



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 15, 2021

Re: 2020-03-082

Christine H. Monahan
American Oversight
1030 15th Street, NW, B255
Washington, DC 20005
christine.monahan@americanoversight.org

Dear Ms. Monahan:

This is the second response to the above-referenced Freedom of Information Act (FOIA) request to the Department of the Treasury (Treasury). The request asked for email communications sent by identified Treasury officials containing any of 43 separate terms related to the coronavirus from January 15, 2020 through the date of the search.

In accordance with the parties' agreed upon schedule, as memorialized in the October 30, 2020 Joint Status Report, this constitutes Treasury's second production in this case. Treasury is producing 74 documents with redactions made pursuant to exemptions (b)(5) (deliberative process and Confidential Presidential Communications) and (b)(6) (protection of personal privacy). Treasury will continue to review and process documents and will provide another production not later than April 16, 2021.

If you have any questions, please contact James Bickford in the Department of Justice at James.Bickford@usdoj.gov.

Sincerely,

Richard S. Dodson

Richard S. Dodson
Senior Counsel
Office of the General Counsel
U.S. Department of the Treasury

Fwd: Market Update #2 | S&P 500 Futures Trigger Limit Down Rules

From: Secretary Mnuchin
To: "Kudlow, Lawrence" WHO_EOP
Date: Sun, 08 Mar 2020 21:37:28 -0400

From: (b)(6)@treasury.gov
Date: March 8, 2020 at 8:55:10 PM EDT
Cc: MR Staff <MRStaff@do.treas.gov>
Subject: Market Update #2 | S&P 500 Futures Trigger Limit Down Rules

S&P 500 index futures fell 5% as the Tokyo session opened, **triggering Chicago Mercantile Exchange limits that prevent the contract from trading at a lower price for the rest of the overnight session**, while trades above the threshold are allowed. **As a result, S&P 500 futures partially rebounded and are currently down 4.5%.** The Nikkei is down 4.1% and the Australian stock market is 5.6% lower.

Treasury yields are 20 to 27 basis points lower thus far, **with 10-year yields 24 basis points lower at 0.52%**, a new record low. **Fed funds futures are pricing in close to a 75 basis point rate cut at the March 17-18 FOMC meeting.** In foreign exchange markets, **the Japanese yen (1.3% stronger vs. the dollar at ¥104.0)** and Swiss franc (+1.0% vs. the dollar) are outperforming, while the **currencies of commodity-exporting economies are underperforming (Mexican peso -4.2%, Norwegian krone -2.1%, South Africa -2.1%)** versus the dollar. **Oil prices remain about 20% lower on the session** (see first market update below for more background).

In addition to the plunge in oil prices:

- Market participants remain highly attuned to coronavirus-related developments. **Most of the focus was on Italy's decision to put Lombardy (home to 16 million people and the most productive region by GDP in the country) on lockdown**, which includes banning entry and exit into certain cities in the northern region, although press reports indicated that the initial announcement has been met with confusion and lack of enforcement in some areas. The number of COVID-19 cases in Italy rose to over 7,300 with deaths rising to 366. Italy's action is increasing concern from an economic perspective that other major European regions could soon follow its example.
- China's trade data for January and February were published this weekend (both months' data were released at the same time). **As generally expected, exports for the combined months fell 17.2% y/y as supply chain and travel disruptions took their toll on production.** Meanwhile, imports only fell 4.0% y/y (vs. exp -16.1% y/y), with the data appearing to show an increase in U.S. agricultural imports following the phase one trade deal.

From: (b)(6)
Sent: Sunday, March 8, 2020 6:44 PM
Cc: MR Staff (b)(6)
Subject: Market Update | Oil Futures Plummet 20%, S&P 500 Futures 4% Lower

WTI (-22%) and Brent futures (-21%) have dropped sharply to \$32.28 and \$35.89 per barrel, respectively, following reports that Saudi Arabia is effectively engaging in an oil price war after OPEC+ discussions regarding coordinated production cuts fell apart last week.

