

September 24, 2020

The Honorable James E. Clyburn
Chair, Select Subcommittee on the Coronavirus
Crisis
2157 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Steve Scalise
Ranking Member, Select Subcommittee on the
Coronavirus Crisis
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chair Clyburn, Ranking Member Scalise, and Members of the Select Subcommittee on the Coronavirus Crisis:

On behalf of the undersigned organizations, representing concerned citizens and advocates across the country, we urge you to investigate the Pentagon's misuse of \$1 billion in CARES Act funding intended for responding to the coronavirus crisis. We also ask that you determine whether Congress should pass a rescission bill to suspend the Pentagon's spending authority for this \$1 billion fund. We believe the Pentagon's decision-making with these funds, as recently reported,¹ violates Congressional intent at minimum, and represents a significant breach of trust with the taxpayers who fund the military's budget and its emergency spending.

A recent report in *The Washington Post* indicates that taxpayer dollars intended for the prevention, preparation for, and response to the coronavirus at the Department of Defense (DoD) were instead directed to defense contractors, "mostly for projects that have little to do with the coronavirus response." This includes:

- \$183 million to contractors "to maintain the shipbuilding industry";
- \$80 million to an "aircraft parts business suffering from the Boeing 737 Max grounding";
- \$25 million to a firm that also "received between \$5 million and \$10 million" from the Paycheck Protection Program (PPP);
- \$3 million to a firm that also received between \$150,000 and \$350,000 from the PPP; and
- "\$2 million for a domestic manufacturer of Army dress uniform fabric."²

As you know, the \$1 billion fund Congress passed as part of the CARES Act was not intended for any of the purposes outlined above. In fact, Congress included an additional \$10.4 billion to the Pentagon in relief funding in the Phase III COVID package, which was set aside for operations, personnel, and other measures that could benefit contractors. Instead, the \$1 billion appropriation was for Defense Production Act (DPA) purchases "to

¹ Gregg, Aaron, and Torbati, Yeganeh. "Pentagon used taxpayer money meant for masks and swabs to make jet engine parts and body armor." *The Washington Post*, September 22, 2020. Retrieved from:

<https://www.washingtonpost.com/business/2020/09/22/covid-funds-pentagon/> (Accessed September 22, 2020.)

² *Ibid.*

prevent, prepare for, and respond to coronavirus, domestically or internationally.”³ DoD claims it can use these funds for the projects mentioned above, but Congress has disputed that claim.⁴

Indeed, Congress has made clear its intent with the \$1 billion fund was to “address the need for PPE [personal protective equipment] industrial capacity rather than execute the funding for the [defense industrial base].”⁵ The Department spends more on military bands annually than it has spent on securing N95 masks.⁶ Some have claimed that the Pentagon has already maximized their production of such necessary items, but with everything from N95 masks⁷ to gowns and gloves⁸ to specialized beds and sanitary wipes⁹ in short supply across the nation, this explanation strains the imagination. If the Department could not use those funds as Congress intended, those funds should have been returned to the Treasury and been put to better use.

We believe that the Select Subcommittee should investigate when, how, and why the Pentagon decided that it could use these specific CARES Act funds in contravention of Congressional intent. Any findings should be shared with the public to the maximum extent practicable. We would also ask that the Select Subcommittee consider recommending a rescission of DoD’s budget authority for this \$1 billion fund in order to ensure Congress’s constitutional spending authority is not being violated.

We thank you for your consideration, and we hope to work with you more in the future on efforts to oversee the significant amounts of taxpayer dollars committed to fighting COVID-19.

Sincerely,

American Family Voices
American Friends Service Committee
Beyond the Bomb
Center for Defense Information
Center for International Policy
Church of the Brethren, Office of Peacebuilding and Policy
Citizens for Responsibility and Ethics in Washington (CREW)
Coalition on Human Needs
CODEPINK
Council for a Livable World

³ Coronavirus Aid, Relief, and Economic Security (CARES) Act, Division B, Title III, Department of Defense, Procurement. P.L. 116-136. (2020). Retrieved from: <https://www.congress.gov/116/plaws/publ136/PLAW-116publ136.pdf#page=240> (Accessed September 22, 2020.)

⁴ Gregg, Aaron, and Torbati, Yeganeh. “Pentagon used taxpayer money meant for masks and swabs to make jet engine parts and body armor.” *The Washington Post*, September 22, 2020. Retrieved from: <https://www.washingtonpost.com/business/2020/09/22/covid-funds-pentagon/> (Accessed September 22, 2020.)

⁵ *Ibid.*

⁶ Contrera, Jessica. “The N95 shortage America can’t seem to fix.” *The Washington Post*, September 21, 2020. Retrieved from: <https://www.washingtonpost.com/graphics/2020/local/news/n-95-shortage-covid/> (Accessed September 22, 2020.)

⁷ *Ibid.*

⁸ Bailey, Susan R. “Recurring PPE shortages must be resolved now.” American Medical Association, August 26, 2020. Retrieved from: <https://www.ama-assn.org/about/leadership/recurring-ppe-shortages-must-be-resolved-now> (Accessed September 22, 2020.)

⁹ Glenza, Jessica. “PPE Shortage Could Last Years Without Strategic Plan, Experts Warn.” *The Guardian*, August 17, 2020. Retrieved from: <https://khn.org/news/ppe-shortage-could-last-years-without-strategic-plan-experts-warn/> (Accessed September 22, 2020.)

Demand Progress
DemCast USA
FreedomWorks
Friends Committee on National Legislation
Good Jobs First
Greenpeace USA
Indivisible
Kairos Center for Religions, Rights, and Social Justice
Mainers for Accountable Leadership
National Priorities Project at the Institute for Policy Studies
National Taxpayers Union
Nuclear Watch New Mexico
Pax Christi USA
Peace Action
Physicians for Social Responsibility
Project On Government Oversight
Protect Democracy
Public Citizen
R Street Institute
Sisters of Mercy of the Americas - Justice Team
Taxpayers for Common Sense
Taxpayers Protection Alliance
The United Methodist Church - General Board of Church and Society
Tri-Valley CAREs
Union of Concerned Scientists
United Church of Christ, Justice and Witness Ministries
Veterans For Peace
Washington Physicians for Social Responsibility
Win Without War
Women's Action for New Directions (WAND)

CC: Members of the Select Subcommittee on the Coronavirus Crisis