

New Measures in Pandemic Response Bill Would Make Clear that Anti-Corruption, Anti-Fraud, and Anti-Discrimination Laws Apply to All PPP Loans

Congress should act quickly to approve the bill

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The “Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act,” introduced today, includes measures that would protect multiple federal, state, and local laws that guard against money laundering, fraud, and discrimination in the Paycheck Protection Program (PPP) by expressly requiring that banks and other lenders satisfy all relevant lending laws when originating and forgiving PPP loans.

Scott Greytak, Advocacy Director for the U.S. Office of Transparency International, issued the following statement:

The Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act includes new measures that would make clear that anti-corruption, anti-fraud, and anti-discrimination laws apply to all PPP loans. These measures will help ensure that PPP funds make their way to legitimate American businesses. Congress should approve the bill as quickly as possible.

We have all seen the flood of stories about loans going to con artists and fraudsters. Funds meant to keep workers on the job instead went to criminals who bought [Lamborghinis](#) and [Rolex](#) watches. The Small Business Administration’s hotline for reporting potential graft has received more than [100,000 calls](#) this year, compared to fewer than 1,000 in 2019. Meanwhile, legitimate retail businesses with real employees continue to close.

PPP funds stolen by criminals may take years to recoup, and struggling businesses don’t have that kind of time.

Today’s bill, by expressly requiring that banks and other lenders satisfy all relevant federal, state, local, and other lending laws, will help make sure that recovery funds go toward the recovery effort and help legitimate American businesses stay afloat.

We urge Congress to approve the bill with expediency.

Related Resources

- [Factsheet: Anticorruption Measures in Emergency Spending Can Save Lives](#)

- [Briefing Memo: HEALS Act Could Give Banks a Free Pass to Violate Anticorruption and Fair Lending Laws](#)
- [Blog: Money Laundering and the Next Recovery Package](#)
- [Letter to Policymakers: 25 Essential Anticorruption Measures to Include in the Coronavirus Response Package](#)

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