As context, last week, Saudi officials reportedly pushed for OPEC+ members to collectively curb oil production by an additional 1.5 million barrels per day but faced resistance from Russian officials, who preferred to revisit the decision in June and indicated Russian oil firms were free to ramp up idle capacity in April. **As a result, over the weekend, Saudi Aramco sent notices to buyers indicating it was slashing oil prices by as much as \$8 per barrel depending on the region of the customer, while Saudi officials indicated the nation's oil output could increase to 10-11 million barrels per day (up from 9.7 mbpd in March).**

These developments have furthered weighed on already fragile market risk sentiment, with S&P 500 futures currently down 4%. Market participants have so far noted the following:

- 1) The decline in oil prices, if sustained at these levels, will hit the U.S. energy sector, as the average shale breakeven price (while it can vary significantly by region) is around \$45-50 per barrel. Sustained prices below this range could lead to job losses in the sector and possibly spillover to local businesses, as well as reduce investment in the capital-intensive shale industry;
- 2) The decline in oil prices will weigh on high-yield credit markets, as oil producers in the U.S. comprise a substantial

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portion of high-yield issuance;

- 3) Normal benefits of lower oil to the average consumer will likely be less in an environment where people are reluctant to travel;
- 4) Economies heavily reliant on oil exports will be hit and may have to cut back on imports, weighing on global trade;
- 5) Although medium- to longer-term inflation expectations are, in theory, supposed to look past oil volatility, in reality lower oil prices weighed on inflation expectations, as evidenced in 2014-16, making it harder for global central banks to achieve their inflation targets.

