



U.S. House of Representatives
Washington, DC 20515
COMMITTEE ON THE BUDGET

May 11, 2021

Mr. Eugene Sperling
American Rescue Plan Coordinator
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear Mr. Sperling:

It has now been 60 days since President Biden signed into law a nearly \$2 trillion spending plan. Pursuant to a March 15, 2021 White House announcement, you have been appointed the “rescue czar,” responsible for overseeing the implementation of this spending— alarmingly without a confirmation hearing in the U.S. Senate.¹ Considering the fact neither the American people nor Congress had a say in your appointment to this position, it is especially concerning we are already seeing reports of potential misuse and abuse regarding the disbursement of these federal funds. This further necessitates the need for the fullest transparency and accountability as you continue your implementation efforts. Although we can appreciate the enormous pressure of undertaking such a herculean task, the lack of oversight and guidance for federal agencies, states, and localities spending billions of dollars is disturbing.

In the past few weeks, we have already begun to see examples of the almost \$2 trillion American Rescue Plan fund being used to finance things such as:

- The Governor of New Jersey considering using American Rescue Plan dollars for the creation of a \$40 million fund for the state’s 460,000 illegal immigrants.²
- The State of New York including a \$2.1 billion fund for direct checks to illegal immigrants in its state budget—suspiciously the exact amount of additional federal dollars they received from the American Rescue Plan.³
- The Governor of Wisconsin vetoing a bill that would have allowed the state legislature’s budget committee to oversee the use of American Rescue Plan dollars, instead allowing the Governor to have unilateral control of \$5 billion.⁴

¹ “Remarks by President Biden on the Implementation of the American Rescue Plan,” March 15, 2021, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/03/15/remarks-by-president-biden-on-the-implementation-of-the-american-rescue-plan/>

² “Murphy considers \$40M for undocumented workers. Immigrant groups call it ‘insulting.’” NJ.com, April 15, 2021, <https://www.nj.com/politics/2021/04/murphy-considers-40m-for-undocumented-workers-immigrant-groups-call-it-insulting.html>.

³ “\$2.1 Billion for Undocumented Workers Signals New York’s Progressive Shift,” New York Times, April 8, 2021

⁴ “Evers vetoes Wisconsin legislative oversight of COVID funds,” AP News, March 29, 2021, <https://apnews.com/article/joe-biden-legislature-milwaukee-wisconsin-coronavirus-pandemic-2b858cbcc841e1f8c390032a675e8e5a>

Three months ago, prior to the consideration of the recent \$1.9 trillion spending package, Members of the U.S. House of Representatives filed a resolution inquiring into the status of previously enacted coronavirus funding that remains unspent.⁵ Regardless of our disagreements with the approach and policies included in the recently enacted law, as stewards for taxpayer dollars, it is incumbent upon us to make sure every dollar is utilized in a transparent manner. We would like your commitment and assurance to share information regarding how all related funds are being spent and where they are being disbursed. Given the substantial amount of American taxpayer dollars involved—in addition to the amount of funding that remains unspent or outstanding from the five previously enacted coronavirus bills—it is vital to meticulously manage the use of these resources.

Accordingly, please submit a formal response regarding the following:

Status of Previously Enacted Funding

1. Please provide the current status of the substantial unspent funds from the following, previously enacted legislation:
 - a. Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116–123);
 - b. Families First Coronavirus Response Act (Public Law 116–127);
 - c. Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136);
 - d. Paycheck Protection Program and Health Care Enhancement Act (Public Law 116–139); and
 - e. Division N (relating to additional coronavirus response and relief) of the Consolidated Appropriations Act, 2021 (Public Law 116-260).
2. Will you commit to informing Congress regarding the status of these funds via a quarterly report?
3. The purpose of this previously enacted legislation was to provide one-time “emergency” funding in response to a global pandemic. As such, will any unused funds from the above legislation be returned to American taxpayers or the U.S. Treasury?

The following questions are related to how H.R. 1319 (Public Law 117-2), the American Rescue Plan, will be administered and subsequently supervised in the coming months and years. Accordingly, please submit a formal response regarding the following:

Protecting Taxpayer Dollars

1. Which countries will be the recipients of the \$12 billion in foreign aid?
2. Please provide a report of expenditures from the National Endowment for the Arts and the National Endowment for the Humanities.

⁵ H. Res. 127, <https://www.congress.gov/117/bills/hres/127/BILLS-117hres127ih.pdf>

3. How will the \$12.8 million appropriated for the White House to be spent by September 30, 2021 be used?
4. The Federal-State Unemployment Insurance Program has consistently had one of the highest rates of improper payments in the federal government.⁶ How do you plan to address and remedy wasteful spending during your time overseeing the implementation of spending in this program as part of the \$1.9 trillion?
5. What is your plan to recover the almost \$2 billion in funds disbursed to localities and counties that do not exist?⁷

Individual Direct Payments

1. In Section 9601, dealing with recovery rebates, subsection (c) – “eligible individual” – says there are three types of people who are not defined as eligible. Incarcerated individuals are not listed as ineligible.
 - a. The current Federal Bureau of Prisoners (BOP) population is 151,703. Are all 151,703 individuals receiving checks?⁸
 - b. What about the additional approximately 2 million people in state prisons and local jails?
2. These same recovery rebates outlined in Sec. 9601 can be given to people living in mixed status households. There are approximately 16.2 million people living in mixed status households in which at least one member is an unauthorized immigrant. California has by far the largest number of mixed status households at 1.5 million.
 - a. What is the total amount spent on recovery rebates for all mixed status households?
 - b. What percentage of recovery rebates is going to mixed status households in California?

