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WEBINAR

ADDRESSING ANOTHER COVID-19 CRISIS:  
CORRUPTION

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## P R O C E E D I N G S

MR. EISEN: Good afternoon everyone and thank you for joining us today. I'm Norman Eisen, senior fellow in Governance Studies at the Brookings Institution. And today, we are going to talk about the other COVID crisis that is going on in the United States, corruption and what can be done to curb it.

The need for oversight of the enormous sums in administration, congressional, coronavirus spending is clear. There have been reports of over a thousand companies backed by private equity investors receiving Paycheck Protection Program loans. Nearly 300 million dollars of PPP money going to more than a thousand companies owned or operated by major donors of the President, striking racial disparities in recipients of PPP loans, and much, much more.

In our Brookings report on COVID corruption that I have authored to gather with R.J. Melman, which you can find on the Brookings FixGov website. We have a list of over 65 matters, not just in PPP, but across all of the different programs designed to, spending programs designed to address the pandemic, that call out for further review.

At the same time, it is essential that these funds continue to be pumped into the economy to combat the economic devastation of the coronavirus but the urgent need for the existing funds and for additional tranches of spending make it all the more important that as much of that spending as possible reach its intended recipient and not be the subject of fraud, wasted, and abuse, special interest co-optation, or rent-seeking by corrupt actors.

To discuss these issues today from multiple directions, I am pleased to have with me, three of my distinguished colleagues who work on these issues here at Brookings and elsewhere in order to shed light on the other coronavirus crisis corruption. Victoria Bassetti is a fellow at the Brennan Center for Justice. She worked on Capitol Hill for almost a decade where she ran a number of investigations into everything from medical device innovation to airline consolidation to a massive 16 hearings, 30 plus witness inquiry into federal law enforcement practices.

Dr. Sarah Binder is a senior fellow in Governance Studies here at Brookings and is a leading scholar of Congress, including of oversight issues. She has written an important essay in our Brookings collection of how to reopen the United States in the midst of the pandemic. She is also a

professor of Political Science at George Washington University where, as I say, she specializes in Congress and legislative politics.

And Dr. Molly Reynolds, our fourth panelist, is a senior fellow in Governance Studies at Brookings and she also studies Congress with an emphasis on how Congressional Rules and Procedure impact policy outcomes. And her scholarship has included a tracker of Congressional oversight into these matters, the most comprehensive tracker of its kind, again, on the Brookings Governance Studies website.

We are going to start with short opening remarks by each of the panelists, followed by a conversation amongst the four of us. And then we are going to open the conversation up to all of you. We will ask that you submit your questions by emailing events at brookings.edu or on Twitter using the #COVIDoversight and we'll be monitoring that hashtag. I want to thank all my Brookings colleagues who put together today's wonderful panel and what I hope will be a conversation that is worthy of my stellar colleagues who are with me today.

And in particular, I want to thank the head of Brookings, John Allen, the Head of Governance Studies, Darrell West, and Kelsey Landau, and Leti Davalos who helped manage all the logistics and the substance for today's program.

With that, over to you, Victoria, to discuss, we are going to start with the scope of the problem that we are facing. Okay.

MS. BASSETTI: Thanks, Norman. And thanks, it's a real honor to be on this webinar with so many distinguished members of the Governance Studies program at Brookings. So, my job is to very quickly discuss the scope of the corruption problem or opportunity for corruption that has been arising out of COVID. As many as people are aware, in the 155 days since Congress passed the first piece of legislation attempting to address the crisis, almost three trillion dollars have been spent by the federal government dealing with this.

And if you will bear with me for a second, I'm going to put up a slide that will help explain exactly how much money we are talking about and what programs are going to be involved. So, bear with me for one moment. I think because everyone can see from this slide, or I hope everyone can see from this slide, that the money has been spent in a lot of different areas.

Most of us are probably at this stage of the game familiar with things like the PPP program or the Economic Injury Disaster Loans that the Small Business Administration is administering, that's up to 670 billion dollars. Or, a series of Treasury and fed-related programs with close to 500 billion dollars allocated to it, including 29 billion dollars to the aviation sector, 17 billion dollars going to national security programs. There is also an HHS fund for critical goods but there is more. So, for example, you will see at the end of that chart there that there's 365 billion dollars allocated to other and this includes everything from an educational stabilization fund to something like 34 million dollars for the forest service.

In the day since this law and the companion laws have been passed, reacting to corona, there has been a lot of data, anecdotal or systematic, raising alarms about possible corruption. And we have attempted to, thematically, look at some of these corruption themes and in the course of looking at them, we have really kind of uncovered what we think are three major themes. First, what you might consider swamp-like behavior. That's things like the fact that 27 companies with lobbyists, incredibly close to the administrations, secured 10 billion dollars in grants as a report from Public Citizen fund. Or in separate reporting, 650 or companies registered and hired new lobbyists to look at corona-specific issues and specifically, in order to gain access to large sums of the corona money. And that's some of the swamp-like behavior.

