



# Transparency into \$5 Trillion: How the PRAC Protects Pandemic Relief Funds

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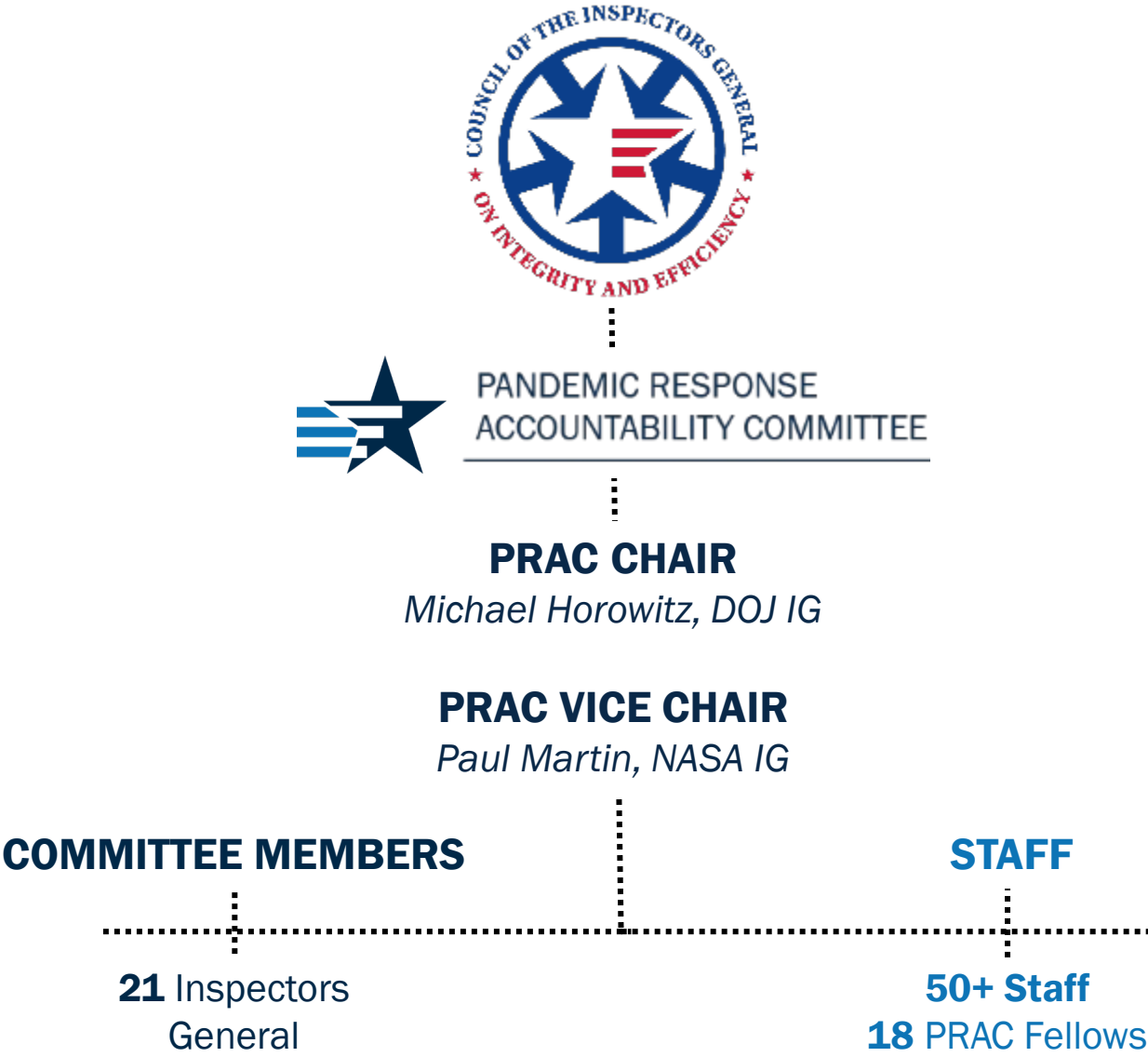
GAO Intergovernmental Audit Forum  
December 8, 2022

# What is the PRAC?

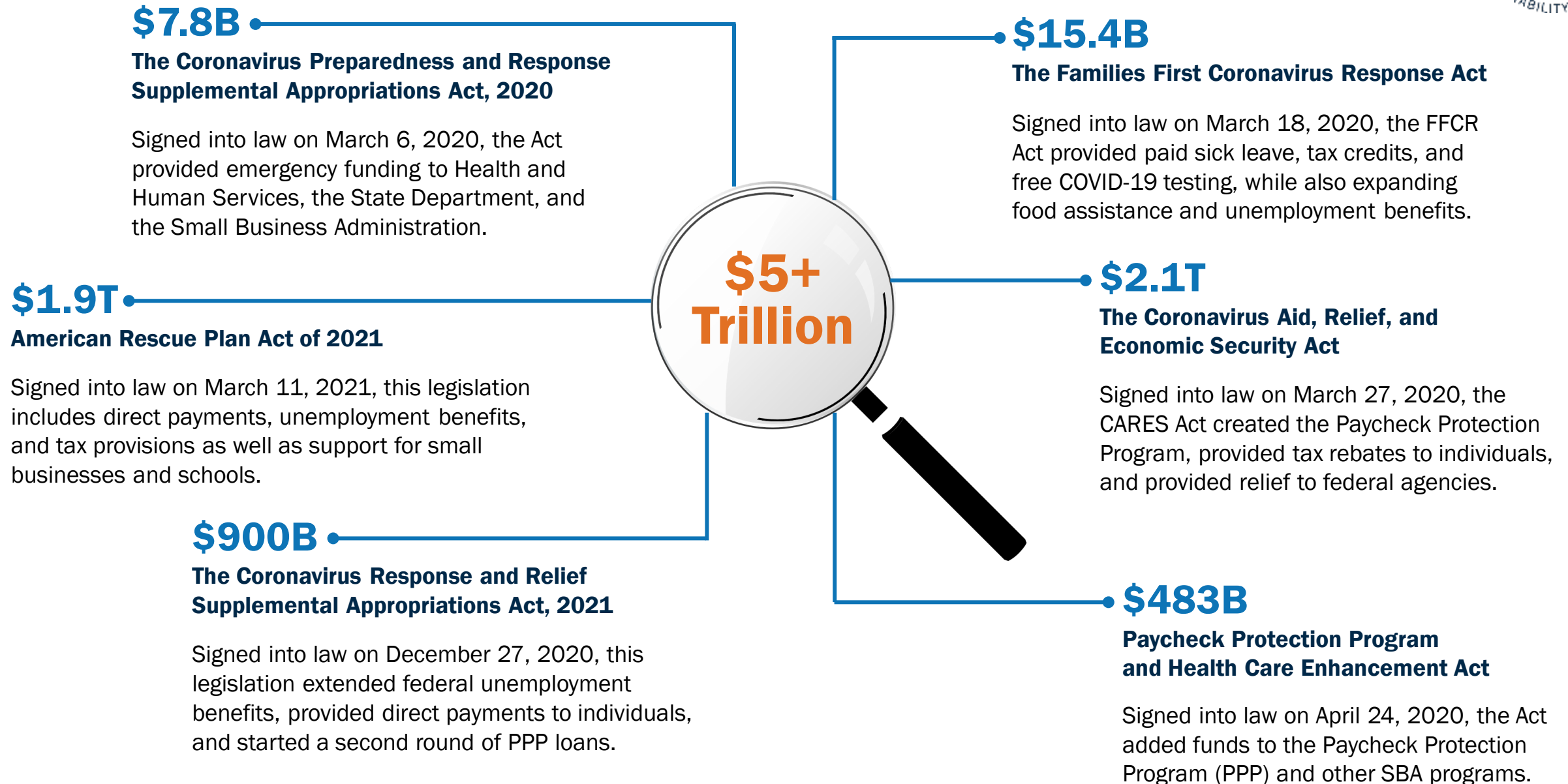


- March 2020 — the CARES Act created the Pandemic Response Accountability Committee to conduct independent oversight of COVID-19 relief funds.
- Comprised of 21 federal Inspectors General
- Support a community of 10,000 auditors and 3,400 investigators.
- Mitigates fraud risks that cut across program and agency boundaries.

