

May 13, 2020

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
H-204, U.S. Capitol
Washington, D.C. 20515

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the
Coronavirus Crisis
U.S. House of Representatives
H-329, U.S. Capitol
Washington, DC 20515

The Honorable Steve Scalise
Ranking Member
Select Subcommittee on the
Coronavirus Crisis
U.S. House of Representatives
H-148, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi, Leader McCarthy, Chairman Clyburn, and Ranking Member Scalise,

We the undersigned groups write to thank you for your efforts to address the public health and economic crisis facing our country and to urge immediate bipartisan action to ensure that the new House Select Subcommittee on the Coronavirus Crisis,¹ begin oversight functions as soon as possible. It's crucial the new Subcommittee start oversight work now, as appropriated funds are being spent. By doing so, the Subcommittee can make recovery efforts more effective and guarantee that government agencies are good stewards of taxpayer money.

When the American public asks how the federal government spent trillions of taxpayer dollars and what exactly was accomplished with those funds, they will look to the Subcommittee to help provide answers together with other oversight authorities. The Subcommittee has a critical role to play in helping expose, stop, and prevent waste, fraud and abuse of pandemic-related programs and aiding American families, businesses, and the economy to survive this crisis.

In March, the Federal Reserve Bank of St. Louis estimated that the unemployment rate could be as high as 32 percent in the second quarter, topping the 25 percent the nation saw during the Great Depression,² and there have been roughly 33 million unemployment claims filed since March.³ On May 8, the Bureau of Labor Statistics reported that the unemployment rate for April already reached 14.7 percent.⁴ With 3.2 million Americans losing work that same week, the

¹ (H. Res. 938) as passed by the U.S. House of Representatives on April 23, 2020, <https://www.congress.gov/bill/116th-congress/house-resolution/938/text/rh>

² Paul Davidson, "Economy loses 20.5M jobs and unemployment soars to 14.7% in April as coronavirus pandemic spreads," *USA Today*, May 8, 2020. <https://www.usatoday.com/story/money/2020/03/30/coronavirus-unemployment-could-top-32-47-million-lose-jobs-fed-says/5091156002/>

³ Christopher Rugaber, "33 Million have sought unemployment aid since virus hit," Associated Press, May 7, 2020. <https://apnews.com/b6f646ea9844406452bedc65ba9cbe30>

⁴ U.S. Department of Labor Bureau of Labor Statistics, "The Employment Situation – April 2020," Press Release USDL-20-0815, May 8, 2020. <https://www.bls.gov/news.release/pdf/empisit.pdf>

unemployment number is expected to rise even further⁵. In an attempt to head off this potential economic disaster, Congress has appropriated an unprecedented \$2.4 trillion in new spending.⁶ The Coronavirus Aid, Relief, and Economic Security (CARES) Act, (Pub. L. 116-136) should help keep employees on the payroll, provide loans to struggling businesses and other distressed sectors of the economy, support students and hospitals, as well as shoring up local and state budgets. In addition, the Federal Reserve has taken steps to provide \$2.3 trillion in loans to support the economy.⁷ Oversight will be critical to make sure these funds have their intended effect of helping workers, the general public, and the real economy.

The Subcommittee on the Coronavirus will, we hope, be immediately focused on accountability and achievement of the key goals of the CARES Act – preserving employment while making sure money gets to the right places including small businesses and workers. It means helping to ensure that assistance – especially to large corporations – is actually saving jobs and supporting workers, crony capitalism does not influence who receives assistance, and that taxpayers are not ripped off. Strong, robust oversight done up front can help mitigate these problems, but it will be crucial to do so before more smaller struggling businesses go under and working-class families shoulder an unbearable burden. It means conducting meaningful oversight now, and not after all the money has been spent.

The first step in setting up a functioning subcommittee is making sure the subcommittee is well-staffed. For the Subcommittee on the Coronavirus to be effective, members should deploy staff who have demonstrated experience in investigations, financial analysis, law, management analysis, auditing, and public administration. These skills are particularly important because of the broad mandate of the Subcommittee and the complex lending programs at the Department of the Treasury, Federal Reserve, and Small Business Administration. The staff needs to have the technical expertise to conduct investigations and produce reports that are understandable, timely, and digestible not only to the people who understand the jargon, but also to the taxpayers who are being impacted by the government’s recovery efforts – not to mention financing those recovery efforts.

