

# GAO Highlights

Highlights of [GAO-20-659T](#), a testimony before the Select Subcommittee on the Coronavirus Crisis, Committee on Oversight and Reform, House of Representatives

## Why GAO Did This Study

The outbreak of COVID-19 quickly spread around the globe. As of June 17, 2020, the United States had over 2 million reported cases of COVID-19, and over 100,000 reported deaths, according to federal agencies. Parts of the nation have seen severely strained health care systems. The country has also experienced a significant and rapid downturn in the economy. Four relief laws, including the CARES Act, were enacted as of June 2020 to provide appropriations to address the public health and economic threats posed by COVID-19. In addition, the administration created the White House Coronavirus Task Force.

The CARES Act includes a provision for GAO to report regularly on its ongoing monitoring and oversight efforts related to the COVID-19 pandemic. Yesterday, GAO issued its first report ([GAO-20-625](#)).

Like the report, this testimony focuses on key actions the federal government has taken to address the COVID-19 pandemic, GAO recommendations for improvement, and evolving lessons learned relevant to the nation's response to pandemics, among other things. GAO reviewed data and documents from federal agencies about their activities and interviewed federal and state officials as well as industry representatives. GAO also reviewed available economic, health, and budgetary data.

## What GAO Recommends

In the report, GAO makes three new recommendations for agencies and three matters for consideration for Congress that address these issues.

View [GAO-20-659T](#). For more information, contact A. Nicole Clowers, (202) 512-7114 or [clowersa@gao.gov](mailto:clowersa@gao.gov).

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## COVID-19

### Opportunities to Improve Federal Response and Recovery Efforts

#### What GAO Found

In response to the national public health and economic threats caused by COVID-19, four relief laws were enacted as of June 2020 that appropriated \$2.6 trillion. This funding provided support to individuals, health care providers, businesses, and state and local government.

While complete government-wide data will not be available until July, GAO determined that as of May 31, 2020, a total of about \$1.2 trillion of assistance has been provided—close to \$700 billion in expenditures and over \$500 billion in loan guarantees. Consistent with the urgency of responding to widespread health issues and economic disruptions, agencies have worked hard to give priority to moving swiftly. In moving quickly, however, agencies made trade-offs; thus, only limited progress has been made so far in achieving transparency and accountability goals.

GAO also identified challenges with the federal response to the crisis, including:

**Paycheck Protection Program (PPP).** The Small Business Administration (SBA) moved quickly to establish a new nationwide program, but the pace contributed to confusion and questions and raised program integrity concerns. GAO recommends that SBA develop and implement plans to identify and respond to risks in PPP to better ensure program integrity. SBA neither agreed nor disagreed. Implementing GAO's recommendation is essential.

**Economic impact payments.** The Internal Revenue Service (IRS) and the Department of the Treasury (Treasury) faced difficulties delivering payments to some individuals, and made some payments to ineligible individuals, such as decedents. GAO recommends that IRS should consider cost-effective options for notifying ineligible recipients how to return payments. IRS agreed.

**Unemployment Insurance (UI).** The program could have an unintentional overlap with benefits provided under PPP. GAO recommends that the Department of Labor (DOL) immediately provide help to state unemployment agencies that specifically addresses PPP loans, and the risk of improper payments associated with these loans. DOL is planning additional guidance.

**Aviation-preparedness plan.** In 2015, GAO recommended that the Department of Transportation (DOT) work with federal partners to develop a national aviation-preparedness plan for communicable disease outbreaks. Thus far, no plan exists. GAO recommends Congress require DOT to produce a plan.

**Full access to death data.** It is important to consistently use safeguards when providing assistance to individuals. The Treasury and Bureau of Fiscal Service do not have access to the Social Security Administration's full set of death records. GAO recommends that the Congress give Treasury that access and require that Treasury consistently use it.

**Medicaid.** GAO previously found that during economic downturns, the Federal Medical Assistance Percentage (FMAP) formula does not reflect current state economic conditions. GAO recommends that, during an economic downturn, Congress use a formula to provide timely and targeted assistance during economic downturns.