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WHO_EOP

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WHO_EOP

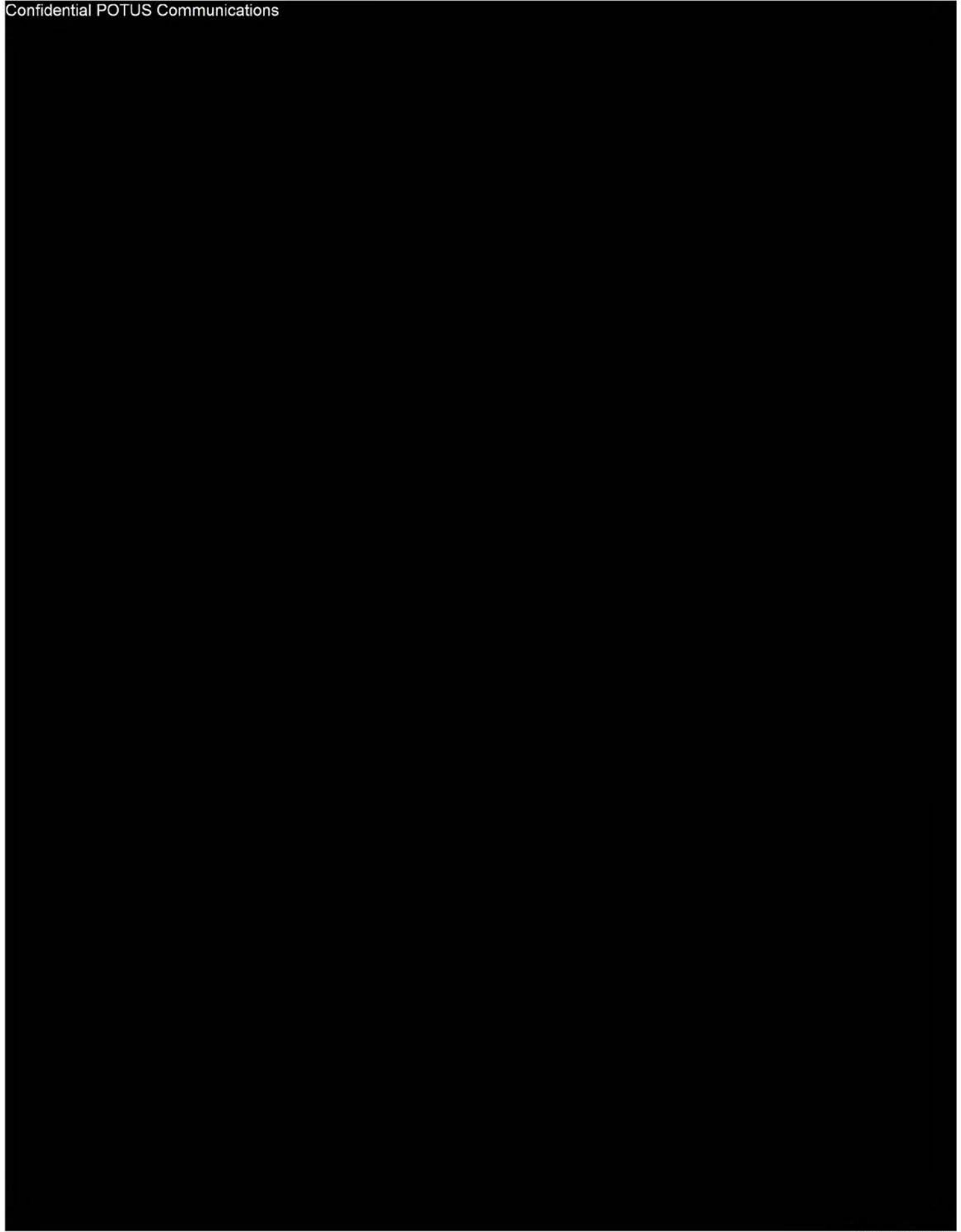
WHO_EOP

WHO_EOP

WHO_EOP

WHO_EOP

WHO_EOP



UST_000027

UST_000028

Fwd: Executive order to save lives

From: Secretary Mnuchin
To: ama2@hhs.gov, Jared Kushner [WHO EOP], Chris Liddell [WHO EOP], "Kudlow, Lawrence" [WHO EOP], "Short, Marc T. EOP/OVP" [WHO EOP], Eric Ueland [WHO EOP]
Cc: (b)(6)@treasury.gov, Secretary Mnuchin
Date: Mon, 16 Mar 2020 07:19:50 -0400

(b)(5) DP

Patrick has a treatment approved for cancer that he believes could be successful but will take significant time for FDA approval.

From: Patrick Soon-Shiong <pss@nantworks.com>
Date: March 15, 2020 at 1:46:17 PM EDT
To: Secretary Mnuchin
Subject: Executive order to save lives

Here you are:

By Executive Order

"Any Molecule or Cell Therapy that has been tested in Humans in the USA or Europe with evidence of safety, and tested for purposes other than treating Covid-19, can initiate Phase 1 trials under medical supervision in the United States for the treatment of patients infected with Covid-19 after the following conditions have been met:

1. A scientific review and justification by a committee composed of a basic scientist, a practicing physician, a professional with regulatory expertise who has current interactions with FDA and a hospital administrator. Each individual must attest to a diligent review of the scientific basis of the trial. Unanimous consent is required by the committee in order for a protocol to be submitted. The members of the committee must be signatories to the protocol.
2. The molecules or cells must have completed first in human safety studies in the USA or Europe. Cell engineering of the parent cell, specific to the treatment of Covid-19 is permitted.
3. The protocol must be submitted to the FDA and will be posted on Clintrials.gov.

Upon satisfaction of these 3 criteria, trials can begin immediately following submission of the protocol to the FDA.

Results of each patient studied must be submitted in real time to FDA upon the conclusion of the findings, on a patient by patient basis.

The data will be published on a publicly available web site in real time."

Patrick Soon-Shiong MD
Chairman and CEO
Nantworks
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This message was secured by Zix(R).