There's also been a variety of activities that have undermined our public health approaches to the pandemic, poorly vetted or non-competitive contracts, or contracts that are being administered by people who don't seem to quite have the expertise that they need in order to do it.

Finally, there's been a number of concerns that have been raised about reinforcing or increasing income inequality. And then, the last big category that we have, sort of, begun looking at how racism, sexism, and corruption have intermingled and had a serious impact on our economic response. For example, there's growing evidence that companies that are run by African Americans, Latinx, or women are substantially less likely to receive funds from the PPP than White-owned companies. And how the administration has been handling these issues has been a significant issue as people are dealing with it. Overall, I would say that there are a variety of other stories that we will be able to go into during the course of this discussion.

But I think that it is safe to say that major factors have created to a kind of brew that leads to an increased risk of corruption as the government administers this vast sum of money. The first is that the legislation included a high level of programmatic discretion. So, the Secretary of Treasury or the Secretary of Education or a variety of other people who are administering these funds were given a large number of waivers or discretion to simply hand out the money. In addition, many of these programs were new, they were created from whole cloth. PPP was basically created and stood up in a matter of weeks.

In addition to the newness of the programs, the speed with which they were administered created an increased opportunity for corruption. Finally, many of these programs are being administered in an atmosphere of panic or anxiety. And also, in contested political environments, there's not necessarily a shared vision about exactly what everyone should be doing. And the final factor that sort of increases the risk of corruption and one that's going to be discussed in significantly greater length by my colleagues, has been what you might call Clue G (phonetic) oversight. And Clue G mechanisms for addressing or preventing the corruption. And with that, I'm going to turn it over to, I think, Sarah, is that correct?

MS. BINDER: Excellent. Great, thank you, Victoria. So, I am going to build a little bit on what we have just heard about the nature of the problem and talk a little bit about what the solution might be, which in a word, would be a good effective oversight. However, as we think we all know, there are significant institutional and political barriers to making oversight work. So, some of those challenges are unique to the CARES Act in the Trump Administration, but others predate both COVID and Trump. So, I am just quickly going to say a little bit about these barriers, so when we think about the challenge of oversight, we can really understand what these barriers might be.

So, first, in terms of the ones that the current Congress has inherited, both institutional and partisan barriers, first, I would say Congress has really robbed itself of policy expertise and oversight capacity. Small proportions of committee staff, for example, devoted to policy as opposed to communication, declining staffing at GAO, and Congressional Research Service.

And second, and probably most importantly, a diminished partisan appetite for oversight when your own party controls the White House. We see historically greater oversight during divided-party government, especially when partisanship has been on the rise, right? It is only in divided government do Congressional majorities really have an electoral incentive to hold the administration's feet to the fire.

So, we can add on though, new challenges to oversight. There is no getting around, as it were, the elephant in the room, which is President Trump, and there are two dimensions of that challenge here. First, Trump and his administration just overwhelm the system with alleged wrongdoing. One day, the daughter, the president's daughter, is advertising canned beans on her public Twitter page. The next day, the president is claiming credit for shutting down COVID-19 testing sites. Then he undermines and fires Inspectors General, which are a critical agent for how a Congress actually conducts oversight. And that is just the tip of the iceberg.

Why is this matter? There is only so much malfeasance, alleged malfeasance, that Congress and the media can try to light on. Congress relies on the media and outside groups to pull these fire alarms, to concentrate public spotlight on the misconduct, but Trump really overwhelms the system, right? To prevent focus on any particular egregious action.

Second challenge is Trump's behavior, near complete refusal to cooperate with Congressional investigations and oversight backed up by somewhat supine Republican lawmakers. Trump won't cooperate, Republican, particularly senators won't push him. There's very little, if any, sense of political shame that might have compelled past administrations to back down or reign in poorly performing actors.

Third challenge, just briefly because I am sure we will get back into it and, as Victoria raised already, we are in a mammoth crisis, right, compelling 3 trillion dollars of spending. But the oversight was largely based on a system that was created for overseeing the response to the financial crisis in 2007. This is a different crisis, a bigger crisis, a more complicated crisis in response.

So, just to wrap up, what does that mean for us today? The sheer scope of Congressional response complicates oversight, the CARES Act created a very uneven and a complicated set of oversight requirements. Some agencies left off the hook, the Small Businesses Administration and how it runs the Payroll Protection Program. This is all taking place in a period of intense partisan discord. There is still no chair of the Congressional Oversight Commission, although it is still trying to do its work, already.

And finally, it is modeled on TARP oversight from 2008, but Congress really failed to Trump-proof it, find a way for it to be a little more resilient to resistance from the Trump Administration to

cooperate, which is already seeing some signs of deteriorating. So, of course, none of this bodes well for how we are going to hold, or how Congress would hold the administration accountable for how it implements the CARES Act. I'll stop right there and hand it on to Molly.

