Pandemic Response Accountability Committee Briefing (PRAC)

CNAs

Presented by the Office of Inspector General

Virtual Meetings
May – June 2020
Patrick Meehan, U.S. Attorney for the Eastern District of Pennsylvania:

“If the lessons of September 11 and the Asian tsunami are learned, some cold hearted, evil scam artists will use this occasion to perpetuate fraud, lining their own pockets at the expense of the hurricane victims.”
CARES Act: Track the Money

CARES Act

$1.9 Trillion
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

$9.5B Farming Industry
$78.1B Airline Industry
$608M Global Assistance
$263B State, Local, and Tribal Governments
$376B Small Businesses
$16.9B Public Services
$468B** Individuals
$454B* Emergency Lending
$75B Federal Program Administration and Oversight
$14.1B*** Higher Education
$100B Hospital and Health Care Providers

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*** Other education funding, including K-12 schools, is included in the State, Local, and Tribal Governments category.
** Includes Department of Labor Estimate for Extra Unemployment Payments as of 4/15/2020 $650.6 B
** Includes Internal Revenue Service Estimate of Cash Payments as of 4/15/2020 $252 B
* Federal Reserve emergency lending facilities to support the flow of credit to consumers, employers, businesses, and municipalities.

This graphic does not include an estimated $298 billion in tax relief/credits over the next 10 years to assist individuals, businesses, and charitable organizations.
• CARES (Coronavirus Aid, Relief, and Economic Security) Act was signed into law on March 27, 2020.

• In addition to providing emergency economic relief to large and small businesses, CARES created:
  • The Pandemic Response Accountability Committee (PRAC) within CIGIE
  • The Special Inspector General for Pandemic Recovery within Department of Treasury

• PRAC is considered a Committee of the Council of Inspectors General on Integrity and Efficiency (CIGIE).
Created to promote transparency and to conduct and support oversight of covered funds and the Coronavirus Response to:

- Prevent and detect fraud, waste, abuse, and mismanagement
- Mitigate major risks that cut across program and agency boundaries

Leverages OIGs within CIGIE
The Committee appoints an Executive Director and a Deputy Executive Director to coordinate oversight of covered funds and support Inspectors General involved in the oversight of covered funds.

The CARES Act specifies 9 IGs as committee board members of PRAC, including:

- Department of Defense OIG
- Department of Justice (DOJ) OIG
- Department of Health and Human Services (HHS) OIG
- Department of Labor (DOL) OIG
- Department of Education OIG
- Department of Homeland Security (DHS) OIG
- Department of the Treasury OIG
- Small Business Administration (SBA) OIG
- Treasury IG for Tax Administration
• CIGIE Chair Michael Horowitz added 11 IGs to PRAC for a total of 20 board members.

• National Aeronautics and Space Administration (NASA) OIG
• Department of Transportation (DOT) OIG
• Board of Governors of the Federal Reserve System/Consumer Financial Protection Bureau OIG
• Peace Corps OIG
• Housing and Urban Development (HUD) OIG
• Department of Agriculture OIG
• National Reconnaissance Office OIG
• National Science Foundation OIG
• Federal Deposit Insurance Corporation OIG
• Department of Veterans Affairs (VA) OIG
• U.S. Postal Service OIG
Robert A. Westbrooks Biography

• Appointed Executive Director of the PRAC on April 27, 2020
• Prior to his appointment, Westbrooks served as the IG for the Pension Benefit Guaranty Corporation
• 26 Years in Public Service focused on accountability and anti-fraud activities
• 21 Years as a Federal Criminal Investigator
• Held leadership roles in several federal oversight agencies including:
  • SBA OIG
  • DOT OIG
  • USPS OIG
  • NARA OIG
• Chair of the Professional Development of CIGIE from 2016-2020
• Specific Responsibilities of Executive Director and the Committee:
  
  • Develop a Strategic Plan to fulfill its mission of efficient and effective oversight over all aspects of covered funds and the Coronavirus response
  • Communicate with the President and Congress through biannual reports summarizing the Committee’s findings
  • Pilot a website with materials and information explaining the Coronavirus response and how covered funds are being used

• Appropriations: $80 Million

• PRAC Sunset Date: September 30, 2025
Fraud Schemes

- Advanced fee government imposters
- ID theft government imposters
- Payment Assistance Scams
CARES: Impact on Non-Profits

SBA is appropriated $350 billion by the Department of Treasury, which will go towards:

- The Paycheck Protection Program ($349 billion)
- SBA’s salaries and expenses, SBA OIG, Entrepreneurial Development Programs, Emergency EIDL Grants, and Business Loans Program Account ($1 billion)
Paycheck Protection Program Flexibility Act of 2020

- P.L. 116-142
- Gives businesses up to 24 weeks to use their funds to qualify for loan forgiveness
- Pushes back the deadline to rehire employees to December 31, 2020
- Reduces required spending on payroll to 60% of the loan total
- Period to pay off loans made after this enactment was increased to 5 years
- Businesses may defer payroll taxes even if they took a Paycheck Protection Program loan
• Hotline form:  https://pandemic.oversight.gov/contact/hotline

• Public Forum held on June 3rd:  https://youtu.be/0bAijWqB2ik
CARES Breakdown

CARES Act

CIGIE

Special IG for Pandemic Recovery

PRAC
Special IG for Pandemic Recovery

• Established within the Department of the Treasury

• Special IG is appropriated $25 million in funding for his or her activities

• Statutory authority to conduct, supervise, and coordinate audits and investigations of the purchase, management, and sale of loans, loan guarantees and other investments made by the Secretary of the Treasury

• Issuance of quarterly reports

• Statutory authority to appoint officers and employees, consult with experts, utilize contracts, and issue requests for information

• Brian Miller was confirmed Special IG by the Senate on June 2, 2020
Special IG Authority

- IG under the IG Act of 1978, as amended
- Audit and Investigative authority pursuant to the IG Act
- Sunsets 5 years after the enactment of CARES (2025)
Thank You from the OIG Team!