# PRAC Structure



# The PRAC Oversees \$5T in Pandemic Relief



# The Pandemic by the Numbers



**98.7M+**  
Cases in U.S.

**1.07M+**  
Deaths in U.S.

**43**  
Federal Agencies  
Involved

**\$4.04T**  
Dollars Spent

**14.9M**  
Award Recipients

**\$792B**  
PPP Loans

**\$857B**  
Economic Impact  
Payments

**\$896B**  
UI Benefits



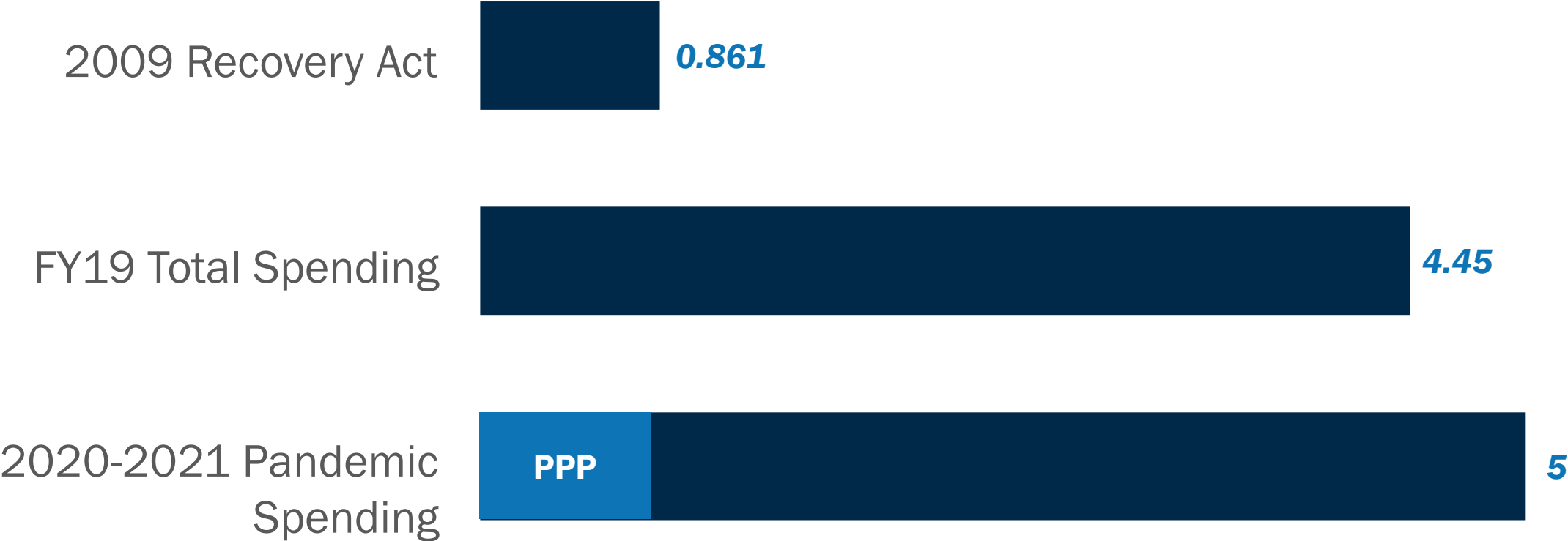
# The Speed of Pandemic Relief Spending



...in just its first 14 days, about 1.7 million PPP loans were issued with disbursements of upwards of \$343 billion.

