

**Congress of the United States**  
**Washington, DC 20515**

March 3, 2021

The Honorable Janet Yellen  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Ms. Tami Perriello  
Acting Administrator  
Small Business Administration  
409 3rd Street, S.W.  
Washington, D.C. 20416

Dear Secretary Yellen and Ms. Perriello:

For the past eight months, the Select Subcommittee on the Coronavirus Crisis has been investigating whether implementation of the Paycheck Protection Program (PPP) favored large, well-funded companies over truly struggling small businesses and whether program funds were diverted by fraud, waste, and abuse.<sup>1</sup> Last year, the Select Subcommittee found evidence that the previous Administration failed to prioritize underserved communities and did not institute adequate safeguards against fraud. Unfortunately, due to the Trump Administration's refusal to comply with our investigation, the Select Subcommittee was unable to obtain key information about how the Treasury Department (Treasury) and Small Business Administration (SBA) managed the program. I am encouraged by the Biden Administration's recently announced enhancements to the PPP, which will help target the program as Congress intended and prevent fraud. The Select Subcommittee is continuing its investigation to understand what went wrong last year and determine whether additional steps are needed to ensure that remaining PPP funds are allocated to small businesses truly in need.

Congress established the PPP to help small businesses and non-profit organizations survive the coronavirus crisis by providing forgivable loans to cover payroll, rent, and utility payments. The CARES Act urged SBA to issue guidance "to ensure that the processing and disbursement of covered loans prioritizes small business concerns and entities in underserved and rural markets," including businesses owned by veterans, members of the military, socially and economically disadvantaged individuals, and women.<sup>2</sup>

---

<sup>1</sup> Select Subcommittee on the Coronavirus Crisis, *Press Release: Select Subcommittee Launches Investigation Into Disbursement of PPP Funds* (June 15, 2020) (online at <https://coronavirus.house.gov/news/press-releases/select-subcommittee-launches-investigation-disbursement-ppp-funds>).

<sup>2</sup> Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, §§ 1102, 1106 (2020).

Despite Congress’s clear intent, the Select Subcommittee found that the prior Administration and many big banks failed to prioritize small businesses in underserved markets, including minority and women-owned businesses. Under the Trump Administration, SBA and Treasury failed to issue meaningful guidance to lenders to prioritize underserved markets. Instead, Treasury privately encouraged banks to limit their PPP lending to existing customers—excluding many minority and women-owned small businesses that are less likely to have a pre-existing banking relationship. Documents obtained by the Select Subcommittee revealed Treasury privately told lenders to “go to their existing customer base” when issuing PPP loans. Unsurprisingly, many banks followed Treasury’s direction, even though they recognized this approach created “a heightened risk of disparate impact on minority and women-owned businesses.”<sup>3</sup>

The Select Subcommittee also found that even as the intended recipients struggled to access PPP funds, Treasury and SBA failed to institute adequate safeguards to prevent fraud, waste, and abuse. The Select Subcommittee’s analysis revealed a total of 22,529 PPP loans worth more than \$4.2 billion issued by the prior Administration that could be subject to fraud, waste, or abuse.<sup>4</sup> On September 1, 2020, I referred these potentially fraudulent loans to the Inspectors General at Treasury and SBA for examination and called for the Inspectors General to conduct a review of the program’s oversight and accountability mechanisms.<sup>5</sup>

The SBA Inspector General has since found that nearly 55,000 loans for approximately \$7 billion were issued to potentially ineligible businesses. The Inspector General concluded that under the Trump Administration, SBA’s efforts “to hurry capital to businesses were at the expense of controls that could have reduced the likelihood of ineligible or fraudulent business obtaining a PPP loan.” The Inspector General also found that SBA’s loan data “was inaccurate and incomplete,” and that “SBA guidance was not sufficient to ensure PPP lenders prioritized underserved markets during the initial round of funding.”<sup>6</sup>

---

<sup>3</sup> Select Subcommittee on the Coronavirus Crisis, Staff Report: *Underserved and Unprotected: How the Trump Administration Neglected the Neediest Small Businesses in the PPP* (Oct. 16, 2020) (online at [coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/PPP%20Report%20Final%20%283%29.pdf](https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/PPP%20Report%20Final%20%283%29.pdf)). Because the prior Administration did not collect demographic information from PPP applicants during the first iteration of the program, the Select Subcommittee lacks hard data on how disparities in processing times impacted minority and women-owned businesses. However, data shows that minority and women-owned small businesses tend to be smaller than businesses with owners who are white and male.

<sup>4</sup> Select Subcommittee on the Coronavirus Crisis, *Preliminary Analysis of Paycheck Protection Program Data* (Sept. 1, 2020) (online at [coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/2020-09-01.PPP%20Interim%20Report.pdf](https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/2020-09-01.PPP%20Interim%20Report.pdf)).