UST_000029

Fwd: Bernie Marcus, Andy Puzder: Coronavirus bill with paid leave provision deserves widespread support | Fox News

From: Secretary Mnuchin [REDACTED]
To: Eric Ueland [REDACTED], Jared Kushner [REDACTED], Chris Liddell [REDACTED], "Kudlow, Lawrence" [REDACTED], "Meiners, MollyDisabled" [REDACTED], "Vought, Russell T. EOP/OMB" [REDACTED], Mick Mulvaney [REDACTED], "Short, Marc T. EOP/OVP" [REDACTED], [REDACTED] <molly.meiners@treasury.gov>
Cc: [REDACTED] (b)(6) [REDACTED]@treasury.gov
Date: Mon, 16 Mar 2020 08:01:18 -0400

Pls copy Mark Meadows and Hone as I don't have emails

(b)(5) DP [REDACTED]

They stated with writing a OP ED against this and after we called them yesterday and explained it they wrote in favor.

(b)(5) DP [REDACTED]

From: Secretary Mnuchin [REDACTED]
Date: March 16, 2020 at 7:54:52 AM EDT
To: Secretary Mnuchin [REDACTED]
Subject: Bernie Marcus, Andy Puzder: Coronavirus bill with paid leave provision deserves widespread support | Fox News

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

<https://hyperlink.services.treasury.gov/agency.do?origin=https://www.foxnews.com/opinion/coronavirus-bill-paid-leave-support-bernie-marcus-andy-puzder>

UST_000030

Fwd: Email below makes your point about sba slowness newt

From: Secretary Mnuchin
To: "McIntosh, Brent" <brent.mcintosh@treasury.gov>, "Kudlow, Lawrence" WHO EOP Jared Kushner
Date: Mon, 16 Mar 2020 08:10:11 -0400

From: Thirdwave2 <thirdwave2@speakingingrich.com>
Date: March 15, 2020 at 11:41:30 AM EDT
To: Secretary Mnuchin
Subject: Email below makes your point about sba slowness newt

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Sent from my iPad

Begin forwarded message:

From: Alfredo Ortiz <alfredo.ortiz@jobcreatorsnetwork.com>
Date: March 15, 2020 at 3:26:17 PM GMT+1
To: Vidar Jorgensen <vidar@wchnet.com>
Cc: Thirdwave2 <thirdwave2@speakingingrich.com>, Joe Desantis <jdesantis@gingrich360.com>, Steve Hantler <shantler@marcusfamilyoffice.com>
Subject: Re: Below is an email I just got today Sunday, March 15, 2020 9:49 AM from the SBA: A disaster declaration has not yet been announced for the county where your business is located. Therefore, SBA Disaster Loan Assistance is currently unavailable for C...

Unbelievable. Great example why SBA is NOT the right option.

Alfredo Ortiz
President & CEO
Job Creators Network
alfredo.ortiz@jobcreatorsnetwork.com
JobCreatorsNetwork.com

Please watch our videos and more at informationstation.org

On Mar 15, 2020, at 10:17 AM, Vidar Jorgensen <vidar@wchnet.com> wrote:

Below is an email I just got today Sunday, March 15, 2020 9:49 AM from the SBA: **A disaster declaration has not yet been announced for the county where your business is located. Therefore, SBA Disaster Loan Assistance is currently unavailable for Coronavirus related economic impact on businesses in your area.**

The SBA person I talked to could not locate Middlesex County in Massachusetts where my office is located which has an estimated [population](#) of 1,614,714. She could find Suffolk county where Boston is located.

How helpful are emails like this for small businesses and for the administration's re-election prospects?

What planet does the SBA (and this administration) live on?

Just as they have never ever applied for an SBA they seem not to feel and understand what a growing number of the broader public understands.

Sorry for the rush of emails, but this email below is the smoking gun with the administration's fingerprints all over it that

UST_000031

clearly confirms the TOTAL failure of the SBA plan A and NOW the need for plans B, C and D.

Sincerely,

Vidar

From: Disaster Customer Service [<mailto:DisasterCustomerService@sba.gov>]

Sent: Sunday, March 15, 2020 9:49 AM

To: Vidar Jorgensen <vidar@wchnet.com>

Subject: RE: We are in the health care conference business which has been shut down. Please email SBA disaster loan application details to all the above as soon as possible,

Dear Vidar Jorgensen:

Thank you for contacting the SBA Disaster Customer Service Center.