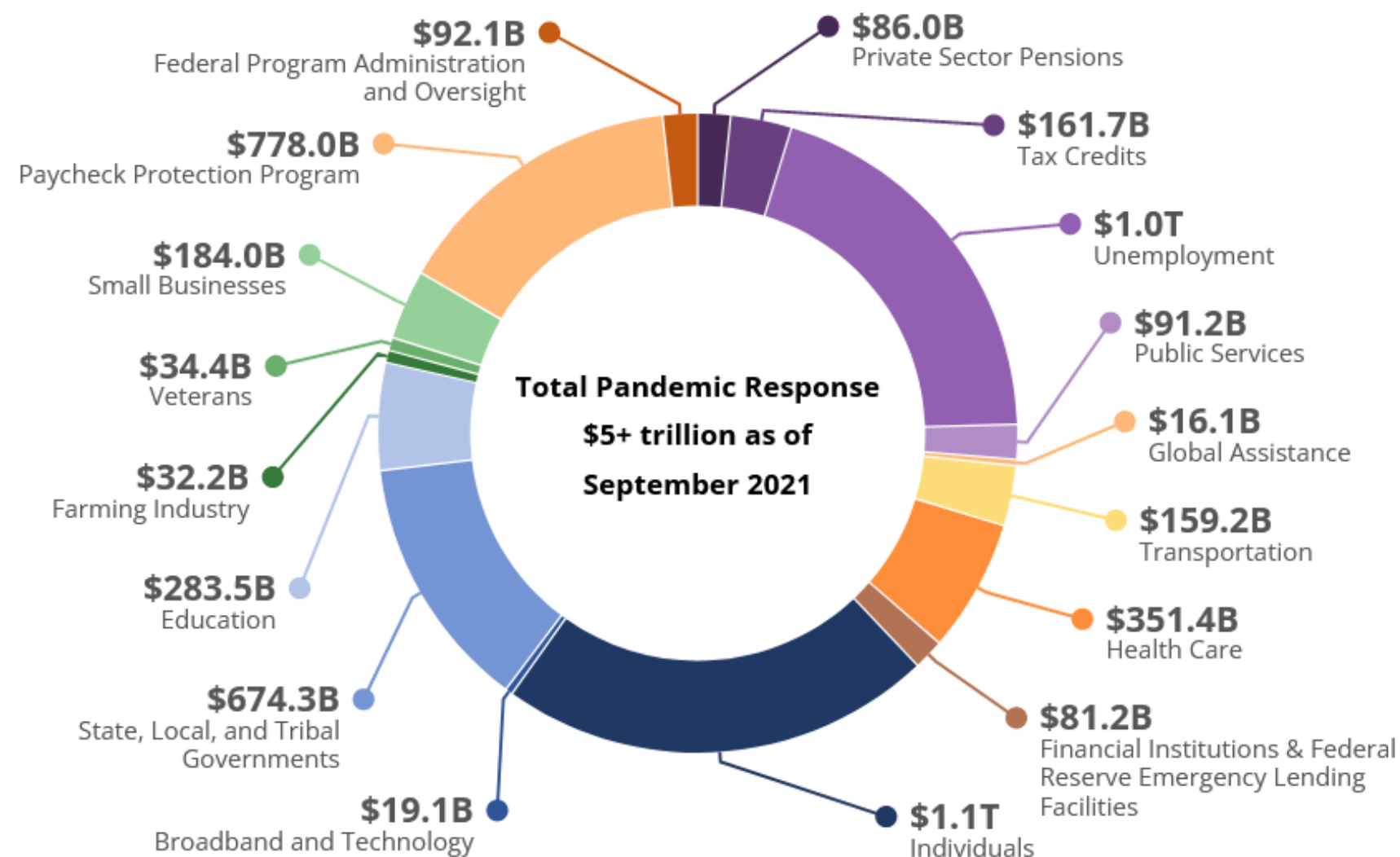


# U.S. Pandemic Relief Spending in Context



\$ in Trillions

# How Were Pandemic Relief Funds Spent?



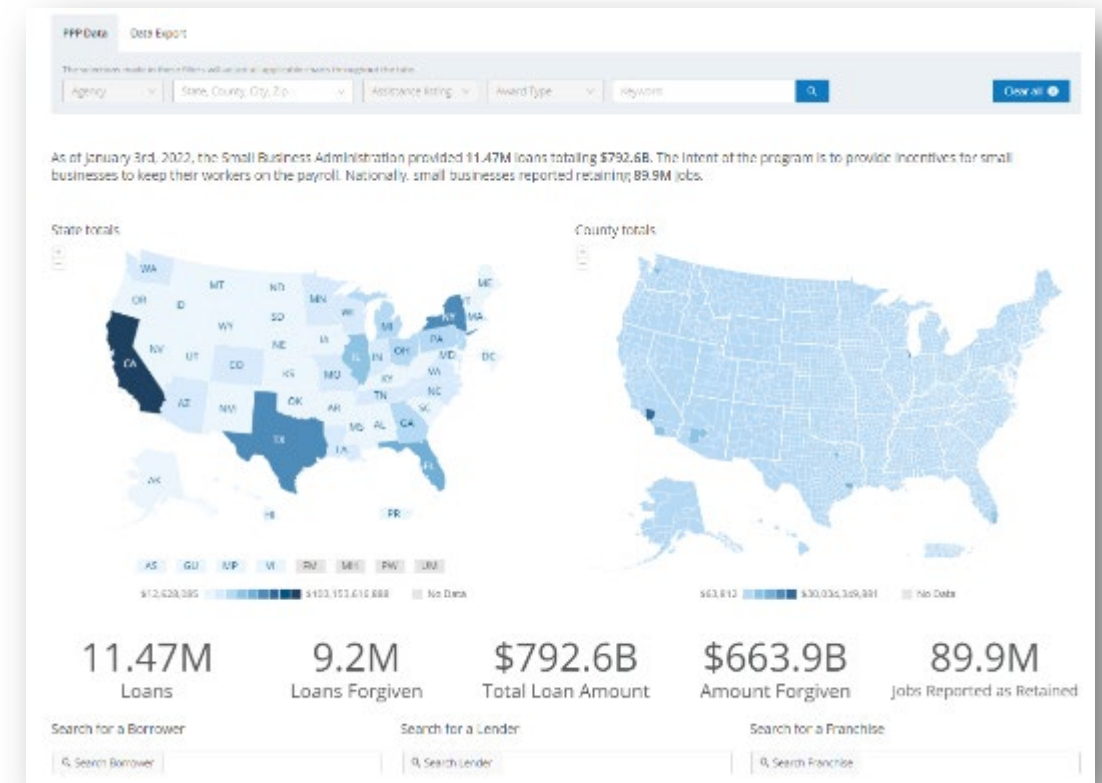


# Tracking the Money on PandemicOversight.gov



Our website enables the public to track pandemic spending in multiple ways.

- Explore nearly 22 million awards, like grants and contracts, that went to **individuals**.
- See all the relief programs that **federal agencies**, like the Dept. of Health & Human Services, are responsible for administering.
- Dig into dashboards for **specific programs**, like the Restaurant Revitalization Fund.

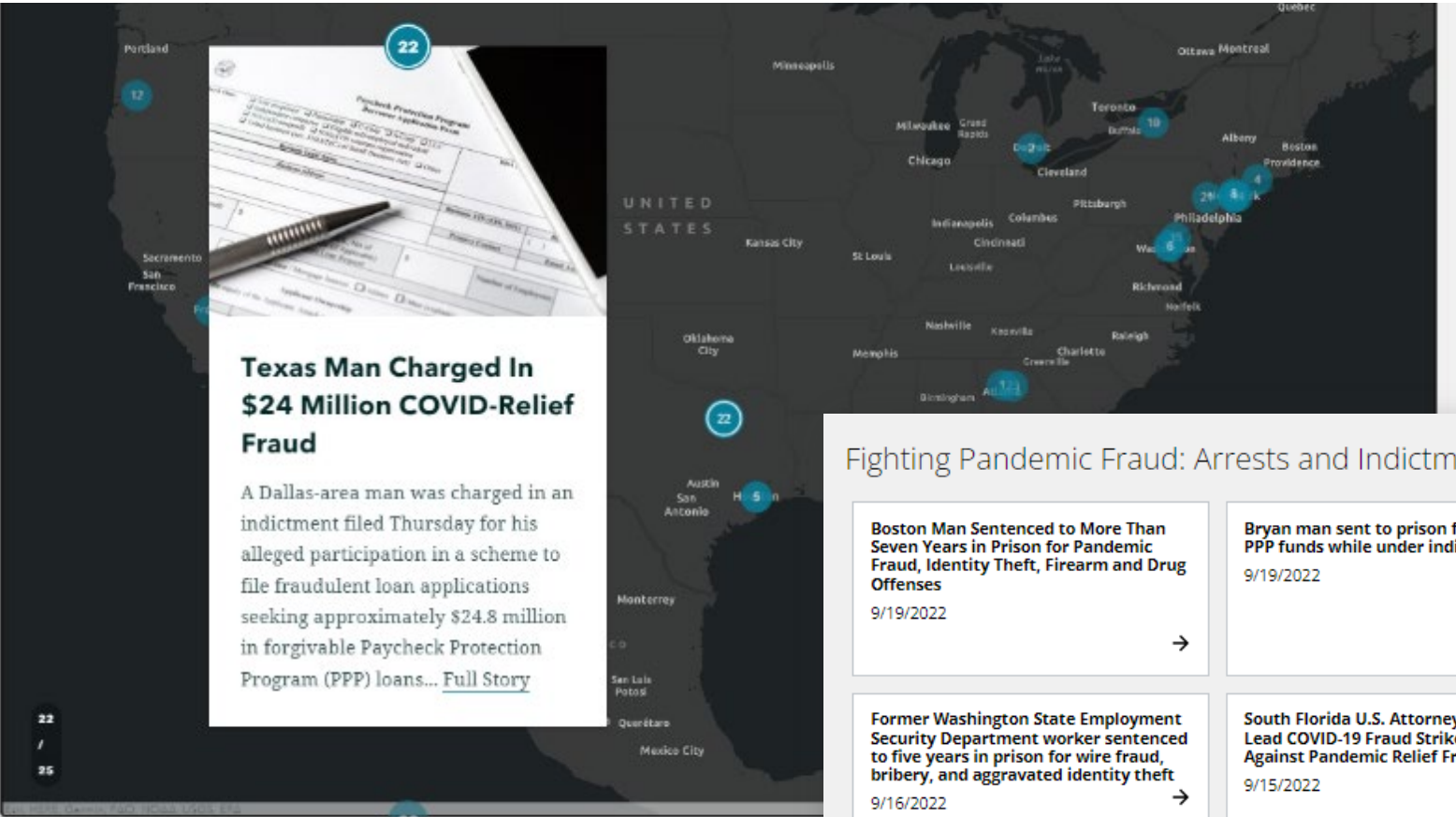


# Tracking Fraud on PandemicOversight.gov



## Biggest Fraud Cases

The Department of Justice and our PRAC members are hard at work, finding and charging criminals in fraud cases. Where have we found fraud? Take a look.