We hope subcommittee members and investigators will work together in a bipartisan fashion, both with their counterparts on the other side of the aisle as well as in the Senate. This will help both Members and subcommittee staff be able expose waste, fraud, and abuse, while identifying meaningful reforms to make these recovery programs more effective.

In addition to qualified staff, Subcommittee staff need to be open to getting information right from the source. The Subcommittee on the Coronavirus should follow the leads of other congressional committees and create and publicize a whistleblower hotline as soon as possible. Such a hotline would allow Subcommittee staff to receive reports from taxpayers on suspected

⁵ Rebecca Rainey, “Weekly jobless claims rise by 3.2 million states move to reopen,” *Politico*, May 7, 2020. <https://www.politico.com/news/2020/05/07/coronavirus-unemployment-claims-numbers-242131>

⁶ “Emergency Response Legislation,” Pandemic Response Accountability Committee, <https://pandemic.oversight.gov/about/legislation> (accessed May 7, 2020).

⁷ Board of Governors of the Federal Reserve System, “Federal Reserve takes additional actions to provide up to \$2.3 trillion in loans to support the economy,” Press Release, April 9, 2020. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm>

waste, fraud, and abuse of CARES Act funding. This Subcommittee should work with the newly created House Office of the Whistleblower Ombudsman⁸ to develop best practices for whistleblower intake, and participate in trainings on how to safely and confidentially receive information from whistleblowers. In gathering information from whistleblowers, the Subcommittee should protect the anonymity of whistleblowers so as not to deter people with information from coming forward due to concerns of retaliation.

An additional important component of getting information from the right sources is the ability to issue and enforce subpoenas. When government agencies and private companies don't supply requested information to the Subcommittee, the Subcommittee should exercise its authority and issue subpoenas for both corporate and government actors.⁹ Furthermore, when individuals or organizations don't comply with subpoenas, the Subcommittee should enforce these subpoenas to the fullest extent of the law. This means assessing all options, including the House of Representatives' inherent contempt power.¹⁰ Only by enforcing its own authority will the executive branch and private companies be fully transparent and accountable to Congress.

Besides getting information directly from companies and the executive branch, congressional investigators should work with other oversight agencies such as the Government Accountability Office, the Special Investigator for Pandemic Recovery, and the Pandemic Recovery Accountability Committee to obtain key information. Each of these oversight entities has statutorily mandated functions under the CARES Act. By working with these other bodies, Subcommittee staff will be able to conduct more meaningful oversight by building off the work already completed, and avoiding duplication. This will also allow the Subcommittee to focus on less scrutinized matters under the CARES Act in need of oversight.

There is simply too much at stake for our economy for anything other than a full-throttle response to the crisis; and the new committee must act quickly to stand itself up and conduct oversight on whether the money is going to save and sustain jobs, keep people safe and help those people and small businesses most affected by the crisis. We look forward to the House Select Subcommittee on the Coronavirus Crisis immediately beginning bipartisan operations to help the American people during this difficult time. The public deserves to know where its hard-earned money went, and this committee should ensure that it gets those answers.

Sincerely,

Accountable.US
American Family Voices
American Oversight
Americans for Financial Reform
Center for Digital Democracy

⁸ (H. Res. 6) Sec. 104(e) as passed by the U.S. House of Representatives on January 9, 2019, <https://www.congress.gov/bill/116th-congress/house-resolution/6/text>.

⁹ Kyle Cheney, "House creates new select coronavirus oversight committee over GOP objections," *Politico*, April 23, 2020. <https://www.politico.com/news/2020/04/23/house-creates-coronavirus-oversight-committee-204316>

¹⁰ Dylan Hedter-Gaudette, "The Purse is Mightier than the Sword. Now Congress Needs to Use It," Project On Government Oversight, April 16, 2020. <https://www.pogo.org/analysis/2020/04/the-purse-is-mightier-than-the-sword-now-congress-needs-to-use-it/>

Citizens for Responsibility and Ethics in Washington (CREW)

Consumer Action

DemCast USA

Equal Justice Society

Good Jobs First

Mainers for Accountable Leadership

Project On Government Oversight (POGO)

Public Citizen

Revolving Door Project

R Street Institute

Taxpayers for Common Sense

U.S. PIRG