A disaster declaration has not yet been announced for the county where your business is located. Therefore, SBA Disaster Loan Assistance is currently unavailable for Coronavirus related economic impact on businesses in your area.

Once a declaration is made, the U.S. Small Business Administration will begin offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). The application process for Economic Injury Disaster Loan assistance will be made available to all affected communities as well as updated on our website: [SBA.gov/disaster](https://www.sba.gov/disaster).

SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

Sincerely,

Office of Disaster Assistance, Customer Service Center

U.S. Small Business Administration

1-800-659-2955

DisasterCustomerService@sba.gov

<image001.jpg>

[Home Page](#) | [Twitter](#) | [Instagram](#) | [Facebook](#) | [YouTube](#) | [LinkedIn](#) | [Email Alerts](#)

From: Vidar Jorgensen <vidar@wchnet.com>

Sent: Friday, March 13, 2020 12:02 PM

To: Disaster Customer Service <DisasterCustomerService@sba.gov>

Cc: Sam Ventura <Sam.Ventura@worldcongress.com>; Benny DiCecca <benny.dicecca@validationinstitute.com>; Vidar

Jorgensen <vidar@wchnet.com>; Jill Hanson <Jill.Hanson@worldcongress.com>; Jason Sun(External) <(b)(6)>

Howard M. Newburg <hnewburg@newburg.com>

Subject: We are in the health care conference business which has been shut down. Please email SBA disaster loan application details to all the above as soon as possible,

From: Vidar Jorgensen

Sent: Sunday, March 15, 2020 9:52 AM

To: Alfredo Ortiz <alfredo.ortiz@jobcreatorsnetwork.com>; Thirdwave2 <thirdwave2@speakingingrich.com>

Cc: Joe Desantis <jdesantis@gingrich360.com>; Steve Hantler <shantler@marcusfamilyoffice.com>; Vidar Jorgensen

<vidar@wchnet.com>

Subject: The president can immediately bring a virtual circle of much needed hope and a believable vision of a positive future through more freedom and lower regulation to the country by announcing these two very workable programs.

Dear Alfredo,

The COVID-19 situation can create more economic damage and anxiety by far than 9-11 or the 2008 crash because so many people cannot work, will lose their jobs AND think they and their loved ones will get sick and risk dying.

This can be more of a shock than Pearl Harbor or the announcement of the Sputnik launch, and the good news is that the US has the resources to solve the main problems of fear and economic security and to communicate that to the country now today.

The president can just announce the treasury support for emergency funding through the banking system and freeing up the

UST_000032

private sector testing bottlenecks and turn our eyes from the self-inflicted rabbit holes to the shining city on a hill.

Get someone like Peggy Noonan or Hoover's Peter Robinson ("Mr. president tear down this wall" –I can introduce to Peter) to craft the words that will be remembered in 500 years.

The president can immediately bring a virtual circle of much needed hope and a believable vision of a positive future through more freedom and lower regulation to the country by announcing these two very workable programs. These ideas are the right ideas. The public needs this now.

The country needs and deserves this level of leadership now today, and if the president does not provide it, he will most likely lose the next election.

This is both a crisis and a teaching and leadership opportunity. Help our president seize the moment now.

Sincerely,

Vidar

From: Vidar Jorgensen

Sent: Sunday, March 15, 2020 9:08 AM

To: 'Alfredo Ortiz' <alfredo.ortiz@jobcreatorsnetwork.com>; Thirdwave2 <thirdwave2@speakingingrich.com>

Cc: Joe Desantis <jdesantis@gingrich360.com>; Steve Hantler <shantler@marcusfamilyoffice.com>; Vidar Jorgensen <vidar@wchnet.com>

Subject: Thank you for your inspired and workable ideas in you recommendations on the Treasury enabling banks to get small businesses cash within 3 days in an orderly and distributed process that is difficult to scam.

