



Pandemic Response Accountability Committee Briefing (PRAC)

CNAs

Presented by the Office
of Inspector General

Virtual Meetings
May – June 2020

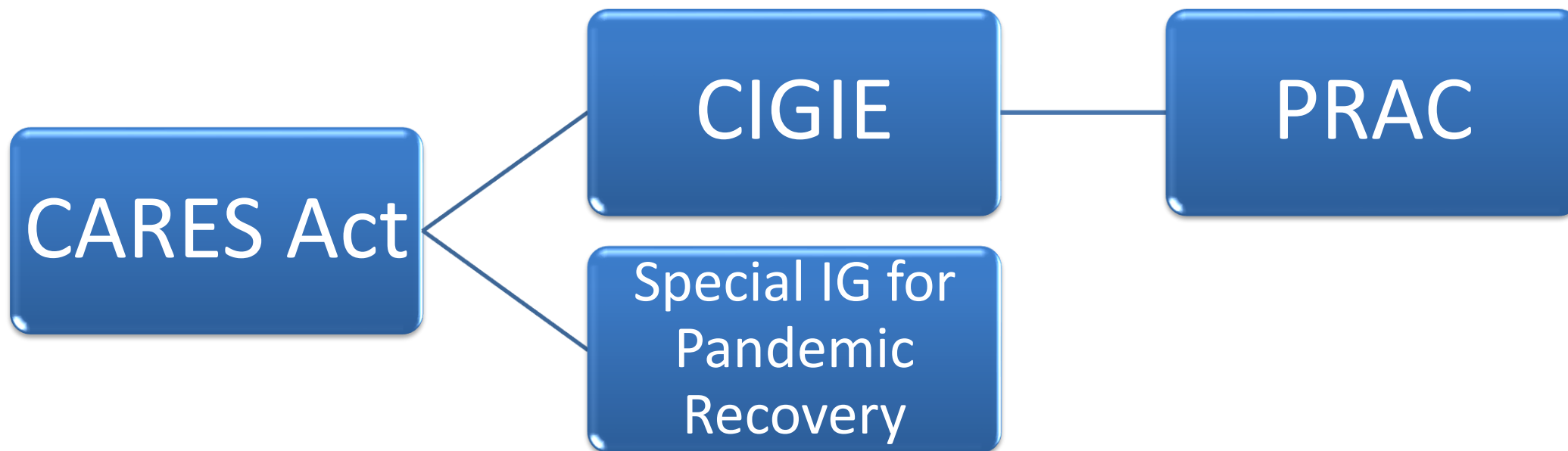


Patrick Meehan, U.S. Attorney for the Eastern District of Pennsylvania:

“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.”