Small Business Assistance

1. Please provide a breakdown of the small businesses applying for and receiving economic assistance. This can include, but is not limited to, a breakdown based on geographic location, business sector, and number of employees.
2. What is the average turn-around time from application to receiving assistance?
3. The Paycheck Protection Program and Economic Injury Disaster Loan Program have fallen victim to fraud by individuals using digital investment platforms with stolen identities.⁹

⁶ “The U.S. Unemployment System Is Plagued by \$63 Billion in Fraud and Dysfunction,” Bloomberg, March 23, 2021,

<https://www.bloomberg.com/news/articles/2021-03-23/u-s-unemployment-system-plagued-by-massive-fraud-and-dysfunction>

⁷ “Study: American Rescue Plan allocates \$2 billion to counties that don’t exist or don’t have fiscal problems,” April 17, 2021, <https://highlandcountypress.com/Content/In-The-News/In-The-News/Article/Study-American-Rescue-Plan-allocates-2-billion-to-counties-that-don-t-exist-or-don-t-have-fiscal-problems/2/20/68049>

⁸ Federal Bureau of Prisons, Population Statistics, last visited March 16, 2021 (noting population on date legislation signed into law) https://www.bop.gov/mobile/about/population_statistics.jsp

⁹ “Fraudsters are laundering millions in Covid relief through online investment platforms,” NBC News, March 29, 2021, <https://www.nbcnews.com/tech/tech-news/fraudsters-are-laundering-millions-covid-relief-online-investment-plat-rcna537>

What safeguards have been or will be put in place to prevent funds meant for small businesses from being stolen, abused, or mismanaged?

Reopening Schools

1. In what ways is the Biden Administration financially supporting school districts that have returned to in-person learning and encouraging school districts still offering remote learning to transition to in-person instruction?
 - a. Where are education dollars being allocated?
 - b. What is the rate of obligation?
 - c. Once disbursed by the U.S. Department of Education, how quickly is the money being spent by states and/or local school districts?
2. Approximately 93% of the \$123 billion provided for the Elementary and Secondary School Emergency Relief Fund will remain to be spent two years from now. In two years, how do you anticipate allocating this remaining funding, and why is funding presumably needed to reopen schools two years from now?
3. The U.S. Department of Education has announced it will spend \$10 billion to test and screen schoolchildren for COVID-19 to hasten the return to in-person learning. How will you decide where to disburse this money?

Provider Relief Fund

1. According to the U.S. Department of Health and Human Services (HHS), over \$24 billion was available in the Provider Relief Fund during the debate of H.R. 1319 (Public Law 117-2). How much of those funds remain, and how will those funds be distributed?
2. Which policy official(s) in the Biden Administration is responsible for administering the Provider Relief Fund?

Testing Money

1. Of the \$47 billion provided in the last Congress for testing, how much of those funds remain available?
2. If funds are still available, why are these funds still available? Are there roadblocks to HHS disbursing these funds?
3. In addition to these funds, \$50 billion in new funds for testing was just provided in March. So far, the Biden Administration has publicly announced how only \$13 billion would be spent (\$10 billion for schools, \$2.25 billion for screenings to address disparities in testing, and now just under \$1 billion for testing in rural areas).
 - a. Does the Biden Administration have a plan for the remaining \$37 billion? If so, what is that plan?

Commitment to Accountability and Transparency

1. Who do you directly report to at the White House?

2. What is your relationship with the Office of Management and Budget (OMB)?
3. As a senior advisor, do you have the authority to make spending decisions and supersede the authority of the Acting OMB Director?
4. What is your plan, in terms of frequency and content, to report to Congress regarding execution and oversight of this spending?
 - a. If requested, do you commit to testifying in front of Congress?
 - b. How often will you submit detailed reports and what type of information and level of detail do you intend to include in these reports?
 - c. Going forward, will you respond to all letters of inquisition in a timely manner?
5. The purpose of this legislation was to provide one-time “emergency” spending in response to a global pandemic. As such, will any funds from the recently enacted spending be returned to American taxpayers or the U.S. Treasury?

At such a pivotal time for our country, we hope that you share our commitment to ensuring transparency and accountability. Consistent with this commitment, we request that you share with us any plans you have developed, or are in the process of developing, that are relevant to your oversight work.

The American people deserve to know the answers to these questions. Considering the significant size and scope as well as the expedited nature of this new law, we respectfully request a timely response.

Thank you in advance for your cooperation with this inquiry.

Sincerely,



Jason Smith
Republican Leader
House Committee on the Budget

cc: The Honorable Shalanda D. Young, Acting Director, Office of Management and Budget