

One Hundred Sixteenth Congress Committee on Homeland Security U.S. House of Representatives Washington, DC 20515

April 13, 2020

The Honorable Nancy Pelosi Speaker U.S. House of Representatives H-232, The Capitol Washington, D.C. 20515

The Honorable Steny Hoyer Majority Leader U.S. House of Representatives H-107, The Capitol Washington, D.C. 20515

The Honorable James E. Clyburn Majority Whip U.S. House of Representatives H-329, The Capitol Washington, D.C. 20515

Dear Speaker Pelosi, Leader Hoyer, and Whip Clyburn:

I write today to express my strong support for the creation of the House Select Committee on the Coronavirus Crisis, and to thank you for your leadership of the House of Representatives' ongoing work in response to the unprecedented public health and economic crises we are facing.<sup>1</sup> I also thank you for your continued focus on ensuring effective oversight of the trillions of taxpayer dollars that are being directed to support our nation's recovery.

As work continues on the establishment of the Select Committee, I write to recommend specific cross-cutting issues regarding implementation of the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Families First Coronavirus Response Act, and other legislation addressing the coronavirus pandemic that require sustained oversight from the Select Committee. My comments encompass three broad areas, as described in more detail below. I appreciate your

<sup>&</sup>lt;sup>1</sup> The Honorable Nancy Pelosi, Speaker of the U.S. House of Representatives, Dear Colleague to All Members Announcing House Select Committee on the Coronavirus Crisis (April 2, 2020) (online at www.speaker.gov/newsroom/4220).

consideration of these recommendations and look forward to working closely with you and the Select Committee to address these urgent issues.

## **Structure, Operations, and First Priorities**

To be most effective, the Select Committee must be capable of producing hard-hitting findings and concrete recommendations in near real-time to help shape the course of the Federal response. The Select Committee must be organized quickly, and it must be allocated the robust budget necessary to ensure it is staffed by experts in such fields as public health, economics, public finance, and the operations of Federal programs.

As there may be sustained efforts to impede oversight of the Federal response to the pandemic, the Committee must quickly establish effective working relationships with the oversight entities created in CARES and other legislation and with agency Inspectors General. However, the Committee must also be prepared on day one to seek relevant documents and information, particularly regarding those programs deemed to be at high risk, and it must be agile in responding to the information it receives.

I strongly agree the Committee must work to eliminate "waste, fraud, and abuse" and "price gouging and profiteering."<sup>2</sup> The Select Committee must also be the central mechanism the House uses to measure Federal expenditures against two critical, over-arching benchmarks: their effectiveness in supporting recovery among those most affected by COVID-19 and their effectiveness in preventing and preparing for future waves of infection. In addition to examining specific expenditures, the Committee must also closely examine the responsibilities, authorities, and capacities of both Federal and state agencies charged with implementing the CARES Act and other legislation related to the pandemic, and hold senior agency leadership accountable for managing programs in ways that will achieve national recovery and preparedness objectives while effectively stewarding taxpayer resources.

There are two key priorities that require immediate attention. First, the Select Committee must conduct comprehensive oversight of the supply chains through which personal protective equipment (PPE) and essential medical supplies and equipment are distributed to states. The Committee on Homeland Security has written to the Department of Homeland Security (DHS), the Department of Health and Human Services (HHS), and the Federal Emergency Management Agency (FEMA) seeking basic information on distributions of PPE and essential medical supplies and equipment from the Strategic National Stockpile, as well as the subsequent Federal role in acquiring PPE and medical supplies and equipment, supporting private supply chains, and actively managing the sale of PPE and essential medical supplies and equipment to states and counties.<sup>3</sup>

2 *Id*.

<sup>&</sup>lt;sup>3</sup> See e.g., Letter from Chairman Bennie G. Thompson, Committee on Homeland Security, to Acting Secretary Chad Wolf, Department of Homeland Security, and Secretary Alex M. Azar, II, Department of Health and Human Services (March 23, 2020) (online at https://homeland.house.gov/news/correspondence/thompson-writesdhs-and-hhs-on-tracking-masks-and-medical-supplies-fema-is-shipping-to-states); Letter from Chairman Bennie G. Thompson, Committee on Homeland Security, and Chairwoman Carolyn B. Maloney, Committee on Oversight and Reform, to Administrator Peter T. Gaynor, Federal Emergency Management Agency (April 7, 2020) (online at

To date, DHS, HHS, and FEMA have failed to provide the documents and information sought by the Committee. Ensuring that all health care workers have the PPE and medical supplies and equipment they need to test and treat patients with COVID-19 is one of the most urgent issues facing the nation at this time, and yet Congress has little visibility into the opaque and evolving roles of DHS, HHS, and FEMA in the acquisition and distribution processes. The Select Committee must quickly initiate oversight over this issue.