### Fighting Pandemic Fraud: Arrests and Indictments

<b>Boston Man Sentenced to More Than Seven Years in Prison for Pandemic Fraud, Identity Theft, Firearm and Drug Offenses</b> 9/19/2022	<b>Bryan man sent to prison for receiving PPP funds while under indictment</b> 9/19/2022	<b>Baltimore Man Sentenced to Over Four Years in Federal Prison for Submitting Over \$660,000 in Fraudulent Cares Act Loan Applications, a Wire Fraud Conspiracy And Aggravated Identity Theft</b> 9/16/2022
<b>Former Washington State Employment Security Department worker sentenced to five years in prison for wire fraud, bribery, and aggravated identity theft</b> 9/16/2022	<b>South Florida U.S. Attorney's Office to Lead COVID-19 Fraud Strike Force Team Against Pandemic Relief Fraud</b> 9/15/2022	<b>Victorville Woman Arrested on Indictment Alleging She Used Prison Inmates' Names to Fraudulently Obtain Over \$500,000 in COVID Relief</b> 9/14/2022

See all cases

### Biggest Fraud Cases



The Department of Justice and our PRAC members are hard at work, finding and charging criminals in fraud cases. Where have we found fraud? Take a look.

# Federal Oversight Reports



518+  
Federal IG  
Reports

An official website of the United States government

REPORT FRAUD, WASTE & ABUSE

Pandemic Oversight  
Making sense of COVID-19 relief spending and programs

Spotlight on... About Us Reporting on Oversight Data & Interactive Tools News & Events

hdogs more time to fight pandemic fraud. [Read our press release to find out more.](#)

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☐ OMB Reports (4)

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Reports

Search reports, investigative results, and agency plans

Showing 1 - 10 of 2050 results

Reports per page 10

DEPARTMENT OF JUSTICE

**Illinois Man Sentenced to 55 Months in Prison**

United States Attorney Clifford D. Johnson said, "This prosecution shows that my Office will aggressively prosecute persons who, by means of fraud, obtain federal funds that Congress appropriated to assist unemployed persons through the economic hardship created by the COVID pandemic. Such theft of federal funds tears the safety net that Congress implemented for American workers and their families."

Investigative Results | 9/08/2022

DEPARTMENT OF JUSTICE

**Former Everett Man Pleads Guilty to Wire Fraud, Social Security Misuse and Identity Theft**

BOSTON – A former Everett man pleaded guilty yesterday in federal court in Boston to identity theft and fraud charges in connection with multiple schemes to fraudulently obtain an apartment as well as pandemic-related relief funds from the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program made available under the Coronavirus Aid, Relief, and Economic Security Act.

Investigative Results | 9/08/2022

# State & Local Oversight Reports



## State & Local Information

Looking for COVID-19 information for your state?

Find your state's COVID-19 resources website, or learn more about local program management with data stories.

See more

Connect with Federal Oversight Professionals

Get help producing oversight reports with our agile toolkit, or connect with the PRAC or other Federal IGs.

Get started here

### State COVID-19 websites

recovery and response.

- Alaska**  
View information about Alaska's COVID-19 response and recovery.
- Arizona**  
View information about Arizona's COVID-19 response and recovery.
- Arkansas**  
View information about Arkansas' COVID-19 response and recovery, including the State coordin...
- California**  
View information on California's COVID-19 response and recovery.
- Colorado**  
View information about Colorado's COVID-19 response and recovery.

### TOOLS AND RESOURCES FOR STATE

- [Agile Products Toolkit](#)
  - A set of guidelines, best practices, and less...
- [Fraud Risk Inventory for the CDBG and ESG CARES Act Funds](#)
  - The Community Development Block Grant (CDBG) and Emergency Solutions Grants (ESG) provides grants to states and local governments to prevent, prepare for, and respond to the spread of COVID-19. Read more about our Fraud Risk Inventory for both programs in a report provided by the Department of Housing and Urban Development.
- [Guidance on the State and Local Fiscal Recovery Fund \(SLFRF\)](#)
  - Guidance from the Department of Treasury on SLFRF, which delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.
- [Lessons Learned](#)
  - Reports and other communications highlight lessons learned arising from programs and operations related to economic crises and other disasters, including the coronavirus pandemic.

A map of the United States with numerous blue location pins placed across various states, indicating the presence of state COVID-19 websites or data stories.

### State and Local Oversight Reports

We provide pandemic-related oversight reports in our Reports Library. [See how others in the state and local community are conducting oversight work.](#)

