



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 2, 2020

The Honorable Carolyn B. Maloney
Chairwoman
Committee on Oversight and Reform
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Maloney:

I am writing to follow up on your question to Secretary Mnuchin at the June 30 hearing before the House Financial Services Committee concerning the Pandemic Response Accountability Committee (PRAC). We believe there has been a misunderstanding about the Department of the Treasury's views on the PRAC's jurisdiction.

The Department shares your view that the PRAC's jurisdiction extends to the entirety of the CARES Act, including all Treasury programs under Division A of the Act. This has been Treasury's consistent view, and as you noted, the statute is clear on this point. The CARES Act states that the PRAC "shall conduct and coordinate oversight" of "the Coronavirus response," which includes "the Federal Government's response to the nationwide public health emergency" announced with respect to COVID-19. All Treasury programs designed to respond to the COVID-19 emergency—including those in Division A—are covered by this provision and therefore subject to review by the PRAC. In addition, Treasury programs are subject to review by several other oversight bodies, including three Inspectors General within the Department, the Congressional Oversight Commission, the Government Accountability Office, and other Congressional committees. Treasury has worked diligently to accommodate all oversight needs, while carrying out its unprecedented programmatic responsibilities under the CARES Act.

The misunderstanding regarding Treasury's views on the PRAC appears to concern the narrow issue of reporting by "large covered fund" recipients under section 15011 of the CARES Act. Treasury and the Office of Management and Budget have determined, based on the plain text of the statute, that certain recipient reporting requirements under section 15011 in Division B of the CARES Act do not apply to programs under Division A of the statute.¹ Instead, Division A programs are subject to other highly specific reporting and accountability requirements, with which Treasury is in full compliance. Treasury is also working closely with Treasury's Office of Inspector General (OIG) to ensure OIG has access to necessary data from recipients of payments from the Coronavirus Relief Fund.

¹ A thorough explanation of the basis for this interpretation of the CARES Act is attached to the May 27, 2020 Interim Audit Update issued by Treasury's Office of Inspector General, which is available on the Committee's website at <https://www.oversight.gov/sites/default/files/oig-reports/OIG-20-036.pdf>. Treasury has not seen legal analysis from the PRAC (or anyone else) contesting this straightforward reading of the statute.

I hope this letter clarifies the Department's position. If you have further questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,

A handwritten signature in blue ink, reading "Frederick W. Vaughan". The signature is fluid and cursive, with the first name being the most prominent.

Frederick W. Vaughan
Principal Deputy Assistant Secretary
Office of Legislative Affairs