

BROOKINGS

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Addressing another COVID-19 crisis: Corruption

Four new coronavirus spending oversight bodies

August 6, 2020

Congress

Congressional
Oversight
Commission
(COC)

House Select
Subcommittee
on the
Coronavirus
Crisis

Executive Branch

Pandemic
Response
Accountability
Committee
(PRAC)

Special
Inspector
General for
Pandemic
Recovery
(SIGPR)

Congressional Oversight Commission

- Composed of five members, including one chair
- Chair has still not been appointed
- Purpose: to submit monthly reports that assess the impacts of the CARES Act funds on the economy as a whole
 - » Has published three reports to date
- Can hire staff, hold hearings, and obtain official federal government data; does **not** have subpoena power
- Assesses a \$500 billion slice of coronavirus spending allocated to Treasury to lend to businesses and state and local governments to support and stabilize the economy

House Select Subcommittee on the Coronavirus Crisis

- Created by Congress at the end of April
- Purpose: reporting on the efficacy, equity, and transparency of taxpayer funds used during any aspect of the crisis, from preparedness and response, to executive branch policies, to the economic impact of the crisis, to the executive branch's response to oversight
- Can use subpoena power and hold public hearings. Has access to House records, but does not have direct access to federal government data (though they can subpoena that data)

Special Inspector General for Pandemic Recovery

- Nominated by the president and confirmed by the Senate
- Purpose: takes a fine-grained look at the loans and investments made by the Treasury Department under the CARES Act:
 - » auditing them to determine whether each business was eligible for each sort of funding;
 - » explaining why it was appropriate to make each transaction;
 - » describing each person made to manage each loan; and
 - » calculating the amount of loans made, and the government's loss or gain on each one
- Limited subpoena power: can subpoena documents and records from non-federal government entities but cannot compel testimony and cannot subpoena even records from federal government agencies

Pandemic Response Accountability Committee

- Composed of 20 IGs from across federal government (will be 21 once SIGPR joins)
- Purpose: designed to prevent and detect fraud, waste, and abuse in disbursement of CARES Act funds by auditing and reviewing those funds and contracts made under them
- Can commission audits, studies, and analyses; also has muscular subpoena power and can compel both documents and testimony from non-federal employees

What's next?

- **HEROES Act (passed House)**
 - » Stronger disclosure requirements than CARES, protections for IGs, and strengthening PRAC
 - » Lacks provisions beyond disclosure and mechanisms for executive branch non-compliance
- **HEALS Act (opening bid in Senate)**
 - » The good: expands CARES Act oversight by granting additional Congressional committees coronavirus oversight authority; requires additional reporting on disbursement and use of funds
 - » The bad: gives Cabinet officials more discretion to waive some requirements in other laws
 - » The ugly: offers corporate liability exemptions
- **CORE Act (Warren, Sarbanes, et al.)**
 - » Strengthens coronavirus oversight provisions including: prohibiting conflicts of interest; protecting inspectors general; strengthening the COC, PRAC, and SIGPR; protecting whistleblowers; and more