

Congress of the United States

House of Representatives

SELECT SUBCOMMITTEE ON THE CORONAVIRUS PANDEMIC

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WASHINGTON, DC 20515-6143

Majority (202) 225-5074
Minority (202) 225-5051

August 29, 2023

The Honorable Merrick Garland
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, S.W.
Washington, D.C. 20530

Dear Attorney General Garland:

As of January 2023, the federal government spent approximately \$4.6 trillion on aid programs in response to the COVID-19 pandemic.¹ This is equal to more than was spent by the entire federal government in every fiscal year prior to 2020.² This massive growth in government spending caused inflation and expanded the government to unprecedented levels.³ Worse still, these costly COVID-19-era programs were rife with waste, fraud, and abuse.⁴ Criminals inside and outside the United States stole approximately \$280 billion in taxpayer funds intended for struggling families, businesses, hospitals, and others.⁵

Some of these fraudulent actors were based outside the United States and may involve international criminal organizations. Estimates imply that at least half of all stolen COVID-19 relief funds went to Russian, Chinese, and Nigerian criminals.⁶ In August 2021, a senior Federal Bureau of Investigation (FBI) official and member of the Department's COVID Fraud Task Force said, “[i]t’s definitely an economic attack on the United States...Tens of billions of dollars will be missing...It’s a significant amount of money that goes overseas.”⁷ In December 2022, the U.S. Secret Service (USSS) stated a group of hackers linked to the Chinese Communist Party

¹ U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-23-106647, COVID-19 RELIEF: FUNDING AND SPENDING AS OF JAN. 31, 2023, 1 (Feb. 2023).

² UNIV. OF CAL. AT SANTA BARBARA, THE AMERICAN PRESIDENCY PROJECT: FEDERAL BUDGET RECEIPTS AND OUTLAYS, *available at* <https://www.presidency.ucsb.edu/statistics/data/federal-budget-receipts-and-outlays>.

³ *See* U.S. FED. RESERVE, FEDS NOTES - FISCAL POLICY AND EXCESS INFLATION DURING COVID-19: A CROSS-COUNTRY VIEW (Jul. 15, 2022) (noting that countries with high fiscal stimulus during the pandemic experienced higher inflation – about 2.5 percent in the United States).

⁴ Ken Dilanian & Laura Strickler, ‘Biggest fraud in a generation’: The looting of the Covid relief plan known as PPP, NBC NEWS (Mar. 28, 2022).

⁵ Richard Lardner, *et al.*, *The Great Grift: How billions in COVID-19 relief aid was stolen or wasted*, ASSOCIATED PRESS (June 12, 2023).

⁶ Ken Dilanian, *et al.*, ‘Easy money’: How international scam artists pulled off an epic theft of Covid benefits, NBC NEWS (Aug. 15, 2021).

⁷ *Id.*

stole at least \$20 million in relief funds by hacking government computer networks in at least six states.⁸

As of March 2022, the Department stated that it had taken criminal and civil enforcement actions in matters alleging over \$8 billion in pandemic relief fraud,⁹ but it is unclear if this is limited to domestic fraud. It is highly concerning that possibly billions of taxpayer dollars intended to help Americans suffering the effects of the COVID-19 pandemic were stolen by organized criminal rings in foreign countries.

Therefore, we write today to better understand the full scope of this problem and what actions the Department has taken to investigate international COVID-19 relief program fraud and hold these foreign actors accountable. To assist the Select Subcommittee's investigation, we request the following documents and information as soon as possible but no later than September 12, 2023:

1. All documents and communications regarding metrics or estimates the loss of COVID relief program funds due to fraud by international or overseas actors and criminal organizations. We specifically request that responsive records adequately describe the following:
 - a. the total number of current and closed cases involving COVID-19 fraud by international actors or organizations delineated by country;
 - b. the total dollar value of fraud by international actors or organizations delineated by country, and
 - c. the total number of current and closed cases involving COVID-19 fraud by international actors or organizations delineated by the targeted relief fund (e.g., including but not limited to Paycheck Protection Program (PPP), COVID-19 Economic Injury Disaster Loan (COVID-19 EDIL), Pandemic Unemployment Assistance (PUA), Federal Pandemic Unemployment Compensation (FPUC), Pandemic Emergency Unemployment Compensation (PEUC), etc.);
 - d. the total dollar value of fraud by international actors or organizations delineated *by the targeted relief fund* (e.g., including but not limited to Paycheck Protection Program (PPP), COVID-19 Economic Injury Disaster Loan (COVID-19 EDIL), Pandemic Unemployment Assistance (PUA), Federal Pandemic Unemployment Compensation (FPUC), Pandemic Emergency Unemployment Compensation (PEUC), etc.).

⁸ Sean Lyngaas, *US Secret Service accuses Chinese government-linked hackers of stealing \$20 million in Covid relief*, CNN (Dec. 5, 2022).

⁹ Press Release, Dep't of Justice, Justice Department Announces Director for COVID-19 Fraud Enforcement (Mar. 10, 2022).

2. All documents and communications regarding the Department's efforts to identify and eliminate COVID relief program fraud perpetrated by international or overseas actors and criminal organizations.
3. All documents and communications regarding instances in which it appears international or overseas actors or criminal organizations utilized commonly understood "identity theft" tactics, techniques, and procedures to perpetrate these crimes and imperil American citizens personal protected information. We specifically request metrics or estimates on the numbers of Americans potentially impacted.

Further, we also request a staff briefing to discuss the Department's civil and criminal actions to date in response to reports of fraud, waste, and abuse of coronavirus pandemic relief funds by overseas or international actors and criminal organizations.

The Select Subcommittee is authorized to investigate "the efficiency, effectiveness, and transparency of the use of taxpayer funds and relief programs to address the coronavirus pandemic, including any reports of waste, fraud, or abuse" and "executive branch policies, deliberations, decisions, activities, and internal and external communications related to the coronavirus pandemic."¹⁰ To that end, the Select Subcommittee is tasked to learn from the U.S. response to the COVID-19 pandemic and recommend alterations where necessary to enhance our preparedness and responses in the future. To schedule the briefing or ask any follow up or related questions please contact Committee staff at (202) 225-5074.

Thank you for your attention to this very important matter.

Sincerely,



Brad Wenstrup, D.P.M.
Chairman

cc: The Honorable Raul Ruiz, M.D., Ranking Member
Select Subcommittee on the Coronavirus Pandemic

¹⁰ H. Res. 5 §§ 4(a)(2)(A)(ii) & (vii) (2023).