

MARCH 31, 2020

Brown, Senate Democrats Call On Mnuchin To Defend The Creation Of A Special Inspector General For Pandemic Recovery (SIGPR) From Being Undermined By The Trump Administration

Senators to Mnuchin: The SIGPR's Structure Is Your Structure, Defend It

U.S. Sen. Sherrod Brown (D-OH), Ranking Member of the U.S. Senate Committee on Banking, Housing, Urban Affairs, Sen. Ron Wyden (D-OR), Ranking Member of the U.S. Senate Committee on Finance, and Senate Democratic Leader Charles Schumer (D-NY) today sent a letter to Secretary Mnuchin raising the alarm regarding President Trump's signing statement for the "Coronavirus Aid, Relief, and Economic Security Act" (the CARES Act). The President's signing statement indicated that the administration has the right to interfere with the Special Inspector General for Pandemic Recovery (SIGPR) designated under the Act. The Senators called any attempt by the administration to bypass providing Congress with "statutorily-required" information under the CARES Act "troubling and unacceptable" and vowed to hold Mnuchin to his obligations- calling on the Treasury Secretary to provide congress with a plan, and a timeline for the SIGPR's creation and implementation.

"You, on behalf of the Administration, negotiated and agreed to the scope and terms of the SIGPR authority, both generally to Congress and to each of us personally. This oversight authority was critical for gaining support for your request for over \$500 billion to aid struggling companies, states, municipalities, and other troubled entities.

Provision of these funds was conditioned on the SIGPR's creation. As such, the SIGPR's unfettered operation is not only a legal necessity, but also a condition you personally agreed to – SIGPR's structure is your structure, and it imperative that you defend it," wrote the Senators.

A copy of the letter can be found here and below:

Dear Secretary Mnuchin:

We write regarding the President's signing statement for the "Coronavirus Aid, Relief, and Economic Security Act" (the CARES Act). Upon signing the CARES Act, President Trump issued a statement claiming the right to interfere with the Special Inspector General for Pandemic Recovery (SIGPR) designated under the Act. The CARES Act passed Congress with overwhelming bipartisan support, and it was made clear to the Administration that strong oversight was critical to gaining that bipartisan support. The use of a signing statement by this and past presidents to undermine the ability of Inspectors General to provide Congress statutorily-required information is troubling and unacceptable. Faithful application of the law is not optional. It is a requirement.

In passing the CARES Act, Congress conferred on you, as the Treasury Secretary, significant discretion in the allocation of \$500 billion in loans and investments under the Act. As the nation continues to respond to the public health crisis created by the coronavirus, it is critical these substantial resources are allocated prudently and quickly. Waste and misuse of taxpayer money is never acceptable, but at a time such as this, it is imperative that waste, fraud, and abuse be rooted out expediently and thoroughly.

Given the substantial amount of taxpayer funds provided to address the economic impact of the coronavirus, and the considerable discretion you asked for, Congress took special care in creating the SIGPR. Congress instructed the SIGPR to report to Congress "without delay" whenever information or assistance is unreasonably refused or not provided by any department, agency, or other entity of the Federal Government.

The SIGPR must have every tool available, especially those enumerated by Congress, to ensure accountability. The SIGPR has been granted authorities similar to those provided to other special inspector generals: SIGTARP – following the 2008 economic crisis, SIGIR – pertaining to the Iraqi reconstruction, and SIGAR – examining Afghan reconstruction.

Each of these positions has operated expressly within the clear dictates of their statutory mandate. We expect the SIGPR to be granted the same opportunity to have unfettered ability to execute its duties as laid out in the CARES Act. The Administration, including the Department of the Treasury, must be accountable to taxpayers.

You, on behalf of the Administration, negotiated and agreed to the scope and terms of the SIGPR authority, both generally to Congress and to each of us personally. This oversight authority was critical for gaining support for your request for over \$500 billion to aid struggling companies, states, municipalities, and other troubled entities. Provision of these funds was conditioned on the SIGPR's creation. As such, the SIGPR's unfettered operation is not only a legal necessity, but also a condition you personally agreed to – SIGPR's structure is your structure, and it imperative that you defend it.

We urge the President to nominate an independent Special Inspector General to this critical position without delay and continue the long-standing practice of consulting with the Council of the Inspectors General on Integrity and Efficiency regarding this selection. We also request that you provide to us the plan, including timeline, for setting up and staffing the Office of the SIGPR as the nominations process is ongoing.

Sincerely,

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