Connect with the PRAC

264+  
State & Local  
Reports

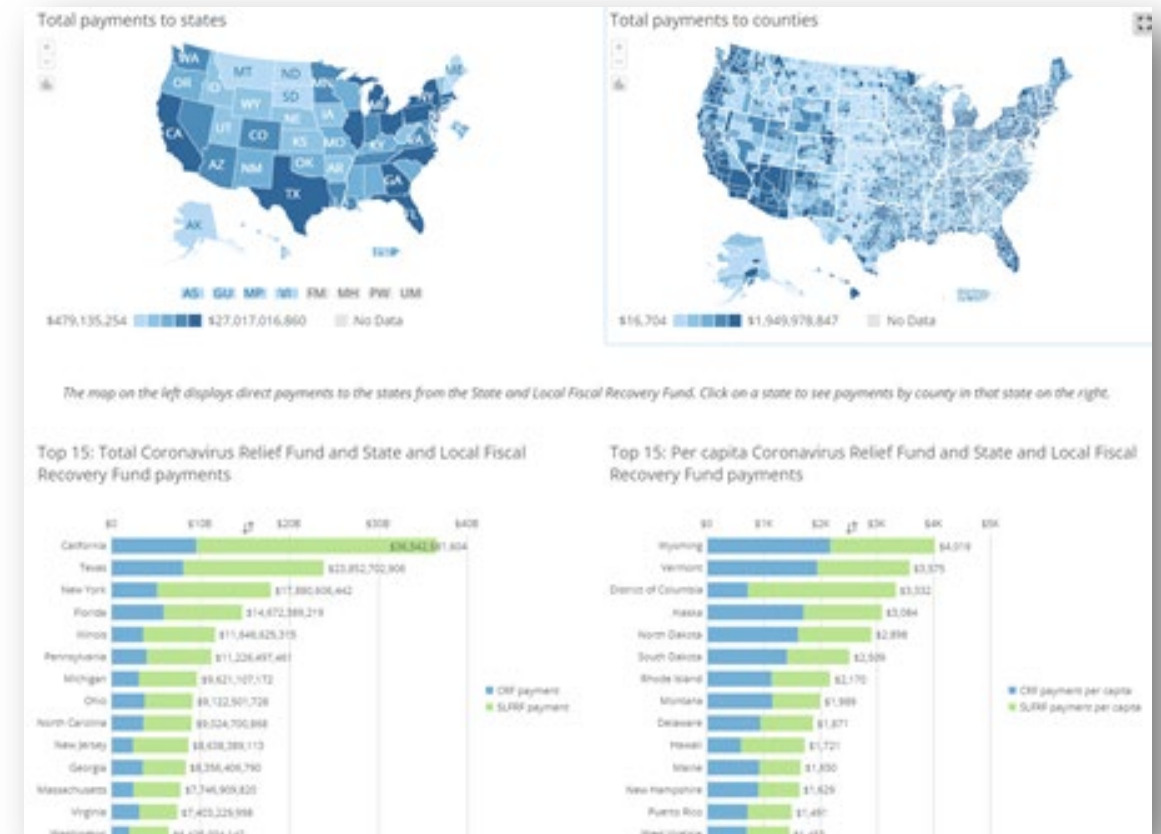


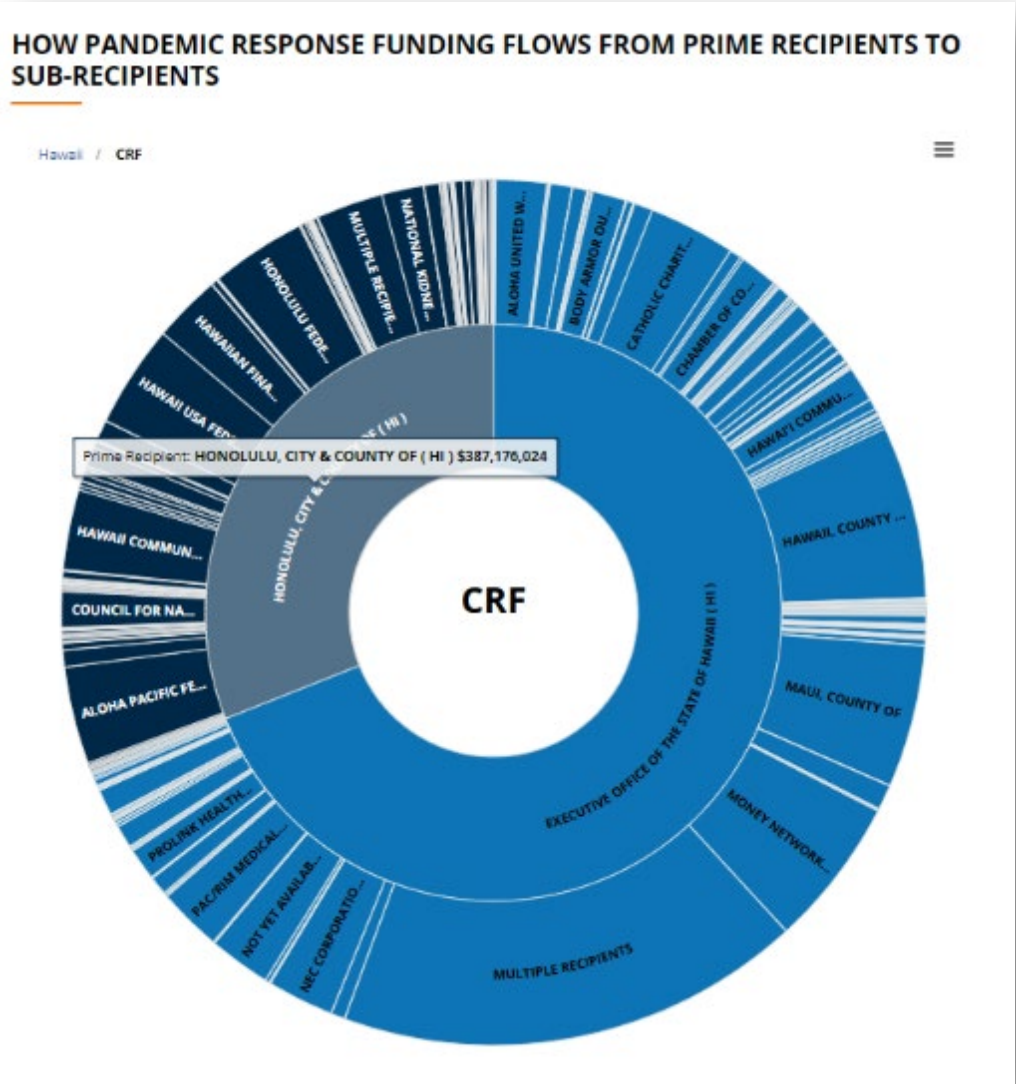
# Data Stories



## State and local governments spent \$150B. Then got \$350B more.

Our interactive data maps display direct payments to states and counties. We also break down the top 15 SLFRF payments per state and per capita. State spending plans that were submitted to the U.S Department of Treasury are also made available.





## Making sense of prime and sub-recipient data.

See how funding flows from prime recipients to sub-recipients—the Department of the Treasury made a direct payment of \$862 million from the Coronavirus Relief Fund (CRF) to the Executive Office of the State of Hawaii – the prime recipient. Then, \$67 million of that was given to the County of Maui, the sub-recipient, for COVID-19 response efforts.



# Challenge: Meaningless & Missing Data



- More than **15,400 awards worth \$33 billion** have **meaningless descriptions** that make it difficult to know how the money was used.
  - 12,600 awards repeat the name of the program
  - 2,500 awards use jargon, like “CCC5-2021”
  - 360 awards list legislation, like “CARES Act”
- We made five recommendations to improve the quality of COVID-19 award data.



Click [here](#) for a link to read the full report.

# Connecting Federal, State, and Local Auditors



- Regular listening posts meet monthly
- Participants include:
  - PRAC
  - State Auditors
  - Local Auditors
  - NASACT
  - ALGA
  - Federal OIG Staffs
  - AICPA
  - OMB
  - Auditors for Tribes
  - GAO
- Discuss key issues or areas of priority
  - Single Audit Requirements
  - OMB Guidance
  - Fraud Alerts and “Early Warnings”



-

# Tracking Dollars to the Local Level

We're conducting impact evaluations at six locations across the country. The project will identify:

- Federal pandemic response funds provided to these locations
- Purpose of those funds, and
- If program spending aligned with the programs' intended goals and objectives.

The six communities are:

- Springfield, Massachusetts
- Coeur d'Alene, Idaho
- Sheridan County, Nebraska
- Marion County, Georgia
- White Earth Nation (Minnesota)
- Jicarilla Apache Nation (New Mexico)

Working with the following OIGs:



# Identifying & Sharing Lessons Learned



- Capping report that aggregates common findings and lessons across multiple relief programs.
- Initial report released in September 2021, with an update issued in [June 2022](#).
- A quick, high-level read that shares opportunities to prevent fraud and improve how programs are designed.



