business rescue loans. The senators are contemplating not only a restart of the PPP—which stopped taking loan applications yesterday with

\$130 billion left untapped—but also new types of government-backed loans that could also be turned into grants if employers maintain payroll. Relatedly, the Senate [approved](#) legislation extending the application period for the PPP through August 8, and the House [passed the bill](#) Wednesday. The bill now heads to President Trump for signature.

8. Senate Banking, Housing, and Urban Affairs Committee Ranking Member Sherrod Brown (D-OH) and Senator Elizabeth Warren (D-MA) sent [letters](#) to some of the nation’s largest debt collectors asking them to suspend lawsuits during the pandemic.
9. Senators Richard Blumenthal (D-CT) and Cory Booker (D-NJ) wrote a [letter](#) asking the NCAA to prohibit schools from “requiring or coercing” students to sign liability waivers that would exempt institutions from accountability for the spread of the coronavirus.
10. Senator Dick Durbin (D-IL) and Representative Lloyd Doggett (D-TX) [introduced](#) legislation Wednesday that would prevent inverted corporations from accessing financial assistance under the CARES Act. The legislation would give companies the option to qualify for the relief money if they revert to a U.S. company, which would require them to retroactively be treated as a domestic corporation beginning in 2017, and pay back taxes and penalties for those years.

B. Executive Agencies

1. The **Environmental Protection Agency** announced that it will [end](#) a temporary policy that relaxed enforcement of monitoring and reporting requirements during the COVID-19 pandemic. The policy was widely criticized as likely to increase pollution and jeopardize public health. (WilmerHale’s client alert on the issuance of the non-enforcement policy is available [here](#).)
2. Last week, we described the “statement of interest” **DOJ** filed in support of a lawsuit challenging Hawaii Governor Ige’s mandatory two-week quarantine for visitors. U.S. District Judge Otake subsequently announced that the court will disregard the amicus brief, calling it “an attempt by the United States to amend the Complaint in a case where it is not a plaintiff ... Neither the United States nor Plaintiffs cite any instance where a court considered a statement of interest requesting relief on a claim that the plaintiff(s) did not present in the complaint and/or as a basis for emergency relief.” The judge’s orders can be found on the docket [here](#).
3. Continuing a trend, **DOJ and the IRS** announced fraud charges against a [Seattle doctor](#) and a [Dayton woman](#) in connection with PPP loans.

C. State Attorneys General

No notable developments this week.

D. Special Inspector General for Pandemic Recovery (SIGPR)

No notable developments this week.

E. Pandemic Recovery Accountability Committee (PRAC)

1. A bipartisan group of Senators is [pushing back](#) against the Treasury Department’s attempts to weaken PRAC’s oversight of CARES Act spending. The dispute is over a determination by Treasury officials last month that PRAC does not have oversight of a section of the CARES Act that includes more than \$1 trillion of funds.
2. PRAC [released a new tool](#) to track nationwide contract spending on pandemic relief, to be updated weekly. The tool allows the public to download the data set and examine contracts by category,

such as medical services and equipment and PPE. PRAC also created an interactive map for users to track the total amount of contract spending by state and county.