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May 20, 2020

Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd St., SW
Washington, D.C. 20416

Dear Administrator Carranza:

I am extremely concerned about the reports of Planned Parenthood affiliates receiving \$80 million in Paycheck Protection Program loans from the Small Business Administration. Planned Parenthood is plainly ineligible for the program, and it is critical to identify how and why this was able to happen.

From the very beginning, Planned Parenthood's exclusion from the Paycheck Protection Program has been well known and the subject of much discussion. That is because the CARES Act that Congress passed into law in March expressly stated that organizations like Planned Parenthood are ineligible for the program. Section 1102 of that law says that nonprofits are eligible for the program only if they and their affiliate organizations have no more than 500 employees. As the White House correctly said last month,¹ Planned Parenthood, at about 16,000 employees nationally, fails to meet this requirement.

Despite this text and public understanding, 37 Planned Parenthood offices still applied for and received funds from the program. But even Planned Parenthood admits that every one of its offices—regional and national—are affiliated, making each office ineligible for the Paycheck Protection Program. Planned Parenthood's most recent financial statement describes the organization as one national branch, 55 "Planned Parenthood Affiliates," and 110 "ancillary entities" that are "control[l]ed" by those "Planned Parenthood Affiliates." Planned Parenthood further stresses that "The [national] Organization, PP Affiliates and the ancillary organizations *together comprise Planned Parenthood.*"²

In the light of the clear text of the CARES Act and Planned Parenthood's own admission that every one of its offices are affiliated with each other, it is hard to conclude anything other than that Planned Parenthood committed fraud. The SBA application form required each of the 37 Planned Parenthood affiliates to certify that Planned Parenthood,

¹ <https://www.foxnews.com/politics/white-house-planned-parenthood-coronavirus-ppp-loans>

² https://www.plannedparenthood.org/uploads/filer_public/1e/62/1e6275c1-1996-414e-a4ee-5aef1f097ffd/ppfa_final_fs_fy_2018.pdf

as a whole, employs no more than 500 employees. The application form further required Planned Parenthood to certify that it “underst[oo]d that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law.”³ Yet even though Planned Parenthood employs 16,000 people, and even though Planned Parenthood itself admits that all its offices are affiliated, Planned Parenthood falsely certified 37 times that it employs no more than 500 employees.

Planned Parenthood is not a small business. It is a multi-billion-dollar company. In the fiscal year ending last June, Planned Parenthood had \$2.3 billion in assets and nearly \$2 billion in revenue. The year before, Planned Parenthood paid its CEO more than \$1 million. And now, Planned Parenthood has diverted \$80 million from actual small businesses during a global pandemic even though Planned Parenthood knew it was ineligible for this program.

The question is how this could happen. Why, when 37 Planned Parenthood offices applied under the program, did your system not flag these applications? Did you not appropriately instruct lending organizations? The ease with which Planned Parenthood was able to unlawfully divert \$80 million should concern everyone. Promptly respond to the following requests:

1. Identify each Planned Parenthood affiliate that improperly applied for funds, and provide copies of their applications.
2. Identify each Planned Parenthood affiliate that improperly received funds.
3. Identify each lending institution through which these Planned Parenthood affiliates applied.
4. Identify each regional SBA official who was responsible for funds that went to Planned Parenthood.
5. Explain what methods you took to instruct lending organizations not to lend funds to ineligible organizations.
6. Explain why your processes did not automatically flag applications from Planned Parenthood and freeze those funds.
7. Identify the steps you are taking to ensure that Planned Parenthood returns these improperly diverted funds, with interest.
8. Identify all criminal referrals you have made for fraud and lying on government forms.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Hawley", written in a cursive style.

Josh Hawley
United States Senator

³ <https://home.treasury.gov/system/files/136/PPP-Borrower-Application-Form-Fillable.pdf>