

Congress of the United States

U.S. House of Representatives

Committee on Small Business

2361 Rayburn House Office Building

Washington, DC 20515-6515

April 4, 2021

The Honorable Isabella Casillas Guzman
Administrator
United States Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Guzman:

I appreciate the response to my letter dated March 19, 2021 regarding identity theft concerns within the Economic Injury Disaster Loan (EIDL) program and its corresponding grants. Given the importance of safeguarding hard-earned American taxpayer dollars, I wanted to follow-up on a few items:

- Within your response to my question on how many applications have been flagged for identity theft concerns within EIDL and its corresponding grant offerings, you identified that there have been 117,281 loans and 118,080 Advances that have resulted in identity theft. Thank you for providing this information. I am interested in learning how many EIDL loan and Advance applications have had an Agency Hold and/or Funding Hold placed on them. Additionally, once an Agency Hold and/or Funding Hold is placed on an application, on average how long does it take to clear the Hold?
- Please compare the control framework that the Small Business Administration (SBA) will use for the Restaurant Revitalization Fund Grant program with the control framework used within the Shuttered Venue Operators Grant (SVOG) program. Please detail any controls that might differ between the programs.
- In your response to my question on how the SBA is allocating resources, in terms of dollars and staff, to conduct oversight, you outlined that the SBA established an oversight board as well as detailing two funding amounts. Thanks for providing this information. However, I am interested in learning how many staff the SBA has dedicated to oversight. In your response, you state that “In addition, significant effort by SBA staff in the offices of Disaster Assistance and Capital Access, along with contractors that have been retained for loan and forgiveness review procedures, are all focused on fraud prevention and detection. SBA is unable to determine the exact payroll cost and effort of these staff as they are not exclusively assigned to oversight, but the amounts are

significant.” Please provide to me the number of staff and the number of contractors dedicated to oversight of the EIDL program, including its grant offerings.

- When responding to my question on whether the SBA has implemented the recommendations offered by the SBA’s Office of Inspector General and the Government Accountability Office, you responded by stating, “Yes, SBA has leveraged technology and implemented data validations and system controls to mitigate waste, fraud, and abuse that in many cases go far beyond the recommendations received from the OIG and GAO.” Please list all of the recommendations and provide a detailed response outlining the steps you have taken to implement each recommendation.

Due to the significant amount of dollars flowing through these programs and with new programs set to be launched in the near future, I am requesting that you provide me with specific answers to the above questions by April 16, 2021. If you have any questions about this request, please contact David Planning, Republican Staff Director, at (202) 225-5821.

Sincerely,



Blaine Luetkemeyer
Ranking Member