

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

April 16, 2021

The Honorable Janet L. Yellen
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Isabella Casillas Guzman
Administrator
United States Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Secretary Yellen and Administrator Guzman:

In a time of economic uncertainty, the United States Congress created the Paycheck Protection Program (PPP) to assist the nation's small businesses as they confronted the challenges of COVID-19. While the program, which focuses on employees, continues to provide confidence and financial assistance to the nation's job creators, we are gravely concerned about affiliates of Planned Parenthood Federation of America (Planned Parenthood), which is the nation's primary abortion provider, accessing the program.

In the Small Business Administration's (SBA) own public database,¹ there are numerous examples showing that affiliates of Planned Parenthood have utilized the program. Row after row of information demonstrates that Planned Parenthood affiliates have received direct PPP funding. This is extremely troubling.

The well-established SBA affiliation rules² outline how the SBA determines how closely connected two entities are. The rules detail that "entities are affiliates of each other when one controls or has the power to control the other."³ While the SBA's affiliation rules are well known to participants of the SBA's existing and traditional programs, the rules were also applied

¹ <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-data>

² 13 C.F.R. 121.103.

³ *Id.* at (a)(1).

to the PPP through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.⁴ Moreover, the SBA and the Department of the Treasury published guidance titled Affiliation Rules Applicable to U.S. Small Business Administration Paycheck Protection Program⁵ on April 3, 2020, the day the program commenced.

Through blatant and well-documented control of its local offices,⁶ Planned Parenthood and its affiliates have violated the SBA's affiliation rules and received millions in taxpayer funds intended for small business relief since the initial authorization of the PPP. It is wholly unjustifiable and inexcusable that the SBA and the Department of the Treasury continue to allow PPP loans for organizations that are unqualified for such funding. It displays a level of complicity that is intolerable and inappropriate. Federal agencies must be trustworthy and responsible stewards of Americans' hard-earned tax dollars.

As a result, we insist that the SBA and the Department of the Treasury investigate 1.) the distribution of these loans in violation of the relevant affiliation rules and 2.) whether Planned Parenthood violated the law. Should this investigation conclude that these events did indeed occur, those that deliberately violated the law must face the appropriate legal consequences. Additionally, on March 30, 2021, the President signed the PPP Extension Act⁷ that extended the PPP for two additional months. While this will benefit many deserving and eligible candidates, we are concerned that this extension will give remaining Planned Parenthood affiliates time to obtain additional funds from the program unlawfully and ultimately take away funds from struggling small business owners.

In addition to demanding an investigation into this matter, we are also requesting that you provide specific answers to the following questions by April 30, 2021:

- How many Planned Parenthood affiliates have received a PPP loan? Please detail the number of first draw loans vs. second draw loans. Additionally, please provide the dollar amount associated with each loan.
- Please detail the steps the SBA and the Department of the Treasury took once it was known that an ineligible Planned Parenthood affiliate received a PPP loan.
- Despite being ineligible due to violating the affiliation rules, how and why did any Planned Parenthood affiliate receive a PPP loan? Please provide a detailed response.
- How many Planned Parenthood affiliates applied for PPP loan forgiveness? Please provide a status update on where these applications are in the forgiveness process. Please indicate if any forgiveness has been remitted on a Planned Parenthood affiliate PPP loan and the amount that was remitted.

⁴ 15 U.S.C. § 636(a)(36)(D)(vi). "The provisions applicable to affiliations under section 121.103 of title 13, Code of Federal Regulations, or any successor thereto, shall apply with respect to a nonprofit organization and a veterans organization in the same manner as with respect to a small business concern."

⁵ <https://home.treasury.gov/system/files/136/Affiliation%20rules%20overview%20%28for%20public%29.pdf>.

⁶ https://projects.propublica.org/nonprofits/display_990/131644147/2009_05_EO%2F13-1644147_990_200806.

⁷ Pub. L. No. 117-6 (2021).

We will continue to monitor this issue vigilantly. While our nation continues to recover from the devastating impact of the COVID-19 pandemic, the SBA and the Department of the Treasury must ensure the letter of the law and its rules are followed according to Congressional intent. This critical program was created to serve America's small businesses, not the nation's most tragic abortion provider.

Sincerely,

A handwritten signature in black ink, appearing to read "Blaine Luetkemeyer", followed by a horizontal line.

Blaine Luetkemeyer
Ranking Member
Committee on Small Business

A handwritten signature in black ink, appearing to read "Byron Donalds", followed by a long horizontal line.

Byron Donalds
Member of Congress