MS. REYNOLDS: Thanks, Sarah. What I am going to do is, as Norman mentioned at the top, one of the things that I do at Brookings since the start of the 116th Congress in 2019 is run a project that tracks oversight of the executive branch, conducted by committees in the House of Representatives.

So, I'm going to talk a little bit about, kind of, what that effort -- has told us already about oversight related to COVID.

So, in this project, we look at two tools that committees can use to oversee behavior by the executive branch, hearings that committees hold, and letters that committees send to either executive branch officials or others who have knowledge about executive branch operations. In both cases, our work focuses on the House and on conduct of the executive branch, specifically. So, there are some things that are relevant to this discussion that we are having today that we do not necessarily capture. There are also some things that we pick up on our analysis that are not necessarily related to corruption, per say, which I'll talk about in a moment. But first, I thought it would be helpful to kind of give an overall picture of where House committees have been doing oversight during the COVID crisis.

So, we take March 13th, which is more or less the date when, at Capitol Hill, started shifting a lot of its operations in response to COVID. We take that as our starting date, but 60 percent of all of the oversight of the Executive Branch oversight hearings that have happened since then, in the House, and about 70 percent of the letters that House committees have sent about executive branch conduct, have been related to COVID.

So, a majority of the oversight of the Executive Branch that the House has been doing since the middle of March has been about COVID. We have seen lots of House committees get involved in this oversight. So, seven full committees and 17 sub-committees have held hearings, and then 17 full committees and 8 sub-committees have sent letters. So, that is a lot of the House's committee infrastructure that has really been attempting to do some oversight of the Executive Branch's response to the crisis.

One important thing to note about this oversight, so, when Victoria kind of laid out the situation, at the beginning, she talked a lot about these, sort of, new programs that Congress has ruled out to respond to the pandemic. One important thing to note about the oversight is that some of it actually represents a continuation of pre-pandemic investigations, but through a new COVID-related lens.

So, we have seen this, for example, with investigations that House committees have been doing into FEMA and disaster preparedness into the Trump Administration's Family Separation policy, and treatment of migrants in detention centers, to loans. So, not all of it, not all of this COVID-related oversight that we are seeing is entirely new, some of it isn't. So, picking up on efforts that House committees have been trying to engage in through the duration of the current Congress.

One thing we don't entirely track in our analysis is how, sort of, successful oversight is, that is, like, when do committees actually get what they are asking for. But we have seen a number of examples of some successful efforts by House committees to get information about how the administration has been responding to the pandemic.

So, there is a report released recently by the

House Oversight and Reform Committee's Economic and Consumer policy sub-committee on how the administration overpaid the medical device manufacturer, Phillips, for ventilators. This investigation was instigated with a letter that that sub-committee sent in April, and importantly, its success seems to be largely related to the fact that the letter went to Phillips, rather than to an Executive Branch agency.

We have also seen some success in committees getting information about the recipients of PPP loans release. We saw efforts by both the House Law Business Committee and the select sub-committee on the coronavirus crisis, which I will now talk about, for a second, I think Norman's going to cover this a little bit more.

But the House did choose to stand up a particular vehicle for conducting COVID-related oversight, the select committee on the coronavirus crisis, it is a sub-committee of the Oversight and Reform Committee. I think the choice to set this body up as a sub-committee of an existing committee was likely largely an efficiency one. And it made it easier to get things moving to kind of spin off a special arm of an existing committee. Having said that, it still took the sub-committee some time to start to



operate effectively in part because some of the Democrats who serve on the sub-committee were already pursuing oversight of COVID, of the pandemic, through their other committee posts, so, you know, Congress can be a little bit of a tricky vehicle to turn.

But, in the past several weeks and months, the select sub-committee has it in progress, they have held three oversight hearings, sent 44 oversight letters. So again, we are seeing, in addition to some of the new oversight structures that I think Norman is going to talk about next, we are seeing the House, at least their existing of infrastructure, even in the face of all of the challenges that Sarah outlined. They are kind of working this issue really prominently into the efforts they have already been engaging in. So, I will stop there and turn it over to Norman.

MR. EISEN: Thank you, Molly, and also Sarah and Victoria. I am going to talk about the new oversight structures that have been established. And Leti, you can go to the next slide please. There we are. There are four new oversight structures that have been established, two in Congress, the Congressional Oversight Commission (COC), the House Elects Sub-committee on the coronavirus crisis, it is a subcommittee of core, the Committee on Oversight and Reform. We just heard a little bit about it from Molly and I will say one or two additional words since it is the most high functioning of these four authorities so far.

And then we passed the line in the middle of this slide, we come over to the two entities in the executive branch, the PRAC, the Pandemic Response Accountability Committee that consists of Inspectors General, group of Inspectors General as I will describe, and finally the SIGPR -- the Special Inspector General for Pandemic Recovery. And that is an individual who has been confirmed by Congress, is relatively new job and that is modeled on the SIG TARP that we had for the TARP program in 2008 and beyond.