Dear Alfredo,

Thank you for your inspired and workable ideas in you recommendations on the Treasury enabling banks to get small businesses cash within 3 days in an orderly and distributed process that is difficult to scam. You have my full support

Your ideas on freeing up the clinical testing are also badly needed.

With those 2 ideas, the US can move from the back of the line to the leadership it is capable of in this situation. Think like Reagan (and Truman) and let the president or whomever necessary take the credit so it gets done now when needed.

You have the two best ideas I have heard yet for the US and COVID-19, and I am motivated as a result. That motivation and creativity is what is needed now today.

Sincerely,

Vidar

Vidar Jorgensen
Chairman, World Health Care Congress
Cambridge Healthtech Institute
Cambridge Innovation Institute
500 West Cummings Park, Suite 5400
Woburn, MA 01801

Direct: +1 (b)(6)

Fax: +1 781 939-2699

Cell: +1 (b)(6)

Email: vidar@wchnet.com

<https://hyperlink.services.treasury.gov/agency.do?origin=www.worldcongress.com>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.healthtech.com>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.cambridgeinnovationinstitute.com>

Assistant

Jill E. Hanson

Phone: (b)(6)

Fax: 781-939-2658

UST_000033

Cell: (b)(6)

Jill.Hanson@WorldCongress.com

<https://hyperlink.services.treasury.gov/agency.do?origin=www.grameenprimacare.org>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.grameenvidasana.org>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.grameenamerica.org>

From: Alfredo Ortiz [<mailto:alfredo.ortiz@jobcreatorsnetwork.com>]

Sent: Sunday, March 15, 2020 5:56 AM

To: Thirdwave2 <thirdwave2@speakingingrich.com>

Cc: Vidar Jorgensen <vidar@wchnet.com>; Joe Desantis (b)(6); Steve Hantler

(b)(6)

Subject: Re: Alfredo ortiz of the job creators network, email above, is my adviser on these issues, if you and he can figure out what needs to be done we can take it to the white house newt

Thank you Newt

Vidar, happy to talk. We share your exact same concerns and agree. I believe we have a solution which we will be sharing with the Treasury Secretary later today. Would love to hear ideas you might have. Thank you.

Alfredo

Alfredo Ortiz

President & CEO

Job Creators Network

(b)(6)

alfredo.ortiz@jobcreatorsnetwork.com

JobCreatorsNetwork.com

Please watch our videos and more at informationstation.org

On Mar 15, 2020, at 5:50 AM, Thirdwave2 <thirdwave2@speakingingrich.com> wrote:

Sent from my iPad

On Mar 15, 2020, at 10:44 AM, Vidar Jorgensen <vidar@wchnet.com> wrote:

Newt Gingrich Thirdwave2 <thirdwave2@speakingingrich.com>

Callista Gingrich <CGingrich@gingrichproductions.com><<mailto:CGingrich@gingrichproductions.com>>>,

Dear Newt,

You have spoken at our World Health Care Congress and other conferences

I just read your excellent article in Newsweek, and especially your comments on the potential failure of the Italian banks. The US has some similar economic risks because the Emergency Disaster Relief funds are being held up by and overly centralized and complicated SBA process instead of going through local banks that already know their customers and which are worth of additional capital.

The current SBA on line process <https://disasterloan.sba.gov/ela/Information/PaperForms> appears to require a FEEMA registration number, and you cannot easily get that number from FEEMA, creating a rabbit hole for businesses and is of no help to local banks that want to protect their existing customers:

Required Information to Complete the Application

After a Presidential disaster declaration, you must first register with the Federal Emergency Management Agency (FEMA). To obtain a registration number, call FEMA at 1-800-621-3362 (TTY: 1-800-462-7585) or visit DisasterAssistance.gov.

This over centralization of the SBA process is comparable to the disastrous over centralization of the COVID-19 testing process:

<https://hyperlink.services.treasury.gov/agency.do?origin=https://www.theatlantic.com/health/archive/2020/03/why-coronavirus-testing-us-so-delayed/607954/>

UST_000034

It will be very difficult for the us economy and banks if so much of the emergency liquidity is blocked by the SBA.