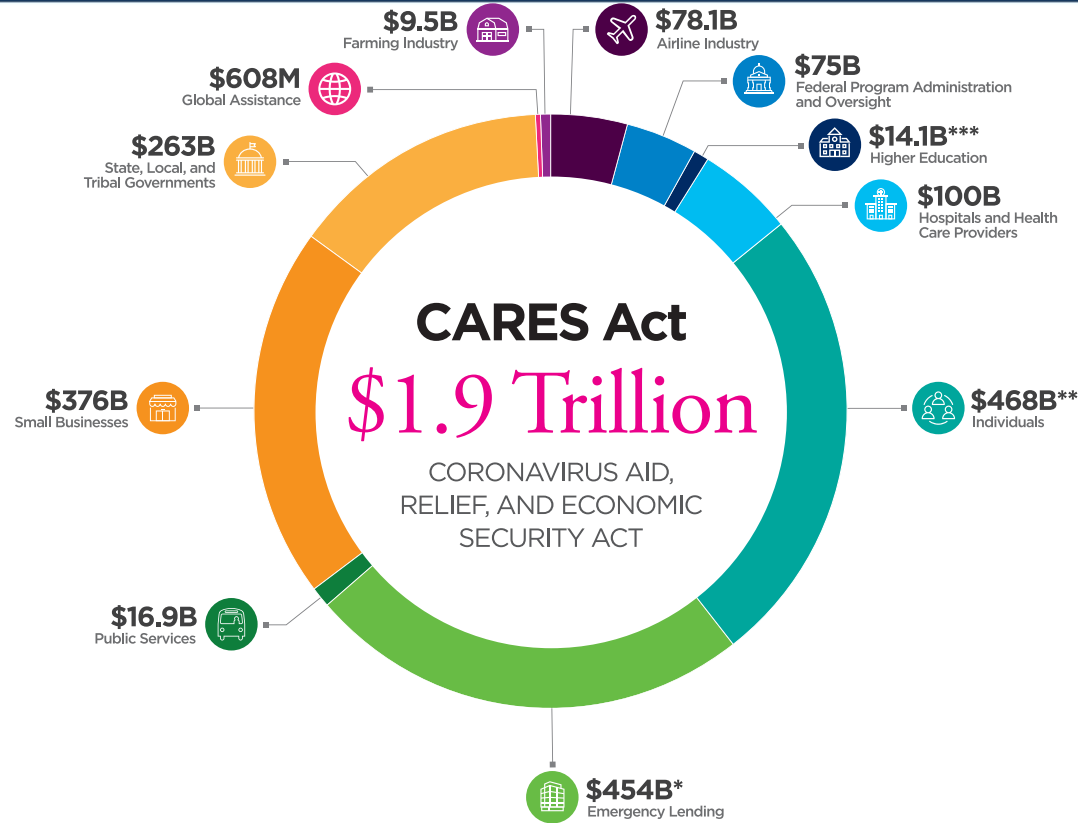


CARES Breakdown





CARES Act: Track the Money



*** 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 \$150.6 B
** Includes Internal Revenue Service Estimate of Cash Payments as of 4/15/2020 \$292 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



Roadmap to PRAC

- 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).



PRAC: Broad Responsibilities/Purpose

- 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



PRAC Members

- 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





PRAC Members Cont.


- 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. Westbrook's Biography

- Appointed Executive Director of the PRAC on April 27, 2020
- Prior to his appointment, Westbrook 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





PRAC Responsibilities, Appropriations, and Sunset Date

- 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



PRAC Hotline

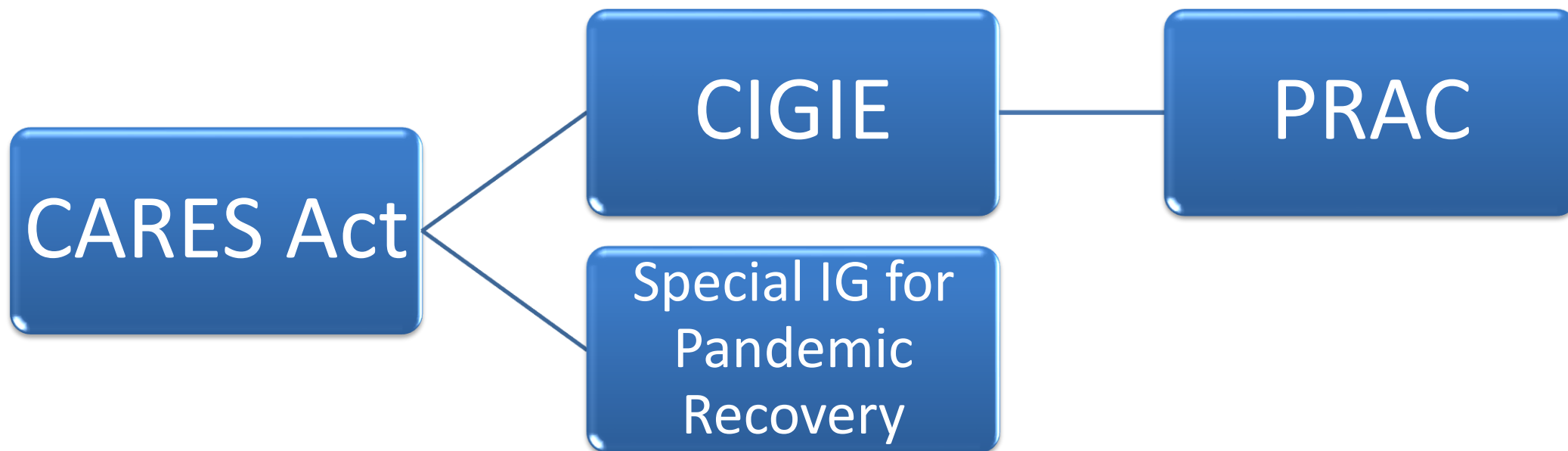
- Hotline form: <https://pandemic.oversight.gov/contact/hotline>
- Public Forum held on June 3rd: <https://youtu.be/0bAijWqB2ik>



PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE



CARES Breakdown





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!

Q&A