<sup>5</sup> Letter from Chairman James E. Clyburn, Select Subcommittee on the Coronavirus Crisis, to Inspector General Hannibal “Mike” Ware, Small Business Administration, and Acting Inspector General Richard K. Delmar, Department of the Treasury (Sept. 1, 2020) (online at [coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/2020-09-01.Clyburn%20to%20Ware%20and%20Delmar%20re%20SBA%20OIG%20.pdf](https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/2020-09-01.Clyburn%20to%20Ware%20and%20Delmar%20re%20SBA%20OIG%20.pdf)).

<sup>6</sup> Small Business Administration, Office of Inspector General, *Inspection of SBA’s Implementation of the Paycheck Protection Program* (Jan. 14, 2021) (online at [www.sba.gov/document/report-21-07-inspection-sbas-implementation-paycheck-protection-program](https://www.sba.gov/document/report-21-07-inspection-sbas-implementation-paycheck-protection-program)).

In December 2020, Congress appropriated over \$284 billion in the 2021 Consolidated Appropriations Act to reopen the PPP for additional first and second draw loans. In addition to setting aside additional funds for community development financial institutions and minority depository institutions, the Act mandated the addition of a demographic questionnaire to the PPP application and directed SBA to “issue guidance addressing barriers to accessing capital for minority, underserved, veteran, and women-owned business concerns for the purpose of ensuring equitable access to covered loans.”<sup>7</sup>

On February 22, 2021, the Biden Administration, in a sharp departure from the Trump Administration, announced key changes to the PPP to promote more equitable access to relief. Among other reforms, President Biden implemented a 14-day period during which only the smallest business can apply for a loan; offered additional financial support to sole proprietors, independent contractors, and self-employed individuals; and removed a restriction that prevented small business owners with prior non-fraud felony convictions from obtaining a PPP loan. The Biden Administration also implemented new controls on the PPP, which condition loan approval on passing SBA’s fraud checks, Treasury’s Do Not Pay database, and public records searches.<sup>8</sup>

I am optimistic that with these reforms, PPP lenders will be able to focus on prioritizing the businesses that most need relief, a key step in jumpstarting our nation’s economic recovery. However, it remains important to understand why the previous Administration failed to implement the PPP as Congress intended, in order to learn from these mistakes and identify any additional steps that must be taken to help the neediest small businesses and eliminate fraud, waste, and abuse.

To those ends, I am respectfully renewing my requests for the following documents and information, covering the period from March 1, 2020, to January 20, 2021. Please produce these documents by March 17, 2021:

1. All formal or informal guidance regarding PPP requirements, including but not limited to guidance regarding SBA’s “first come, first served” policy, the prioritization or exclusion of any applicants, and the issuance of loans to entities in underserved and rural markets;
2. All communications with JPMorgan Chase, Bank of America, PNC, Truist, Wells Fargo, U.S. Bank, Citibank, and Santander regarding requirements, guidelines, policies, and procedures for marketing, originating, and servicing PPP loans, including, but not limited to, any communications addressing the prioritizing of

---

<sup>7</sup> Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, §§ 309, 311, 522 (2020).

<sup>8</sup> The White House, *Fact Sheet: Biden-Harris Administration Increases Lending to Small Businesses in Need, Announces Changes to PPP to Further Promote Equitable Access to Relief* (Feb. 22, 2021) (online at [www.whitehouse.gov/briefing-room/statements-releases/2021/02/22/fact-sheet-biden-harris-administration-increases-lending-to-small-businesses-in-need-announces-changes-to-ppp-to-further-promote-equitable-access-to-relief/](http://www.whitehouse.gov/briefing-room/statements-releases/2021/02/22/fact-sheet-biden-harris-administration-increases-lending-to-small-businesses-in-need-announces-changes-to-ppp-to-further-promote-equitable-access-to-relief/)).

existing customers, banks' anti-money laundering and know-your-customer obligations, and banks' fair lending obligations;

3. All communications regarding PPP with industry associations, including but not limited to communications with the American Bankers Association, the Bank Policy Institute, the Consumer Bankers Association, the Credit Union National Association, the National Association of Government Guaranteed Lenders, and the U.S. Chamber of Commerce, including, but not limited to, any communications addressing the prioritizing of existing customers, banks' anti-money laundering and know-your-customer obligations, and banks' fair lending obligations; and
4. All communications regarding the prioritization of loans to small businesses in underserved and rural markets, as well as the decision not to include an optional demographic questionnaire in the original PPP application process, including internal SBA and Treasury communications, communications between SBA and Treasury, and communications with other federal agencies, the White House, or third parties.

In addition, the Select Subcommittee requests a staff briefing from the Treasury Department and SBA on these issues, including recent steps taken to enhance implementation of the program, by March 17, 2021.

The Select Subcommittee also requests that you continue to produce loan level information for all PPP applications, consistent with the Select Subcommittee's June 15, 2020, request.