And so those are the four entities -- one of the four is covered by Molly's very good inventory. Leti, at some point I will want to show that slide if you can load them later in the presentation. But for the moment, if you can turn to the next slide please.

And these slides of course will all be available on our Brookings Governance Studies website. The Congressional Oversight Commission, bipartisan commission, five members led by a chair, the chair still has not been appointed. After all of these months, there was a chair who came very close

to being appointed and then according to press reports, withdrew his name from consideration, the committee has been struggling along in the interim but it cannot fully function, staff up, do its job, hire, hold hearings to the full extent until it has that chair. It has published three very helpful reports today. It has a somewhat limited purview, each of these four new entities tackle, have a different jurisdiction with the one I am going to turn to next, having the broadest jurisdiction.

The purview of the COC is a 500-billion-dollar purse of coronavirus spending the treasury lends to businesses, state and local governments to support and stabilize the economy. The broadest jurisdiction of our four entities is the House elective sub-committee that was stood up, bipartisan committee created by Congress at the end of April. You can see on the slide, its broad purview efficacy, equity, transparency, across the full range of executive branch policies of preparedness, response, economic impact, and even the response to oversight. They have subpoena power, they can hold public hearings, they can subpoena Federal Government data they have been very active in requesting and achieving a voluntary compliance from private sector entities and in holding hearings and briefings and have had some important successes along the way. They are the, as I say, the most high functioning of these four authorities.

And Leti, if I could have the next slide. As we write in our Brookings report, both the special inspector general and the PRAC, the Pandemic Response Accountability Committee, have already been the target of, in very different ways, the target of administration behavior, that leads us at least, in our analysis, to raise a significant concerns about what the future may hold. Although, it's still is relatively early days in, with the amount of spending one would have hoped that these issues would have been resolved.

The challenge with the special inspector general was, you can see from the slide, is a, has been confirmed by the Senate, Brian Miller, who has some subpoena power and very broad power to look at loans and investments by Treasury under the CARES Act variety of other unrelated issues that you see there. The issue there is that the special inspector general is a former White House lawyer in the Trump administration, and while he had a background, in fairness, in oversight, before taking on that role, there has been widespread, we believe, fair questioning of whether the kind of thoroughgoing oversight of the

executive branch that is needed can be provided by a lawyer for the existing administration's White House ex-lawyer. So, we shall see how that develops.

Finally, the PRAC, the Pandemic Response Accountability Committee, as I said, composed of 20 IGs, from the Federal Government 21, including the SIGPR, very broad jurisdictional power. The challenge there was that the initial choice to head the PRAC did not meet with the president's approval, and the president effectively blocked that individual from taking over an early assault on independent oversight. In the meantime, the acting Head of the PRAC is the DOJ IG brilliantly credentialed and with a strong and independent record. Again, we shall have to see how that develops in the face of already, to echo Sarah's attention, to the pachyderm in the chamber, already the object of an assault by President Trump.

So those are the four new authorities and an assessment of how they have fared so far. Of course, we hope for the best, we are prepared for the worst. I will say one final word before I turn it over to, back to our full panel for some questions. Legislation is percolating through Congress and I think all of us believe that legislation will move through Congress that provides a second major tranche beyond the CARES act funding, of not only programmatic funds of various kinds but various oversight authorities.

The HEROES act has already passed the House of Representatives. It expands reporting requirements beyond what was in the CARES act initial legislation, stronger protection for Inspector General, greater flexibility for the PRAC to choose a Chair from a range of IGs and we need that after the President's assault on the PRAC. And it has some of what we need. The HEALS act, which has just been introduced in the Senate also does a few things well, expanding the number of Congressional committees with coronavirus oversight authority requiring some additional reporting. But it doesn't shape up as well as the HEROES act including because it gives administration officials, who are the target of the oversight, more discretion to waive requirements, as well as offering, as well as effectively neutering one of the most important outside oversight authorities which is the ability to litigate, to have in effect, private Attorneys General that is cut-off by the liability insulation provisions of the HEALS Act, the corporate liability exemptions.

So, there is -- it's hoped that an even better solution that is out there, really the gold standard, is the CORE Act supported among many others, Warren, Blumenthal, Coons, and the senate,

Sarbanes and Jayapal in The House. It specifically strengthens coronavirus spending oversight. It prohibits conflicts of interest very strongly, very tough protections for inspectors, generals, strengthens inspectors general, and strengthens the COC PRAC, and SIGPR, as well as, protecting whistleblowers and much more. We hope that when the House and Senate go to conference, they will draw on some of the brilliant ideas in the CORE act, which represents the gold or even the platinum standard of how to do this because the needs that these funds are intended to meet are just too critical to be neglected and to be the subject of fraud, waste, or abuse.

