

**Congress of the United States**  
**U.S. House of Representatives**  
**Committee on Small Business**  
2361 Rayburn House Office Building  
Washington, DC 20515-6315

October 8, 2020

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3rd Street, S.W.  
Washington, D.C. 20416

Dear Administrator Carranza:

I am writing today to request that the Small Business Administration (SBA) comply with all data and information requests from the Government Accountability Office (GAO) related to SBA's coronavirus response programs, specifically the Economic Injury Disaster Loan (EIDL) program.

As Congress' nonpartisan investigative arm, GAO's work is imperative to improving the performance and accountability of the federal government and ensuring that it is operating with efficiency and integrity. In addition to their normal oversight responsibilities, the GAO is mandated by the Coronavirus Aid, Relief, and Economic Security (CARES) Act to conduct oversight of the nation's response to and recovery from the COVID-19 pandemic. This oversight includes the \$659 billion<sup>1</sup> in total that Congress has appropriated for the Paycheck Protection Program (PPP), the \$70 billion in total for Economic Injury Disaster Loans<sup>2</sup>, and the \$20 billion appropriated for emergency EIDL grants.<sup>3</sup>

On October 1, 2020, the Small Business Committee, Subcommittee on Investigations, Oversight, and Regulations held a hearing with SBA's Office of Inspector General (OIG) and the GAO to discuss fraud in the PPP and EIDL program. At the hearing the Committee heard from Mr. Bill Shear, Director of Financial Markets and Community Investment at GAO, that SBA has not provided GAO access to EIDL data and information needed to complete their audit objectives. More specifically, SBA has not provided EIDL loan level data, EIDL and EIDL advance contracts and subcontracts, internal training materials and guidance, and other pertinent information.

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<sup>1</sup> Paycheck Protection Program and Health Care Enhancement Act Pub. L. No. 116-139.

<sup>2</sup> Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 Pub. L. No. 116-123 and Paycheck Protection Program and Health Care Enhancement Act Pub. L. No. 116-139

<sup>3</sup> Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136.

Under the GAO Access and Oversight Act of 2017, agencies are required to “give the Comptroller General information the Comptroller General requires about the duties, powers, activities, organization, and financial transactions of the agency.”<sup>4</sup> I am particularly troubled that SBA is not responding to requests from GAO more expeditiously.

I understand that SBA worked hard to get PPP and EIDL funds into the hands of small business owners quickly, but it is clear from the GAO and OIG reports that more can be done to reduce fraud and abuse within the economic relief programs. The reports reinforce my commitment to ensuring these economic relief programs effectively reach the small businesses that are in dire need of assistance, and we are good stewards of the taxpayers’ dollars. To that end, the oversight entities must have access to the information needed to effectively perform their work. I respectfully request that SBA provide the following EIDL data and information to GAO by October 22, 2020:

- EIDL Data Dictionaries;
- EIDL program data, specifically:
  - Entries for loan applications denied, withdrawn, and cancelled;
  - Lender name and unique identifier ID;
  - Borrower business name and unique identifier ID;
  - Date and time the data set entry was created;
  - Business trade name;
  - Business/borrower complete address;
  - Type of business;
  - Business loan request amount;
  - Number of employees;
  - Revenue information;
  - NAICS code and industry description; and,
  - Disbursement data including dates
- EIDL internal documents, specifically:
  - Full EIDL and EIDL Advance contracts and subcontracts related to COVID-19;
  - Contact information for RER Solutions;
  - Documentation of any information SBA provided to contractors to design fraud risk alerts and the related eligibility criteria;
  - Documentation of capabilities and functionality of fraud indicators used by RER;
  - List of fraud checks and corresponding systems/technologies/sources used to conduct automatic fraud checks;
  - List of rules for loan qualification and corresponding systems/technologies used to conduct automatic qualification;
  - Any reports to date, produced by contractors or SBA, about effectiveness of fraud indicators;
  - All initial and final guidance, policies, or procedures SBA developed or provided to staff and contractors related to application submission and validation, loan review and disbursement, and reconsideration review;
  - Documentation of training provided to staff on loan review; and,

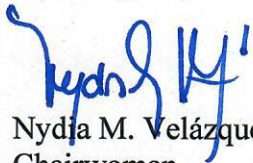
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<sup>4</sup> 31 U.S.C. § 716(a)(2).

- Analyses and indicators the Quality Assurance Team uses for its ongoing reviews of the loan processing and disbursing functions during SBA's COVID-19 response.

Thank you in advance for your prompt attention to this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nydia M. Velázquez". The signature is stylized and cursive.

Nydia M. Velázquez  
Chairwoman  
Committee on Small Business