

CLIENT ALERT

First Pandemic Response Accountability Committee Report Emphasizes Government-Wide Concerns About Fraud and Grant Management

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On Wednesday, June 17, 2020, the Pandemic Response Accountability Committee (“PRAC”), composed of 21 Offices of Inspector General overseeing agencies that received the most CARES Act funds, released its first report, [“Top Challenges Facing Federal Agencies: COVID-19 Emergency Relief and Response Efforts.”](#) The report was derived from information provided by 37 Offices of Inspector General from across the government. PRAC is responsible for leading OIG CARES Act funding oversight. Although the report flags concerns ranging from ballot theft to staffing shortages, the primary challenge identified in the report is the potential for fraud and abuse of Government funding under various programs. The report emphasizes compliance and oversight concerns unique to the large amount of funding (~\$2.4 trillion) appropriated under the CARES Act (and other COVID-19 legislation) in conjunction with the need to distribute these funds quickly in the midst of reduced or altered agency staffing and operations due to COVID-19. With 37 Inspectors General asserting their commitment to addressing improper payments and fraud, companies should prioritize compliance now and ensure traceability of grant and contract monies associated with COVID-19 to prepare to respond to audits and reduce the risk of an investigation in the coming year.

Further commentary on the concerns regarding fraud and abuse identified in the PRAC report, including related to potential violations of the federal False Claims Act, will be forthcoming.

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