With that, I am now going to turn it over to our panel and I am going to post some questions to the panel. Panelists, I will ask you all to turn your mute. I am a very well-trained moderator, by Leti and Kelsey, I'll ask you to unmute yourselves. Sarah, unmute yourself, Molly, very good. Excellent. So, Sarah and Molly, why has the oversight structures including the Congressional -- the overall Congressional oversight structures from all the bright spots also confronted some struggles with effective oversight when it comes to the COVID-related recovery mitigation treatment and other spending? And why is it a particular issue with the Trump administration? And will you include also we may make reference to the period even before the pandemic when as I know, full well, as a recent returnee to Brookings from Duke conducting oversight on the hill, there have been some severe challenges with this administration. But I will refrain from opining on that. I do not have the proper scholarly objectivity since I was in the midst of the battle. Sarah, Molly, we would love to hear from you about that.

MS. BINDER: So, it is a huge question, so I will just take a little part of it. I guess, to the extent of my opening comments, I talked a little bit more about these sort of long-standing barriers to good Congressional oversight, which we might condense down to -- they are not always strong electoral incentives for lawmakers to invest their time in those activities, even for those who have become committee chairs.

We can put back historically that lawmakers have been quite excellent and rigorous on oversight, but they are really few and far between, and they seem to come to that position through longtime service in the chamber, right. Someone like Henry Waxman stands out for someone who we associate with pretty rigorous oversight, whether it was tobacco, Food and Drug Act, and so forth. But he

is probably close to the exception that proves the rule in recent decades that the incentives to invest the time there just are not there, so at an individual level.

I would just add something on the difficulties of the CARES Act oversight, it is just -- it is such, with apologies for using a sports analogy, I probably do not understand, it seems they are flooding the zone with obviously, with three trillion plus dollars of aid and backstops and credit and so forth, and that, it is spread across an enormous number of programs, mostly new, not all, but mostly new.

So, the sheer capacity of any of these entities to do the oversight, I think it is hard. I mean, just take a look at the PRAC, right, the Council of Inspectors General, you pointed out Norman, there are 20 of them engaged in this activity across, it looked like maybe 9 or 10 agencies, or so, all right. And those are critical to Congressional oversight because they are already embedded in these institutions in the executive branch. But, the challenge of getting their hands on the nature of the spending, especially given there are reports that much of the spending seems not to have gone out the door, certainly from Treasury among other programs, while others run dry, others have not been spent.

And, so the challenge is not just kind of classic looking of corruption, who got the money, but the question of why has the administration spent it? And I think that might cause more troubling oversight issues then perhaps we are used to. But I will stop on that one and hand my pen to Molly.

MS. REYNOLDS: Sure, thank you.

MR. EISER: Molly?

MS. REYNOLDS: Thank you, I will touch on a couple of things. So one is that, so one of the things that Sarah just mentioned is the idea that there is, just the sheer amount of things to be overseen. So, the idea, I would call that kind of the supply side of the oversight problem, that there is, both in the CARES Act specifically, and then when we expand what we are thinking about here to include other COVID-related responses by the federal government, testing, et cetera, et cetera. But there is just, there is so much to be examined, that that is a challenge.

On the flip side, in terms of trying to figure out how Congress might work effectively and coordinate their efforts to look at all of those issues. As I mentioned, there is a lot of Congressional committees getting involved, trying to get sort of in on the action here.

And so, while Sarah is absolutely correct that kind of overall and historically, there is not a, necessarily, a terribly strong electoral incentive for members to get to invest and becoming good at doing oversight. Folks like Mr. Waxman being the exception. I think right now, there is kind of an impulse, particularly from Democratic members in the House, from lots of them, to try and appear like they are trying to get a handle on what the administration is or is not doing. And so, with a lot of interest, kind of on the demand side for members to participate in oversight, figure out how to coordinate those efforts effectively, I think has been a challenge.

And we can talk more a little bit later in the Q&A, if you like, about actual mechanics of trying to do oversight in the current environment. But the other thing I will say to touch on the part of the question that you asked, Norman, that goes back to, kind of, pre-pandemic oversight of the Trump administration. One thing that we have certainly been reminded of during the Trump administration.

This is not pulling new phenomenon but has been particularly acute over the past 18 months, is that, kind of what Congress needs -- what the tool Congress has available to it, to oversee the Executive Branch, often requires the Executive Branch to cooperate. And if the Executive Branch does not want to cooperate, that covers and enforcing an important mechanism can be very slow moving.

So, you know, last month, we saw the Supreme Court's decision in the Mazars case which kind of putting aside the substance of what was in that decision. That was a case brought, related to a Congressional subpoena issued in, I believe, April of 2019, the first federal court ruling in that case was in May of 2019 and it took until July of 2020 for the Supreme Court to weigh in on that one specific subpoena dispute.

