

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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Ranking Member Jamie Raskin Opening Statement Hearing on “Federal Pandemic Spending: A Prescription for Fraud, Waste, and Abuse” February 1, 2023

The purpose of this Committee is to ensure government is delivering on its promises to the American people through responsible oversight and commonsense legislation. As the new Ranking Member of the Committee, I’m eager to work with you Mr. Chairman in carrying out this shared responsibility in a thorough, serious, nonpartisan and even-handed manner. There was a time when Chairman Chaffetz and Ranking Member Cummings wrote more than 600 letters together seeking information. That’s a hard-won record, Mr. Chairman—one that I hope we will come to match and surpass.

When I heard that our first Oversight hearing would spotlight pandemic relief programs, I was very pleased because I thought it would follow up on everything the Democratic majority had been doing in the 117th Congress since the COVID-19 pandemic began. I was hopeful for an opportunity to consider, together, how we can identify schemes of fraud and self-enrichment and continue to strengthen the structural efficiency of critical government programs that helped families and businesses across America meet the challenges of this staggering pandemic.

Just as the political system and campaign finance system have recently been proven shockingly vulnerable to impostors, hustlers, con-men, Big Liars, outright fraudsters and fakes, some of the programs developed to respond to the COVID-19 pandemic have proven vulnerable to the relentless, deceitful and fraudulent designs of criminal predators when they decide to rip off the generosity of the American people. The shopworn bureaucratic language of “waste, fraud and abuse” does not begin to capture the actual confidence games and organized criminal artifices and schemes that have targeted and exploited social programs built on the solidarity of the American people.

The House Select Subcommittee on the Coronavirus Crisis, which was chaired by Congressman and former Majority Whip Clyburn and which I served on, was at the vanguard of efforts to identify and combat these criminal actors. The Subcommittee conducted no fewer than seven hearings focused on combatting fraud in relief programs.

I’ll never forget how, under Chairman Clyburn’s leadership, in its first week or two of existence, the Subcommittee on the Coronavirus Crisis recovered an improper \$10 million Paycheck Protection Program (PPP) loan. Less than three months later, the Committee helped secure the return of \$109 million from a nursing home chain that was not using the loan as Congress intended.

In March 2021, we exposed how the Trump Administration’s mismanagement of small business relief programs and refusal to implement basic anti-fraud controls led to nearly \$84 billion in potentially fraudulent loans. Just

months later, we issued another report highlighting how the Trump Administration awarded \$95.7 million in Pandemic Foodbox Program funds to three companies that all raised significant red flags. Then again, in April 2022, we showed how Trump White House officials, overruled career Department of Defense officials to approve a \$700 million national security loan to a single company in violation of requirements.

And so on—we used the bully pulpit of our much smaller Committee to expose and reverse frauds against the people.

While I remain optimistic that this hearing can meaningfully explore ways to ensure that taxpayer dollars go where Congress intended, I confess that I'm troubled that some of our colleagues are instead cherry-picking facts and deploying distorted figures to attack the legitimacy of these essential programs themselves by vaporizing the reality that they were a lifeline and salvation for millions of businesses and families, including in their own states.

Recall that, while the former president denied and trivialized and dismissed the COVID-19 pandemic, it was Congress which acted responsibly and swiftly and in bipartisan fashion to create and supercharge programs that saved countless businesses and families from bankruptcy and ruin throughout the pandemic.

These programs included expanded unemployment insurance benefits and the Paycheck Protection Program, which allowed families and businesses to avoid economic collapse. As a result of our actions, the COVID-19 economic recession was the shortest on record.

These programs were by no means perfect. Anachronistic government IT systems—many running obsolete software – collapsed and were incapable of adapting to the scope of our nation's economic needs. States entered the pandemic at a 50-year historic low for UI system funding. And UI claims burgeoned from 211,000 to 6.6 million—a more than thirty-fold increase—over a three-week period in March 2020.

People unsure of how they would pay their housing or medical bills panicked as they waited hours on phone calls for customer service representatives – or they reached busy signals.

My home of Maryland was no exception. In the one-year period from March 2020 until March 2021, my district office received 1,400 constituent requests for assistance with state unemployment benefits. This is in contrast to the single constituent request my district office received for all of 2019.

Congress asked agencies and states to do the near impossible. And they did. Expanded UI benefits kept an estimated five to six million people out of poverty in 2020 and kept 6.7 million people above the poverty line in 2021. The Center for Budget and Policy Priorities estimates that expanded UI benefits may have saved the lives of as many as 27,000 people in high-risk occupations who may have died from COVID-19 if they had not had access to the benefits.

Organized criminals and fraudsters took advantage of these circumstances and the solidarity of the American people by exploiting weaknesses in our IT systems. This problem was compounded by critical decisions made by the Trump Administration that hamstrung pandemic relief anti-corruption oversight from the outset, crippling the government's ability to detect and combat fraud. Despite specific legislative instruction from Congress in pandemic relief bills, the Trump Administration told agencies to ignore data reporting requirements.

Congressional Democrats and the Biden-Harris Administration have worked diligently from the start to recover funds stolen by organized criminal groups and other fraudsters, help states modernize their IT systems and processes, and build new structural capacities to detect and prevent fraud.

Under President Biden’s leadership, departments and agencies across the federal government moved swiftly to strengthen pandemic relief program integrity and bolster efforts to prevent, detect, and pursue fraud—which festered under the lackadaisical stewardship of the former Administration.

In the days preceding this hearing, Republicans have claimed that Democrats on this Committee and in the Biden-Harris Administration neglected to conduct meaningful oversight of these programs. The record clearly demonstrates these assertions are baseless.

Democrats have systematically ferreted out fraud, waste, and abuse in pandemic relief programs—although we all certainly can do a more effective job and that’s what this hearing should be about.

As the work of the 118th Congress commences, I urge all my colleagues to remember the crucial role this Committee can play in addressing the real challenges facing our nation families.

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