

## MEMORANDUM

**TO:** Interested Parties  
**FROM:** Kyle Herrig, President of Accountable.US  
**DATE:** June 17, 2020  
**RE:** The Trump Administration Wants to Keep Taxpayers in the Dark, but That Won't Hide Their Failures for Workers and Small Businesses

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The Trump administration's Paycheck Protection Program (PPP) has been mired in corruption and mismanagement from the start, and now the administration is trying to [walk back a promise](#) to disclose how it spent \$500 billion of taxpayer money.

Given what we know about the administration's handling of the program, it is not surprising it wants to hide this information from the public. Since day one, we saw the administration push aside small businesses struggling to keep people on payroll while it lavished funds for large, well-resourced publicly-traded companies. The Small Business Administration's (SBA) loan program clearly hasn't worked as intended. [Over 100,000 small businesses](#) have shuttered and [more than 40 million Americans](#) became newly unemployed during the ongoing COVID-19 crisis while the administration refused to extend unemployment insurance. Meanwhile, wealthy and well-connected businesses have cashed in on relief funds. Even members of Congress who wrote the [program and voted for it are benefitting](#).

The American people have a right to know who their taxpayer dollars are bailing out during this time of collective crisis. The Government Accountability Office recently [revealed](#) that the Trump administration is "withholding PPP loan data the agency requested as part of its oversight efforts." The administration appears to be systematically issuing legal rulings gutting oversight to its pandemic response, [prompting two inspectors general to ask Congress for help](#). What is the administration trying to hide?

### PPP PROGRAM HAS GONE TO LARGE COMPANIES WHILE SMALL BUSINESSES STRUGGLE

The PPP established under the CARES Act was billed as a lifeline for small businesses and their workers struggling to survive the historic COVID-19 health and economic crisis. Yet since the program's introduction, a series of [large, publicly-traded companies](#) — many taking advantage of a [special interest loophole](#) — were revealed to have claimed tens of millions of dollars in taxpayer assistance meant for Main Street businesses on the brink of bankruptcy.

One [survey](#) of small businesses found only 13% of the 45% that applied for a PPP loan were ever approved. Meanwhile, CEOs of large companies have managed to coast through the process. [Well over 700](#) publicly-traded firms or conflicted companies, some worth more than \$100 million, have received over a billion dollars in taxpayer money. We have seen [large banks like JPMorgan Chase and Wells Fargo](#) face lawsuits for prioritizing its "best clients" over other small businesses. We've seen how [wealth managers](#) masquerading as small businesses received bailouts. And giant food chains, including Ruth's Chris Steak House, Shake Shack, and Potbelly, were awarded hefty bailouts, as were [luxury hotel brands](#)

and [oil and gas companies](#). In fact, while mom and pop small businesses closed or were denied funds, [62% of all private 'Mining' corporations](#), including oil and gas, have been awarded PPP bailouts. We also saw PPP recipients [use the money](#) to maintain generous executive compensation.

While this was going on, one study estimated that [over 100,000 small businesses](#) have closed. A recent study by the University of California at Santa Cruz found that a staggering [40% of black-owned businesses are not expected to survive the pandemic](#).

## **COMMON SENSE FIXES TO MOVE FORWARD**

This past week, the administration said it would no longer commit to disclosing what entities received taxpayer money through the PPP. Treasury Secretary [Steven Mnuchin said](#) the administration wouldn't make the data available to the general public based on vague concerns about privacy, even though limited SBA loan [data](#) has been public for decades. Public pressure has caused Mnuchin to amend that claim, but it's unclear what that means.

Here at Accountable.US, we have the following criteria we believe should be the minimum disclosure standards that should be included:

- The trade and registered names of corporations, as well as those of their parent companies, that receive grants, loans, or any other funding;
- The demographic breakdown of what entities were women, veterans, or minority-owned;
- The amount of the funds received and what date;
- The number of employees at the time of the loan
- The amount of the funds that will be forgiven as a grant and how much needs to be repaid; and
- The terms of repayment, if applicable, including the interest rate charged and length of the loan.

We know that Trump has filled his administration with corporate lobbyists and special interest allies. And too many in Congress are all too happy to join in the effort to use taxpayer money to hand out special favors to corporate America, while American workers, particularly in underserved communities, continue to suffer. It doesn't have to be that way. Now's the time to fix it.

## **CONGRESS MUST LET THE SUNLIGHT IN**

This historic lack of transparency underscores that administration officials know just how badly they have botched this program from the start, and that full transparency would reveal the extent of their mismanagement.

If the administration refuses to act in good faith on issues of transparency and oversight, Congress must act. As the [Washington Post's Catherine Rampbell](#) wrote, "Oversight and transparency should be demanded of any major executive-branch spending program. That's especially true of *this* executive branch and *this* spending program, which are both unusually ripe for cronyism and abuse."

The CARES Act needs to be reauthorized by the end of June. Congress must demand any reauthorization include the oversight and disclosure requirements above.