So, you know, it is worth remembering that it's the beginning of August, we are talking about something that has been rapidly developing and changing. And so, even to the extent that Congress has effective oversight capacity in the current moment, it is really slow moving or can be really slow moving, so that is another thing to keep in mind.

MR. EISEN: Now, I'm going to -- Vic, I'm going to come to you next and you and I will do the next one because some -- we are already wonderful questions from those of you who are watching. And let me remind you to send your questions

along to us and you can do that by submitting [events@brookings.edu](mailto:events@brookings.edu), emailing to [events@brookings.edu](mailto:events@brookings.edu), or just going on Twitter and using #COVIDoversight, and we have gotten a number of them.

I'm going to go out of order. I like to do that just to shake things up a little bit. I'm going to go slightly out of order -- I have my questions but I am going to take a very smart question from Ann in our audience, who is listening to our assessment of the challenge and of the oversight that has happened so far of the Bright Spots because the sub-committee has been quite, quite active. You will be impressed folks, if you look at their website, notwithstanding the challenges that Sarah and Molly just pointed to page after page of the hearings of briefings of letter demands for information of calling attention to the problems and there have been individual Senators of the other side of the hill who have done the same.

But Ann asks us, looking at this whole landscape, what specific tailorable suggestions and recommendations for very practical actions can be taken that can actually work to do these oversights? So, Vic and I, have alluded to this. Vic, why don't you explain, or you can tell me if you want me to do it, you mentioned in your opening, explain the idea -- because you have done so much, the two of us have done actual oversight for years and years including in Congress -- explain this idea as an action plan of the inductive deductive prodigy. You do the deductive pillars and then I will do the inductive specifics.

MS. BASSETTI: Okay, so, a few things, and before I say, I'll explain a little bit about the deductive reasoning thing, I would say that anti-corruption efforts are and have been enormously successful in the past. And, some of the key pillars to anti-corruption efforts are clear normative rules, speed, and a commitment to disclosure. And, when you combine that with a kind of a sense of certainty that corruption will be caught and punished, or that the money will be called back, that tends to kind of bring corrupt activity down. And so, it is not out of the question that much of what we have discussing on this particular webinar, it is not out of the question that it can be addressed. And indeed, as you have heard, many of us have discussed the fact that there are, there are ongoing efforts and many of them are motivated by the main principles that guide good anti-corruption activity.

The real question is, does making it faster, making the disclosure more thorough, pumping up the normative rules -- the groundwork is there. But to kind of quickly go to the, kind of the,

deductive reasoning, you know, one of the other, kind of, forms of effective oversight, is to start from first principles and to understand what are some core principles that you want to make sure to be looking out for and protecting during the course of looking at the way this fund is being administered.

In my presentation, I talked about four kind of core themes or principles, which are that kind of deductive overlay. You know, making sure that whatever we are doing does not exacerbate income inequality, and that supports the actual underlying goals of the PPP Program, which is to support small businesses. Making sure that racial and gender disparities are not exacerbated or played their way out via kind of corrupt practices in this legislation. Curbing swamp-like activity, and another, you know, kind of major pillar of this would also be sort of ensuring that we have got a comprehensive, good, healthcare approach.

And one of the things that Norman mentioned, for examples, in the HEALS Act, the HERO Act, and the CORE Act is that in many of them, they do address these normative principles and attempt to impose reporting or disclosure requirements that would aid in attacking these particular kind of pillars of act, or themes, that need to be approached. So, and, you know, to kind of go back to the whole normative issue, the CORES Act is exactly kind of what one would hope for, bright, normative, clear standards. Norman, over to you.

MR. EISEN: Okay, and I am going to try to do something, I do not know if it will work. I'm going to try to share my screen, so Victoria's point is if you are asking for something practical, Victoria is a very experienced council, if a committee chair would say, what she would say, look, here is what you should look at. Take these four emphases, go to town on this list in a general sense because there is just too much, doing oversight is like trying to boil the ocean, particularly with, as Sarah pointed out, three trillion dollars. I mean, we have not seen an investment like this in modern American history. So, you need to emphasize some areas, that is one way to do it, from the top down, the deductive approach.

The other very practical thing you can do is the inductive approach, and I am going to share my screen to show you, if this works, I am going to -- yes, here it is. Colleagues, tell me if you are seeing it.

This is our paper at Brookings on addressing the other COVID crisis, corruption, and here is our appendix, in which, we lay out, we gathered, every single specific allegation that we could track



down, and we put them all in one place. And this is the inductive, this is from the roots, you start at the roots and you go up to the tree trunk -- tops, of sifting through every possible allegation you know of, and of course, because these four bodies that are, four new bodies that are doing oversight, the many existing Congressional bodies, and they also are in the executive branch who has attorneys, state governments, and state prosecutors, are doing this oversight. The media is doing this oversight, you need to have a comprehensive checklist of every allegation out there, and that is what you will find here.