Similarly, the Select Committee must conduct thorough oversight of testing processes, particularly as the country prepares to begin relaxing social distancing protocols. The availability of testing kits and effective contact tracing procedures when new cases of COVID-19 are diagnosed will be essential to enabling the nation to safely resume near-normal economic activity, and oversight of these processes must be a key priority for the Select Committee.

## Focus on Minority Communities Disproportionately Affected by COVID-19

Although additional data are clearly needed, emerging evidence indicates that communities of color are disproportionately affected by COVID-19, and that mortality may be much higher among minorities than among other groups. For example, in my state of Mississippi, approximately 38% of residents are African Americans.<sup>4</sup> However, the State Department of Health has reported that, as of April 9, 2020, 54% of those diagnosed with COVID-19 are African American while 35% are white. Further, 67% of those who had died from COVID-19 in the state as of April 9 were African American, while 33% were white. African Americans who died from COVID-19 were also far more likely to have had underlying health conditions such as cardiovascular disease and diabetes.<sup>5</sup> These infection, morbidity, and mortality statistics demonstrate the disproportionate effect of COVID-19 on communities of color.

Unfortunately, the trends observed in Mississippi appear to be prevalent across the nation. For example, according to the *New York Times*, "The coronavirus is killing black and Latino people in New York City at twice the rate that it is killing white people" according to preliminary date released last week by the City of New York.<sup>6</sup> And an analysis by the *Washington Post* found that "counties that are majority-black have three times the rate of infections and almost six times the rate of deaths as counties where white residents are in the majority."<sup>7</sup> Keeping in mind that minority communities may have more limited access to testing for COVID-19, it is also possible that rates of infection, morbidity, and even mortality among minorities are being under-reported.

<sup>6</sup> New York Times, *Virus Is Twice as Deadly for Black and Latino People Than Whites in N.Y.C.* (April 8, 2020) (online at www.nytimes.com/2020/04/08/nyregion/coronavirus-race-deaths.html).

https://homeland.house.gov/news/correspondence/chairs-thompson-and-maloney-write-fema-on-coronavirus-response-supply-chain-issues).

<sup>4</sup> U.S. Census Bureau, Quick Facts: Mississippi (accessed on April 10, 2020) (online at www.census.gov/quickfacts/fact/table/MS/PST045219#PST045219).

<sup>&</sup>lt;sup>5</sup> Mississippi State Department of Health, Coronavirus Disease (COVID-19)—COVID-19 in Mississippi and the U.S. (accessed April 10, 2020) (online at https://msdh.ms.gov/msdhsite/\_static/14,0,420.html).

<sup>7</sup> Washington Post, *The coronavirus is infecting and killing black Americans at an alarmingly high rate* (April 7, 2020) (online at www.washingtonpost.com/nation/2020/04/07/coronavirus-is-infecting-killing-black-americans-an-alarmingly-high-rate-post-analysis-shows/?arc404=true).

The Select Committee must document the disproportionate impact of COVID-19 on communities of color. All aspects of the Committee's work must be informed by this data so that the Committee can maintain a laser-focus on detailing how Federal policies are responding to this disproportionate impact by addressing the many factors that leave minority communities so vulnerable to this disease.

The Select Committee must review public health strategies to ensure that they address the heightened risks of infection and death from COVID-19 in minority communities. The Committee must also rigorously assess the extent to which under CARES and other legislation, Federal expenditures in the healthcare, education, social welfare, and industry rescue sectors address the pandemic's disproportionate effects on minority communities, including the extent to which expenditures improve resilience among at-risk communities. Similarly, as part of its review of small business lending, the Select Committee must carefully review lending patterns to disadvantaged business enterprises.

Finally, it is likely that highly vulnerable populations—such as children, individuals with special needs, and the elderly—may face unique and especially difficult long-term consequences as a result of the pandemic and the economic displacement it causes. Of particular concern is addressing the impact of the crisis on children. Just over 16% of children in the U.S. lived in poverty in 2018—and, sadly, that figure is likely to spike as a result of the coronavirus pandemic.8 Science is also clear that adverse childhood events (ACES) can "have lasting, negative effects on health, well-being, and opportunity." While poverty is not itself an ACE, the Centers for Disease Control and Prevention (CDC) identifies it as an associated condition and warns that together, "ACES and associated conditions, such as living in under-resourced or racially segregated neighborhoods" and "experiencing food insecurity" can lead to "toxic stress," which "can change brain development" in ways that have life-time consequences.9 At a time when millions of families are losing employment and struggling to make ends meet—and children may be unable to attend school for as long as half a year—the Select Committee must examine the unique needs of children during this crisis and assess how Federal aid efforts are meeting these needs.

