



Office of the Special Inspector General for Pandemic Recovery

January 2, 2025

By Email

The Honorable Joni Ernst
Chairwoman,
Committee on Small Business and Entrepreneurship
260 Russell Senate Office Building
Washington, DC 20510

Re: SIGPR Extension

Dear Madam Chairwoman:

I am writing to address the immediate and urgent threat to our Nation's fight against fraud involving billions of dollars of loans disbursed pursuant to the Coronavirus Aid, Relief and Economic Security Act (CARES Act). As you know, in 2020, as part of the CARES Act, Congress created the Special Inspector General for Pandemic Recovery (SIGPR) as a vital watchdog to conduct oversight of such loans but provided that SIGPR sunset in March 2025.

Because of the legally-required processes involved in the shutdown of a government agency, SIGPR has been shedding staff and is currently planning for termination of office space and furniture/equipment turn in. The result is that SIGPR's ability to thoroughly investigate millions of dollars of potential fraud will be sorely compromised by lack of human and other resources. SIGPR is currently investigating 42 criminal cases with 130 potential defendants. We are gravely concerned that should SIGPR sunset, none of these alleged criminals will be prosecuted.

SIGPR has a long history of successes and has developed 92% of its investigative cases proactively rather than waiting for tips or defaults. SIGPR's investigations have thus far resulted in 66 federal indictments/informations, 49 arrests, 29 guilty pleas, and 4 sentencing. Since 2020, SIGPR has achieved over \$187.1 million in financial results, surpassing SIGPR's total allocated budget by over 300%.

Of equal concern is an alarming rate of defaults by borrowers who are failing to pay even the interest payments on the loans for the Main Street Lending Program (MSLP) and the Direct Loan Program. Currently, over 70% of MSLP borrowers that SIGPR is investigating are in default. Now that initial MSLP principal payments have become due, loan losses have increased dramatically.

On December 10, 2024, the Federal Reserve reported MSLP loan losses of \$1.27 billion as of November 30, 2024. Loan losses have drastically increased by over \$1 billion in the past 17 months since the borrowers' initial MSLP principal payments became due starting in July 2023. Without SIGPR to protect the taxpayer, there will be no one on watch which will allow this crisis to continue.

We are ready to continue the fight against this massive fraud and would welcome expanded jurisdiction so that we could investigate fraud in additional programs. As a small agency that has paid for itself many times over, we are a great return on investment.

If you have any questions, please do not hesitate to contact me at (202) 923-8024.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Miller", with a stylized flourish at the end.

Brian D. Miller
Special Inspector General for Pandemic Recovery