And now I am going to stop the screen share, and I

am going to come back. Did that screen share work? Could you all see it? Oh, I am so proud of myself, I think I get a Zoom medal, that is the first time I have done that. Alright, so I am going to, more questions are pouring in, someone in the audience --

MS. REYNOLDS: Norman, I have one thing to add --

MR. EISER: Go ahead, Molly.

MS. REYNOLDS: -- on this question, and it is something that I mentioned in my opening remarks, but it is something that we have learned from our efforts to track oversight in the House and the current Congress, which is that often, the more successful oversight efforts we have seen so far in this Congress, are ones where House committees are trying to get information not just from Executive Branch actors, but from other non-governmental actors, who are also involved in whatever they are trying to investigate.

And so, I mentioned in my opening comments, this work that has uncovered the administration overpaying for ventilators, going to the ventilator manufacturer to try to get some information about what the government was doing. Pre-pandemic, non-COVID, we saw a similar investigation in the student loan arena, looking into, where, committees asked for information from the companies that have student loan servicing contracts, that again are non-governmental actors that have knowledge and are involved in implementation of policy, and those non-governmental actors often have different incentives than the governmental actors do. And so, they may be more willing to comply voluntarily, and more willing to cooperate than the governmental actors do. So, in terms of other, kind of, tangible strategies that the other might add.

MR. ESIEN: All right. And now, because I promised folks I was going to do it, I am going to show you Molly's oversight tracker. I am probably getting a little carried away with my Zoom capacity and the Zoom deities will punish me for it but I am going to share that screen. And here you can find -- share -- here you can find Molly's truly wonderful oversight tracker and I am going to show you Sarah's brilliant COVID oversight paper as well. But this is a very heavy duty project for Molly and there you can see the asterisked, red are the COVID-related, right Molly?

MS. REYNOLDS: Yes.

MR. EISEN: So, it's a massive undertaking for Molly and her research assistants and they have to -- once you start it, you can never stop. They have to update it constantly. They are always working on it. Thank goodness I am not -- the anxiety would drive me mad if I were sharing the hallway with Molly but I am safely insulated here in cyberspace. But it is a tremendous public service, Molly, we thank you for it. And I will find a suitable break to show you stuff by Sarah and Victoria as well. I am stopping the sharing and I think I am going to -- oh my goodness, the time has flown.

So, I am going to turn it over to some questions now from our viewers. And I will put the -- oh, some other viewers say, Norman, you have earned your zoom medal. I like that you are not confining yourself to questions but you are including praise of the moderator, keep that up. Okay, so I have a pile of other questions here for everyone. I think we have answered the first one. How can any oversight occur given that the White House appears dead set on corrupting the process and impeachment, as a tool, has become effectively useless and confessing my own bias having just returned from the impeachment, that is from John Curiel, at the MIT Elections Data and Science Lab, where he is a research scientist.

John, I think we have described the ways that there are alternative vehicles such as taking a strategic approach. There is a lot that is going on as you will see on Molly's tracker. There has been good information emphasizing, getting what you can from the Executive Branch and as Victoria points out, we need to reform -- and others I think, Molly and Sarah have said or alluded to as well, we do need to reform congressional oversight tools. There is a very good bill from Congressman, Ted Lieu, and others to restore Congress' ability itself to set up court, if you will, Congress and itself adjudicate meet fundamental standards of constitutional process and levy fines against those who were in contempt so

you do not have to wait to go through -- all the way through to the Supreme Court, period of years to enforce a single subpoena. Of course, the first time that has tried, it will be the subject of litigation. So those very first fines may take a while to be levied. Its constitutionally sounding it can work.

The next question is -- what should Government's internal auditor do, auditors, I'll take some liberality to assure that government aid that is from taxpayer money is correctly given and that is from a gentleman who is a government internal auditor. I will treat him as a Zoom whistleblower for purposes of this call. I won't give his name just to be on the safe side, lest I jeopardize his internal auditing future. But what tips do you have? Let us say the Inspector General Miller, despite the pessimism of someone coming straight from the White House Counsel's office where I want this to work. So, I can tell you, it's a very short stroll to the Oval office from there. Put that to the side. Let's say his prior career where he did serious work in oversight, he really, as the effectively, the Chief Internal Auditor, he says, I want to do a good job. I'll ask the three of you, what tips do you have for him and others, like the GAO and others who are doing, the other IGs, succinctly, what tips do you have for them to their best job of auditing, loosely speaking? I know I am offending the auditors out there who have a much tighter definition of that term. Panelists, Vic, we will start with you.

MS. BASSETTI: I was on mute. So, it's an interesting question and I suppose, from my perspective, I think that possibly one of the first steps is, again, here's my kind of inclination towards deductive reasoning, is, rather than focusing on individual contracts, I would take advantage of the enormous quantity of big-data analysis that has been done on corruption indicators in spending. So, there are a large number of data scientists who have created auditing tools that can be thrown at vast quantities of -- large numbers of contracts and have found, you know, kind of, certain indicators that corruption or inefficiencies are happening.

