FACT SHEET – Two-Year Mark of the CARES Act and the Creation of the Pandemic Response Accountability Committee

Two years after the enactment of the CARES Act, the Pandemic Response Accountability Committee (PRAC) remains focused on the present, following the money and tracking down fraudsters. But we have applied lessons learned from the past to build an innovative organizational model that also prepares watchdogs for the future.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted. It distributed $2.1 trillion to individuals, businesses, schools, and state and local governments to respond to the effects of the pandemic. The CARES Act also created the PRAC to conduct independent oversight of this spending, and coordinate efforts among our member federal Inspectors General (IGs). Additional legislation now makes us responsible for overseeing nearly $5 trillion spread out among 426 programs administered by 40 federal agencies.

Our mission is two-fold – promote transparency by reporting spending data and prevent fraud, waste, abuse of pandemic relief dollars. We have been highly innovative to meet both of these missions.

The CARES Act gave the PRAC the unique authority to hold public hearings, and we have used it to host an [ongoing series](#) that discusses the impact of pandemic relief programs, like rent relief and broadband assistance, on underserved communities. These series enable us to provide policymakers with insights not only into whether programs are efficient and effective, but also if they are [equitable](#).

We launched a creative and interactive website, [PandemicOversight.gov](#), within 30 days of being established (as required by the CARES Act). This was critical because relief money was distributed very quickly. For example, the Small Business Administration issued $343 billion in Paycheck Protection Program (PPP) loans within 14 days of standing up the program in early April 2020.

Our website has numerous exclusive features. It is the only website where the public can explore how state and local governments used [Coronavirus Relief Fund money](#). The website also breaks down all six pandemic funding laws into a simple data visualization, enabling the public to understand how much certain industries – like transportation or health care – received in relief funding. We also have an interactive map that shows the estimated [amount of fraud that each state paid in pandemic-related unemployment insurance](#).

Most recently, we added a [dashboard](#) that enables the public to see how money flowed from the federal government all the way to their local schools or businesses (often called "[sub-recipients](#)"). In some cases, the public will see the gaps, such as meaningless or missing data, that [we previously reported](#) make it difficult to know how money was used. We encourage the public to explore the data, and even help fill some of the gaps that exist.

Data quality issues remain one of our greatest challenges. We believe that the public has a right to know how its money is being spent, and that policymakers need to know if relief programs worked. It is an issue that predates the pandemic — but has been exacerbated by it. The PRAC has made multiple recommendations to improve how recipients of federal dollars report spending details. We also worked closely with the Office of Management and Budget to issue a [memorandum](#) emphasizing the need for detailed and accurate award descriptions.

But solving this longstanding issue may require an overhaul of existing data reporting procedures and systems that were not designed to collect detailed and timely data for $5 trillion worth of relief that went to 15 million recipients. For example, federal agencies can track pandemic relief to prime recipients, but sometimes lose visibility if the money flows to a sub-recipient. Money becomes more difficult to track if a sub-recipient passes some of it to another business or entity. This issue can somewhat be explained by the breadth of the pandemic response. For example, local governments received amounts of money that triggered reporting requirements they had never administered.

Three innovations — our Pandemic Analytics Center of Excellence (PACE), Data Science Fellows program, and Fraud Task Force — have changed the way federal oversight works.

The PRAC recognized early on that we needed to use cutting-edge data analytics to support the work of our partners and oversee $5 trillion. In August 2021, we created the PACE to deliver analytic, audit, and investigative support to the oversight community and give them access to more than 150 million records. Our data scientists use advanced tools, like machine learning, to look for trends, patterns, and anomalies in pandemic spending data.

The PACE applies the best practices from the Recovery Accountability and Transparency Board's Recovery Operations Center (ROC), which supported IGs with data analytics in their oversight of the American Recovery and Reinvestment Act of 2009. Unfortunately, the ROC was dissolved in September 2015.

> "The PRAC's long-term strategy for its Data Analytics Center of Excellence is sustainment. We want to ensure that this high level of collaboration and expertise becomes a fixture when conducting oversight for years to come."
>
> -*Michael E. Horowitz, Chair of the PRAC*

With that in mind, we built the PACE so it can be easily sustained and quickly restarted if another national crisis occurs. However, it took time and taxpayer money to build the PACE — a year and $40 million to be exact. As we have seen, pandemic relief was spent quickly. Watchdogs may have been better positioned to prevent fraud *before* payments went out had the ROC been retained.

Through a Data Science Fellows program, we funnel a pipeline of technical talent directly into the oversight community. We have hired 15 data scientists, trained them, and embedded them with our IG partners. The Fellows are looking at how transportation-related funding was spent, supporting unemployment insurance fraud investigations, and examining issues related to health care.

To investigate leads generated by the PACE, we created a task force with 43 agents across 12 IGs. This innovative model enables us to surge resources into programs where we have seen significant fraud, like the PPP and Economic Injury Disaster Loan program. The Department of Justice, whom we work closely with as members of a larger COVID-19 Fraud Enforcement Task Force, recently reported that in these two programs, they have charged 500 defendants with alleged losses totaling $700 million. This is in addition to the work of our IG partners, who have made 1,272 indictments, 949 arrests, and 455 convictions for pandemic-related fraud across all programs.