*What we've learned overseeing  
\$5 trillion in pandemic relief funds*




# Stakeholder Listening Sessions



## Did pandemic relief reach the underserved?

An official website of the United States government

REPORT FRAUD, WASTE & ABUSE


 **Pandemic Oversight**  
Making sense of COVID-19 relief spending and programs


About Us ▾ Reporting on Oversight ▾ Data & Interactive Tools ▾ **News & Events ▾** 🔍


[Register to join our virtual roundtable](#) that will discuss whether pandemic relief helped Americans get connected in a crisis X

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**Events**

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**Past Event: Pandemic Response and Oversight: Data Transparency, Finding Facts, Lessons Learned**  
Tue, 05/15/2022 - 15:00 - Tue, 05/15/2022 - 16:30  
On Tuesday, March 17, 2022, we co-hosted a webinar with The Levin Center. This webinar for state legislators and staff featured the Pandemic Response Accountability Committee (PRAC) and Levin Center experts covering state pandemic response and oversight.
- 

**Past Event: Pandemic Response Programs for Internet Access**  
Wed, 12/15/2021 - 13:00 - Wed, 12/15/2021 - 14:15  
On Wednesday, December 15, 2021, we co-hosted a virtual roundtable discussion with the National Academy of Public Administration. A panel of experts examined the effectiveness of pandemic relief programs in broadband assistance, and how local governments used pandemic funding to address broadband challenges. Learn more and view the video for this event.
- 

**Past Event: Congressional Transparency Caucus Event with the PRAC**  
Wed, 10/20/2021 - 10:00 - Wed, 10/20/2021 - 11:00

You can watch video recaps of  
16+ events at  
**PandemicOversight.gov**



# **Pandemic Response Fraud**

# IGs warned about the increased fraud vulnerabilities



## **The SBA OIG and DOL OIG issued agile oversight products alerting management and Congress:**

- Within a week of the CARES Act passage
  - SBA OIG issued a white paper on lessons learned from prior emergency economic stimulus programs.
- Within a month
  - Labor OIG issued an advisory report warning about the reliance on self-certification.
- In the past two years
  - SBA OIG, Labor OIG, and other offices have issued numerous reports in drawing attention to increased fraud risks.

# Fraud has occurred across COVID-19 relief programs

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- Corrupt public officials defrauding the **Coronavirus Relief Fund** through false invoices and funneling funds to their associates.
- Crooked landlords defrauding the **Emergency Rental Assistance program** by claiming rental payments on abandoned properties.
- Dishonest health providers defrauding the **Provider Relief Fund** by ordering medically unnecessary tests and equipment.
- Tax cheats filing fraudulent claims for **IRS stimulus checks**.

# Where is the Fraud?



**40%** Paycheck Protection Program

**22%** Unemployment Insurance  
(*Pandemic Unemployment Assistance Program*)

**20%** Economic Injury Disaster Loan Program

**5%** Testing

**3%** Personal Protective Equipment

**2%** Economic Impact Payments

# Fighting pandemic-related fraud

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**Pandemic Analytics  
Center of Excellence**  
(PACE)



**Fraud Task Force**  
50+ Agents  
15 OIGs

# Pandemic Analytics Center of Excellence (PACE)



**Provide  
Investigative  
Support**



**Share Data,  
Tools, &  
Services**



**Conduct Data  
Analysis &  
Visualization**



**Promote  
Leading  
Practices**

**89**

**OIG Users Accessing  
Cloud-based Risk  
Model Dashboards**

**18**

**Data Science  
Fellows placed  
in partner OIGs**

**215**

**Investigative  
support requests  
completed**



# Using Data to Identify Potential Fraud



- Our data scientists are sorting through more than **150,000,000 lines of data** in both public and non-public federal spending data sets.
- We also share datasets with 39 **law enforcement partners**, granting access to information they otherwise wouldn't have.



# Examples of Current Projects



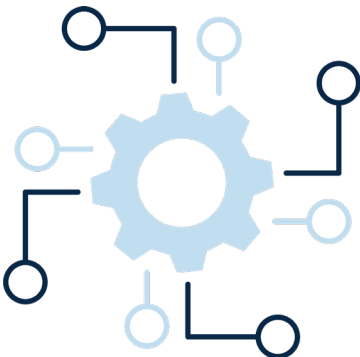
## Hotline Risk Scoring Model

Develop a risk scoring model to help an OIG address the huge increase in fraud complaints



## Recipient Risk Scoring Model

Develop a risk scoring model to help an OIG better identify which recipients to investigate



## Robotic Process Automation

Use business logic and structured inputs to automate tasks associated with reviewing reports from recipients



## Social Network Analysis

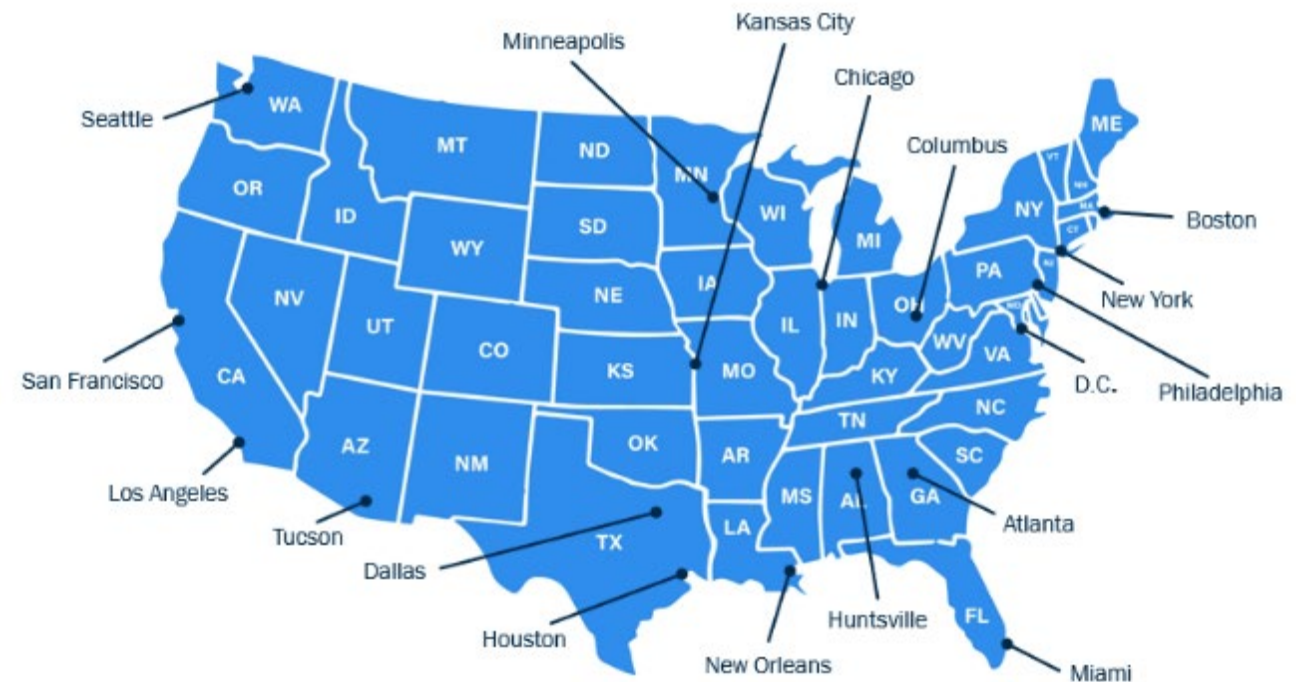
Quickly build out networks using AI to reveal actionable insights on targets, groups and topic using social media and dark web data

# PRAC Fraud Task Force

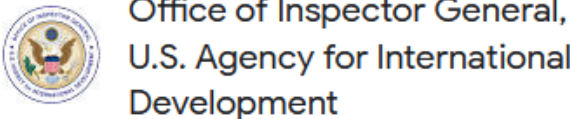
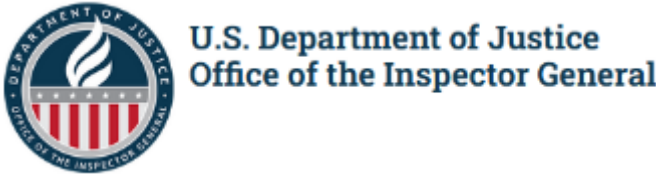


- Brings together OIG special agents to **address high-risk areas** using an innovative virtual task force structure.
- Task force members are **supported by a Joint Operations Center** which provides lead and supports investigations.
- Task force member OIGs remain responsible for case supervision and management.