These requests are consistent with the House's authorization of the Select Subcommittee on the Coronavirus Crisis "to conduct a full and complete investigation" of "issues related to the coronavirus crisis," including the "preparedness for and response to the coronavirus crisis" and "executive branch policies, deliberations, decisions, activities, and internal and external communications related to the coronavirus crisis."<sup>9</sup>

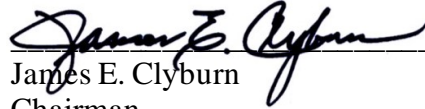
An attachment to this letter provides additional instructions for responding to the Select Subcommittee's request. If you have any questions regarding this request, please contact Select Subcommittee staff at (202) 225-4400.

---

<sup>9</sup> H.Res. 8, sec. 4(f), 117th Cong. (2021); H.Res. 935, 116th Cong. (2020).

The Honorable Janet Yellen  
Ms. Tami Perriello  
Page 5

Sincerely,

A handwritten signature in black ink, reading "James E. Clyburn", written over a horizontal line.

James E. Clyburn  
Chairman

Select Subcommittee on the Coronavirus Crisis

Enclosure

cc: The Honorable Steve Scalise, Ranking Member  
Select Subcommittee on the Coronavirus Crisis

## Responding to Oversight Committee Document Requests

1. In complying with this request, produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. Produce all documents that you have a legal right to obtain, that you have a right to copy, or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party.
2. Requested documents, and all documents reasonably related to the requested documents, should not be destroyed, altered, removed, transferred, or otherwise made inaccessible to the Committee.
3. In the event that any entity, organization, or individual denoted in this request is or has been known by any name other than that herein denoted, the request shall be read also to include that alternative identification.
4. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, thumb drive, or secure file transfer) in lieu of paper productions.
5. Documents produced in electronic format should be organized, identified, and indexed electronically.
6. Electronic document productions should be prepared according to the following standards:
  - a. The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
  - b. Document numbers in the load file should match document Bates numbers and TIF file names.
  - c. If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
  - d. All electronic documents produced to the Committee should include the following fields of metadata specific to each document, and no modifications should be made to the original metadata:  
  
BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH, PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE, SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM, CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,

INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION,  
BEGATTACH.

7. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, zip file, box, or folder is produced, each should contain an index describing its contents.
8. Documents produced in response to this request shall be produced together with copies of file labels, dividers, or identifying markers with which they were associated when the request was served.
9. When you produce documents, you should identify the paragraph(s) or request(s) in the Committee's letter to which the documents respond.
10. The fact that any other person or entity also possesses non-identical or identical copies of the same documents shall not be a basis to withhold any information.
11. The pendency of or potential for litigation shall not be a basis to withhold any information.
12. In accordance with 5 U.S.C. § 552(d), the Freedom of Information Act (FOIA) and any statutory exemptions to FOIA shall not be a basis for withholding any information.
13. Pursuant to 5 U.S.C. § 552a(b)(9), the Privacy Act shall not be a basis for withholding information.
14. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
15. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) every privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author, addressee, and any other recipient(s); (e) the relationship of the author and addressee to each other; and (f) the basis for the privilege(s) asserted.
16. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (by date, author, subject, and recipients), and explain the circumstances under which the document ceased to be in your possession, custody, or control.
17. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, produce all documents that would be responsive as if the date or other descriptive detail were correct.

18. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data, or information not produced because it has not been located or discovered by the return date shall be produced immediately upon subsequent location or discovery.
19. All documents shall be Bates-stamped sequentially and produced sequentially.
20. Two sets of each production shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2105 of the Rayburn House Office Building.
21. Upon completion of the production, submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control that reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

### **Definitions**

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, data, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, communications, electronic mail (email), contracts, cables, notations of any type of conversation, telephone call, meeting or other inter-office or intra-office communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape, or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, mail, releases, electronic



message including email (desktop or mobile device), text message, instant message, MMS or SMS message, message application, or otherwise.

3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information that might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neutral genders.
4. The term “including” shall be construed broadly to mean “including, but not limited to.”
5. The term “Company” means the named legal entity as well as any units, firms, partnerships, associations, corporations, limited liability companies, trusts, subsidiaries, affiliates, divisions, departments, branches, joint ventures, proprietorships, syndicates, or other legal, business or government entities over which the named legal entity exercises control or in which the named entity has any ownership whatsoever.
6. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual’s complete name and title; (b) the individual’s business or personal address and phone number; and (c) any and all known aliases.
7. The term “related to” or “referring or relating to,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is pertinent to that subject in any manner whatsoever.
8. The term “employee” means any past or present agent, borrowed employee, casual employee, consultant, contractor, de facto employee, detailee, fellow, independent contractor, intern, joint adventurer, loaned employee, officer, part-time employee, permanent employee, provisional employee, special government employee, subcontractor, or any other type of service provider.
9. The term “individual” means all natural persons and all persons or entities acting on their behalf.