The other thing I would say is that one of the early GAO audits that has been done on spending by DHS on critical goods. So, the CARES act sent a lot of money to DHS to spend on, improving our stockpiles, buying PPP, et cetera, et cetera. The early GAO audit of those contracts found that, I think, it might have been, 56 percent, it was certainly more than 50 percent of those contracts that were non-competitive. And so, non-competitive contracts are usually kind of the first bundle of contracts

that you pull out of the stack to figure out, you know, whether or not they were properly priced, whether or not they were given as a result of contacts and connections rather than on sheer merit.

So, I think those are kind of two initial, kind of first steps that an auditor might use for looking at a lot of the contracts.

MR. EISEN: Molly --

MS. REYNOLDS: Sure, I will just --

MR. EISEN: Auditors, inspectors general, and others who are inside poking around, what tips?

MS. REYNOLDS: So, what I will say briefly is actually not so much directed at the individual's doing the work, but more at Congress. And, calling on Congress to make sure that they are adequately funding these operations.

So, Sarah mentioned in her opening remarks, kind of the long decline in Congressional capacity and expertise that really enables good oversight, and the GAO and the staff levels of the GAO are one, one place where we have seen that decline. And so, if Congress wants to make sure that there are tools available to it to do an effective oversight, it really needs to make some investments, including in things like the GAO.

MR. EISEN: Sarah, do you want to add just a very short word, because I want to promote your paper which was so influential for me and Vic, in our paper, which happens to be right next to it, over to you.

MS. BINDER: I will just quickly build on what Molly said in terms of Congress' responsibility for, perhaps, aiding these inspectors general, which is we now have a highlighter spotlight on the ability of the President to essentially, summarily dismiss them, even though the law says, thou shalt give a 30-day advance notice and a good reason.

In the past, and as Norman said in the HEROES Act, that is proposed, and in the House, the House, about a decade ago, approved four cause removal of inspectors general with fixed 7-year terms, which would put another sort of slight bolster from Congress as a reminder both to the President and to inspectors general that Congress wrote, and writes the Inspectors General Act. And we think of

them as sort of Executive Branch employees, but they are not really, right? They are the eyes and ears of Congress, doing oversight and helping to set the oversight agenda of Congress.

So, finding some way to bolster their position and their authority and their insulation, as difficult that might be, seems like a worthwhile way for Congress to think about its oversight capacity.

MR. EISER: Are you concerned that there are limits on place by constitutional separation of powers on how far you can go to insulate inspectors general?

MS. BINDER: For sure, it may end up tripping over questions about executive authority and whether Congress is limiting his appointment power. I would want to, well, I would like some finer legal minds to think about it, but I would like to see the details on what exactly, what is the context in which Congress can ask for cause removal, because we know there is for cause removal say on the Board of Governors for the challenger. So, I would not give up quite so soon.

MR. EISEN: I see another Brookings Zoom webinar in your future, audience. As promised now, I am going to share my screen again, and I am going to share. This is the paper that I described to you, the Brookings paper on Reopening America, and here you have the table of contents, and here is Sarah's paper, which I truly do commend to you, How to Improve Congressional Oversight. And by pure coincidence, Victoria and my paper on implementing CARES honestly and effectively, is nestled right in next to it. So, you can get two for the price of one, in fact you can get 22 for the price of one. There are 22 papers in this first volume on Reopening America, how to save lives and livelihood, which you can find on the Brookings website.

There are many more questions, let me stop the screen share, many more questions than we could get to in this one hour, I am only half-joking about doing another one. The question of, above all, of the enormous amounts of spending -- the three trillion and change that have already occurred, the undoubted vast amount of additional spending which will almost certainly be greed, given the nature of the continuing COVID crisis, set up equally unparalleled abilities for fraud, waste, and abuse.

It is the duty of the existing governmental oversight structures to overcome the challenges, to do effective oversight, the new structures need to rise to the occasion. Not just the federal government's oversight responsibilities, but also states, as always, the press, and the ultimate safeguard

against corruption, harkening back to comments that my panelists have said to create incentives, the ultimate safeguard is for the American people to care deeply about corruption. As our webcast was entitled, The Other Coronavirus Crisis: Corruption, it should be taken as seriously because every dollar that is lost to corona corruption is a dollar that could have been spent providing a test, developing a vaccine, saving a job, extending unemployment, preserving a business, or helping our economy to recover.

So, we thank you for participating, that is your role, in everybody who is viewing, whether or not you are an internal auditor or have any other role in the oversight process. It is your ultimate responsibility, all of our ultimate responsibility to make sure that the other corona crisis, the corruption, is addressed. I want to thank Victoria, Molly, and Sarah, for joining us to begin the conversation. I suspect the conversation will continue. I want to thank all of you for being with us today, and we look forward to seeing you again very soon. Thanks friends!

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