**50 agents / 15 OIGs / 18 cities**



# Task Force Members



# Case Examples

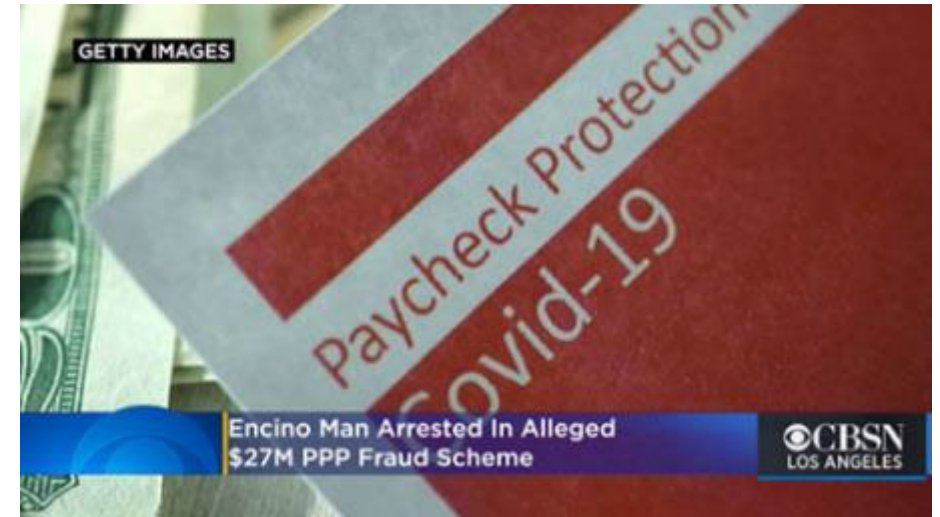
# Scheme: Fake Documents



*The defendant and companies did not have any employees or payroll expenses.*

## Defendant:

- Alleged he owned 8 companies
- Submitted 27 bank loan applications to four banks
- Lied that the company had 100 employees and monthly payroll of \$400,000.



[Encino Man, Robert Benlevi, Arrested In Alleged \\$27M PPP Fraud Scheme Could Face Decades Behind Bars - CBS Los Angeles \(cbsnews.com\)](#)  
Aired on CBSN LA; Getty Images

*He submitted fake IRS documents falsely stating that each of the companies had an annual payroll of \$4,800,000.*



**Three of these companies obtained \$3 Million in PPP funds.**

Source



# Scheme: Insider Threat



**Defendant worked with outside actors who submitted numerous false claims daily, many of which were filed using stolen identities.**

*The defendant was a contract employee*

## **Defendant:**

- Contract employee for the Michigan state unemployment agency.
- Duties included reviewing, processing, and verifying the legitimacy of unemployment insurance claims.



**Issued 700 claims totaling \$3.8 million in federal and state unemployment benefits.**

[Source](#)

# Scheme: Shell Companies, Kickbacks, False Docs



**Defendants fraudulently claimed to be serving meals to thousands of children a day. They also created shell companies to receive and launder the proceeds.**

*The program received \$3.4 million in federal funds in 2019. In 2021, \$200 million.*

## **Defendants:**

- Opened more than 250 sites throughout the state of Minnesota.
- Received over \$18 million in administrative fees while also receiving bribes and kickbacks from sponsors.
- Charged with conspiracy, wire fraud, money laundering, and bribery.



**Charges against 47 defendants in a \$250 million fraud scheme—the largest pandemic relief fraud scheme to date.**

Source

# Scheme: Identity Theft



**Defendant worked with outside actors who submitted numerous false claims daily, many of which were filed using stolen identities.**

*Defendant admitted that her son sent the PII of his fellow prisoners and others*

## **Defendant:**

- Her son coordinated with another inmate while in prison
- Used stolen PII to file multiple fraudulent claims for EIPs through the IRS's online EIP Portal Redirected the payments to her bank account.



**Defendant used the PII to file 121 EIP claims for \$145,200 in EIP payments.**

[Source](#)

# Scheme: Fake Medical Claims



**Defendant worked with outside actors who submitted numerous false claims daily, many of which were filed using stolen identities.**

*Lab owner bribed patient brokers to authorize medically unnecessary genetic testing.*



## **Defendant:**

- Lab owner exploited patients' fears of COVID-19 by bundling COVID-19 tests with more expensive, medically unnecessary testing.

**Lab submitted over \$6.9 million in false and fraudulent claims to Medicare for medically unnecessary tests.**



[Source](#)

# Scheme: Identity Theft & Fake Applications



**Defendants submitted numerous false applications along with false identities.**

*LA couple led a massive \$20 million dollar fraud ring using fake ID's to apply for Federal Loans for fake businesses*

## **Defendants:**

- Richard Ayvazyan, 43; his wife, Marietta Terabelian, 37 and sister-in-law, Tamara Dadyan, 42
- Had over \$450k in cash when arrested, fled, and later arrested in Montenegro