## **Prioritizing the Protection of Workers**

Obviously, the Select Committee must carefully review the loans, loan guarantees, and other investments made in eligible businesses in distressed economic sectors under CARES and other legislation, including the covenants, representations, warranties, and other requirements imposed as conditions of aid. However, because of the Senate's unwillingness to impose stricter worker-protection criteria, the CARES Act has only limited protections to ensure that businesses receiving aid prioritize the retention of workers "to the extent practicable."<sup>10</sup> The Committee must therefore

<sup>&</sup>lt;sup>8</sup> U.S. Census Bureau, *Income and Poverty in the United States: 2018—Current Population Reports* (Sept. 2019) (online at <a href="http://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-266.pdf">www.census.gov/content/dam/Census/library/publications/2019/demo/p60-266.pdf</a>).

<sup>9</sup> Centers for Disease Control and Prevention, "Preventing Adverse Childhood Experiences" (April 3, 2020) (online at <u>www.cdc.gov/violenceprevention/childabuseandneglect/aces/fastfact.html</u>).

document the full impact of Federal aid to industry on job retention, workers' wages and benefits, and economic recovery among low-income and middle-class Americans, including assessing the trajectory of recovery among different income brackets and the long-term consequences of potentially uneven recovery on economic inequality among Americans.

The Committee must also closely assess whether Federal aid is comprehensively addressing what may be the profound cascade of economic harms that the prolonged shutdown of economic activity needed to slow the spread of coronavirus will impose on low-income and even middle-class families. According to the Federal Reserve, even before the pandemic hit, approximately 40% of Americans reported that they would have "difficulty" covering an extra expense of \$400, and minorities were more likely than other groups to report they would face such difficulty.11 The harms suffered by those who were already living on the margins as a result of this crisis are likely to be severe and multi-faceted.

The direct payments and expanded unemployment benefits provided by CARES and other legislation will provide essential support in the short-term, but the disruptions workers and their families face will likely lead to unforeseen conditions that may continue to destroy household wealth. Newly unemployed Americans will also be facing challenges unique to this moment, including the need to seek new work at a time when the national economy will likely be contracting.<sup>12</sup> The Select Committee must assess whether Federal expenditures address in a comprehensive manner the full spectrum of harms families may face.

Finally, many of those who have lost their jobs as a result of the pandemic will also lose their employer-sponsored healthcare. While newly unemployed individuals and families could seek insurance on the exchanges created by the Affordable Care Act or may even qualify for Medicaid, as you well know, the "Trump administration in recent years has also added more red tape and obstacles for people looking to sign up for those programs and hasn't shown any signs it will waive those requirements because of the pandemic."<sup>13</sup> It is imperative that the Select Committee examine how the hurdles intentionally placed in the way of accessing health care under the Affordable Care Act are affecting those who lose health insurance when they become unemployed as a result of the coronavirus.

## Conclusion

<sup>12</sup> Reuters, *Goldman Sachs slashes U.S. GDP estimate further* (March 31, 2020) (online at www.reuters.com/article/us-health-coronavirus-goldman/goldman-sachs-slashes-us-gdp-estimate-further-idUSKBN21I235).

<sup>13</sup> The Hill, *Coronavirus double whammy: unemployed and uninsured* (April 9, 2020) (online at https://thehill.com/policy/healthcare/491914-coronavirus-double-whammy-unemployed-and-uninsured).

<sup>10</sup> Pub. L. 116-136.

<sup>&</sup>lt;sup>11</sup> Board of Governors of the Federal Reserve System, "Report on the Economic Well-Being of U.S. Households in 2018" (May 2019) (online at <u>www.federalreserve.gov/publications/2019-economic-well-being-of-us-households-in-2018-dealing-with-unexpected-expenses.htm</u>).

I truly appreciate your leadership in these unprecedented times. A Select Committee is urgently needed to conduct oversight of the issues of greatest concern to the American public during our ongoing effort to combat COVID-19 and restore our economy, and I thank you for the opportunity to share these observations and recommendations regarding that Committee's work. Please do not hesitate to contact me whenever I may be of any assistance.

Sincerely,

Bennie Athonpoo

BENNIE G. THOMPSON Chairman