Who should I bring this up with, and can you make an introduction.

Sincerely,

(b)(6)

(b)(6)

Chairman, World Health Care Congress
Cambridge Healthtech Institute
Cambridge Innovation Institute
500 West Cummings Park, Suite 5400
Woburn, MA 01801

Direct: (b)(6)

Fax: +1 781 939-2699

Cell: +(b)(6)

Email: vidar@wchnet.com

<https://hyperlink.services.treasury.gov/agency.do?origin=www.worldcongress.com>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.healthtech.com>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.cambridgeinnovationinstitute.com>

Assistant

(b)(6)

Phone: (b)(6)

Fax: 781-939-2658

Cell: (b)(6)

Jill.Hanson@WorldCongress.com

<https://hyperlink.services.treasury.gov/agency.do?origin=www.grameenprimacare.org>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.grameenvidasana.org>

<https://hyperlink.services.treasury.gov/agency.do?origin=www.grameenamerica.org>



U.S. Small Business
Administration

UST_000035

Fwd: Costs

From: Secretary Mnuchin
To: "Kudlow, Lawrence" WHO_EOP
Date: Mon, 16 Mar 2020 10:20:38 -0400

Please do NOT forward.

(b)(5) DP (b)(5) DP
(b)(5) DP

From: Faulkender, Michael <Michael.Faulkender@treasury.gov>
Date: March 16, 2020 at 9:01:51 AM EDT
To: Secretary Mnuchin Kautter, David <David.Kautter@treasury.gov>
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, (b)(6)
Subject: Re: Costs

Mr. Secretary,

There are approximately 5.5 million small and medium sized businesses in the United States that employ fewer than 500 people.

(b)(5) DP

(b)(5) DP

Mike

UST_000036

Fwd: POST Holdings CEO - FW: Connect re food supply

From: Secretary Mnuchin
To: Chris Liddell, "Kudlow, Lawrence"
Cc: "(b)(6)" <(b)(6)@treasury.gov>, "Muzinich, Justin" <justin.muzinich@treasury.gov>, "Callanan, Brian" <brian.callanan@treasury.gov>, "McIntosh, Brent" <brent.mcintosh@treasury.gov>, Jared Kushner
Date: Mon, 16 Mar 2020 10:25:26 -0400

Chris/Larry (b)(5) DP
(b)(5) DP

From: (b)(6)@treasury.gov
Date: March 16, 2020 at 10:20:23 AM EDT
To: Secretary Mnuchin
Subject: POST Holdings CEO - FW: Connect re food supply

Sir - Please see below from the CEO of Post Holdings (he was on the POTUS call yesterday with you and other CEOs). I told him I would get back to him if we had any comments but I would make sure you saw the below.

Thanks

-----Original Message-----
From: Robert Vitale <rob.vitale@postholdings.com>
Sent: Monday, March 16, 2020 7:06 AM
To: Jack Oliver <jack@jackoliver.com>
Cc: (b)(6)@treasury.gov
Subject: Re: Connect re food supply

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks Jack. (b)(6), nice to meet you.
I was able to participate in call yesterday with Trump, Pence, Mnuchin and Perdue.
I think it's clearly on the radar.
Some quick comments.

1. Need to think of unique logistics needs created by supply chains that start in small rural communities. Need access to testing to make sure we have workers.
2. In worst case scenario need a liaison to ensure physical safety of product and people in transit (really dire outcome)
3. Today our biggest challenge is the states are eliminating child care for our workforce with school closures. We are scrambling to replicate and looking for ideas.
4. Could use relief of a couple weeks or month on SEC filings to take some pressure off work from home models.
5. Could use relief, if not already provided, on timing of tax estimates. Hard to tell right now what taxable income will be so are funding tax estimate that may not exist and taking down systemic liquidity. Like I said, may have been addressed and I'm just catching up.