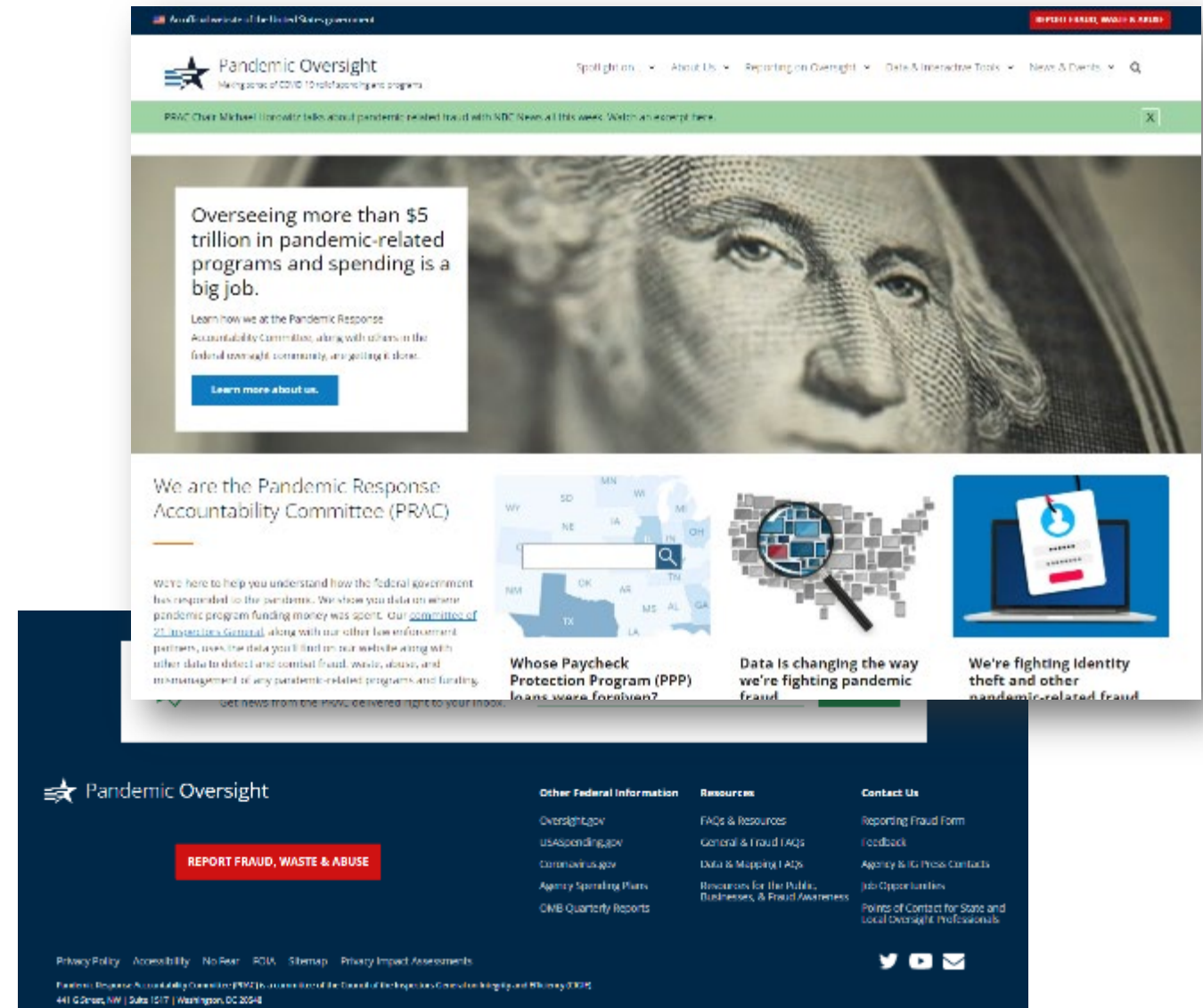
**Received millions through false applications and using fake IDs**



# Bottom Line: We're Fighting Fraud with Every Resource We Have



- Pandemic relief was meant to help you, someone you know, or a business near you.
- **The American public is also a critical partner** in helping watchdogs sniff out fraud.
- Should you find a red flag **let us know by submitting a hotline complaint.**

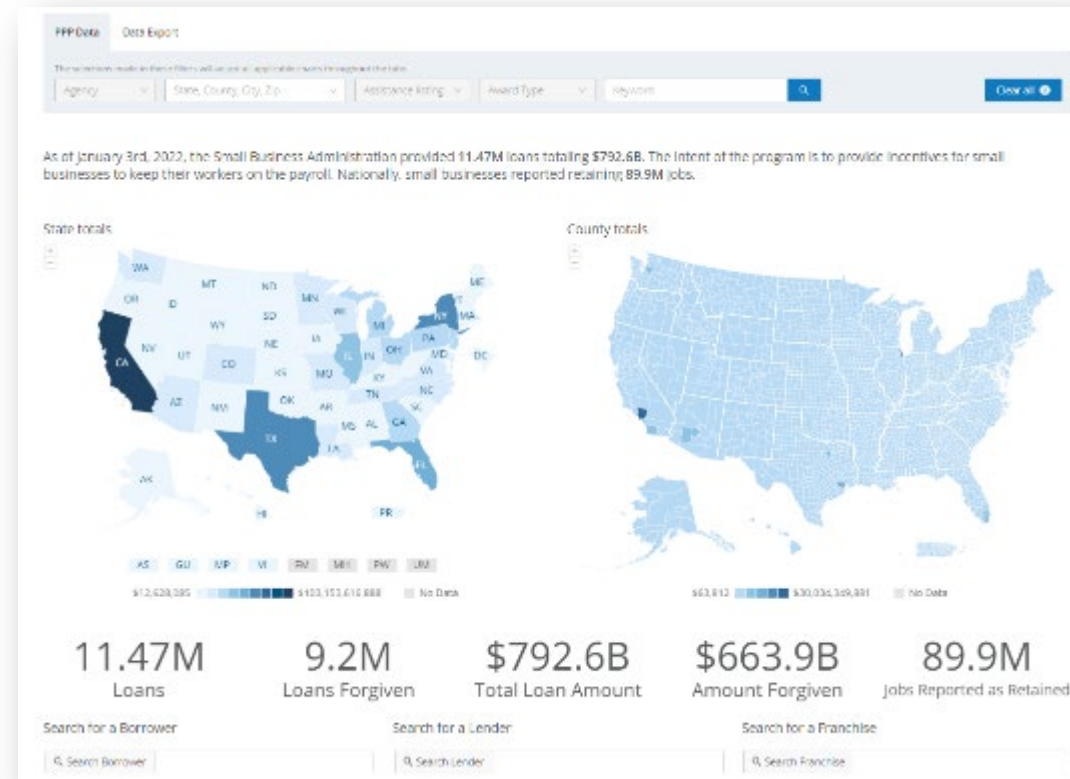




# Scenarios: how to use the PRAC's data in your work




- Learn how to find data on PandemicOversight.gov:
  - [Emergency Rental Assistance](#)
  - [State and Local Fiscal Recovery Fund](#)
  - [Restaurant Revitalization Fund](#)



# Connect with the PRAC

[Sign up for our emails](#) and follow us on Twitter



Sign up for email updates

Get news from the PRAC delivered right to your inbox.

example@website.com

Subscribe

Other Data Sources

Oversight.gov

Federal Reserve Emergency Lending Programs

Provider Relief Fund Data

USASpending.gov

USASpending Data Dictionary

Coronavirus Resources

USA.gov Coronavirus Response Resource List

Coronavirus.gov

CDC Coronavirus Information

SBA Coronavirus Relief Options

Protecting Your Finances


Contact Us


Reporting Fraud Form


Feedback

Agency & IG Press Contacts

PRAC Job Opportunities









PAIDEMIC RESPONSE  
ACCOUNTABILITY COMMITTEE

Following

PAIDEMIC RESPONSE  
ACCOUNTABILITY COMMITTEE (PRAC)

@COVID\_Oversight

Hi, we're the federal agency tracking the \$5 trillion+ in COVID relief and finding misuse of taxpayer money 🗳️

Suspect fraud? Blow the whistle 🗳️

United States

[pandemicoversight.gov](#)

Joined April 2020

126 Following

2,248 Followers

Followed by Alex S, Ethan Brown, and 21 others you follow

Tweets

Tweets & replies

Media

Likes



PAIDEMIC RESPONSE  
ACCOUNTABILITY COMMITTEE (PRAC)

@COVID\_Oversight · 19h

The PRAC is growing! 🗳️ We're hiring

- An Events Coordinator to support our events focused on creating dialogue with diverse communities

- A Public Affairs Specialist to support our data-driven analysis, skilled in interactive storytelling and breaking down data for the public

PAIDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

40

# Thank you!

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