

# Coalition for Integrity

## Coalition for Integrity releases a report: Oversight is Better than Hindsight: Anti-Corruption Recommendations for the CARES Act

**June 29, 2020** – Today, Coalition for Integrity is releasing a report on oversight of the CARES Act entitled [Oversight is Better than Hindsight: Anti-Corruption Recommendations for the CARES Act](#). This report analyzes current oversight provisions in the CARES Act, identifies gaps that make oversight more difficult, and proposes solutions to reduce the risk of waste, fraud, and abuse. We have done it by conducting case studies of past oversight bodies, including the previous stimulus packages and Iraq and Afghanistan reconstruction.

There currently exist both gaps in law and troubling actions by government officials that raise concern about the effectiveness of CARES Act oversight. For example, the money allocated to one oversight body – the Pandemic Response Accountability Committee, or PRAC – is almost the same as a similar body in the 2009 stimulus, despite the fact that PRAC is tasked with overseeing three times the amount of money. The amount of money appropriated for the newly created Special Inspector General for Pandemic Response (SIGPR) is half that of the comparable Special Inspector General for the Troubled Asset Relief Program (SIGTARP). Further, the administration’s original resistance to publicizing information about PPP loans, and the recent firings of inspectors general, show a lack of regard for transparency and independence.

**Shruti Shah, President and CEO of the Coalition**, stated “Large government stimulus packages are ripe targets for waste, fraud, and abuse. With a truly unprecedented amount of money at stake, it is essential to fix gaps in oversight to ensure that this stimulus money reaches the intended recipients.”

The Coalition has several recommendations for the various policymakers who are charged with this stimulus.

For Congress, our recommendations include:

- To adequately fund all oversight bodies. As stated, currently there is not enough funding for oversight bodies to perform their mandate properly when compared with large stimulus packages of the past.
- To extend the term of SIGPR. Unlike SIGTARP, which is still in existence and will continue to be so until the close of monetary obligations, SIGPR has a hard and fast expiration date of five years from creation, regardless of the existence of ongoing audits and investigations. This makes it more difficult for SIGPR to do its job.
- To enact for cause removal protections for inspectors general. The Inspector General Act currently does not require the President to show cause for removing an Inspector General.
- Enhancing whistleblower protections. In particular, Congress should expand protections to include individuals who come forward with evidence of misuse of CARES Act funds, whether they are direct recipients of or employed by an organization receiving CARES Act funds or not. Additionally, Congress must confirm members of the Merit Systems Protection Board (MSPB) to protect federal whistleblowers. The MSPB plays a key role in whistleblower protections, and currently has zero sitting members. In order to create a remedy for these truth tellers, Congress must ensure the agency charged with their protections has sitting members.
- Requiring the Federal Reserve to comply with Sunshine Act requirements. The Federal Reserve is currently exempt from keeping and making public transcripts of certain meetings. This will hinder oversight, unless the Federal Reserve is required to at least keep records and transcripts for the viewing of oversight bodies.



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- Appointing a chairperson to the Congressional Oversight Commission. Currently the COC, which is charged with overseeing the Subtitle A Lending Program, has no chair. The chair must be jointly chosen by the Speaker of the House and the Senate Majority Leader. This must be done so the COC can do its job properly.

For the Office for Special Inspector General for Pandemic Relief: SIGPR needs to "hit the ground running" through early and aggressive oversight. This can be achieved through effective and apolitical leadership that protects SIGPR's independence. Additionally, SIGPR must foster public trust through increased transparency, open and regular communication with Congress, use of AI and advanced data techniques to track CARES Act spending, adoption of best practices on whistleblower protections and establishment of positive relationships with the media and creating a tip hotline the public can use.

For the Administration: The Treasury Department should ensure that all contracts and applications contain provisions subjecting recipients to SIGPR's oversight and granting SIGPR access to all recipients' financial records related to the loans. The Administration must as require agencies to be responsive to requests and recommendations from SIGPR and PRAC, fill vacant inspectors general positions, and increase public transparency of stimulus funding including disclosing names of recipients of federal aid.

#### Notes to Editors:

- The full report is available at [https://www.coalitionforintegrity.org/wp-content/uploads/2020/06/C4I\\_Oversight\\_FINAL.pdf](https://www.coalitionforintegrity.org/wp-content/uploads/2020/06/C4I_Oversight_FINAL.pdf).
- A summary of the report is available upon request.

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