Happy to discuss

UST_000037

Fwd: Walgreens - Urgent request for Emergency Pharmacy Patient Services

From: Secretary Mnuchin
To: Eric Ueland WHO EOP, "Kudlow, Lawrence" WHO EOP
Cc: WHO EOP
Date: Sat, 21 Mar 2020 17:48:15 -0400

(b)(5) DP

From: (b)(6)@treasury.gov
Date: March 21, 2020 at 4:58:18 PM EDT
To: Secretary Mnuchin
Subject: Fwd: Walgreens - Urgent request for Emergency Pharmacy Patient Services

FYI sir

From: (b)(6)@treasury.gov
Date: March 21, 2020 at 4:24:31 PM EDT
To: es_specials<es_specials@do.treas.gov>, (b)(6)@treasury.gov, Execsec1<Execsec1@treasury.gov>
Subject: Fwd: Walgreens - Urgent request for Emergency Pharmacy Patient Services

From: Larissa Martin <lmartin@guidedpost-strategy.com>
Date: March 21, 2020 at 4:09:12 PM EDT
To: (b)(6)@treasury.gov
Subject: Walgreens - Urgent request for Emergency Pharmacy Patient Services

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

I've been asked by our client, Walgreens, to share the attached and below with you and your team. I am sure you are getting inundated with requests and things are moving very quickly around the Phase 3 discussions but would appreciate your team taking the below into consideration. Given the importance of access of testing and with all of the attention on the significant physician shortage and hospital overload, we were surprised by the lack of any mention of pharmacists in the latest draft. Walgreens is looking for support around including emergency pharmacy patient services in Phase 3 so that pharmacists can better serve their communities and give greater access to care during this time of crisis across the country. This is currently being considered by both the House and Senate but democrat's are asking for where the Administration stands is on these proposals.

As you may know, Walgreens is one of a handful of pharmacy/retailers standing up COVID-19 testing sites, as announced by Richard Ashworth, Walgreens President, last Friday. They have launched their first in IL and hopefully will be able to scale quickly based on supplies/personal support from HHS, etc. As more cities and states (CA, NY) move to shelter in place or some variation, pharmacies and grocery stores are increasingly the locations for people to receive get their medications and potentially other health care services.

Attached please find two asks re: Emergency Pharmacy Patient Services/Provider Status for Pharmacists which we have shared far and wide on the Hill. We will soon face an even more dire shortage of providers, we believe now is the time to plan for this demand. Pharmacists can be very helpful during this time, especially in communities who are having a greater shortage of care/access and they are ready and able to help if they were given that authority.

As you'll see on the attached document, ALL of the services requested for inclusion on a temporary basis have been approved in one state or many more.

Here are the two main asks that we'd appreciate your team reviewing/considering (add'l details attached):

- Pharmacist prescriptive authority – To provide for real-time treatment access for patients and preserve the resources in hospitals and acute settings for critical conditions i.e. COVID-19, expand access to patients for treatment options by allowing pharmacists to initiate treatment on patients with acute or chronic conditions.
- Pharmacist Provider Status – Establishing pharmacists as providers in Medicare Part B can further bolster an

UST_000038

important access point for care for those afflicted by COVID-19 as well as supplement a national health care system that may be severely overtaxed by the response to the virus.

-
Happy to discuss at any time convenient for you or the best POC on your team, if helpful. We'd truly appreciate any support your team could give around this so that is included in Phase 3.

-
We have been asked specifically by both House and Senate Democrats on where the Administration stands on this proposal and would truly appreciate your teams support as you continue to have discussions in these immediate hours and days ahead.

-
Really appreciate your consideration and review of what I have shared.

-
Hope you stay safe and healthy – thank you for all you're doing for our country during this time.

-
Thanks so much.

Larissa

-

-

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UST_000039

Fwd: Lending Facility for Businesses

From: Secretary Mnuchin

To: "Muzinich, Justin" <justin.muzinich@treasury.gov>, "Callanan, Brian" <brian.callanan@treasury.gov>, "McIntosh, Brent" <brent.mcintosh@treasury.gov>

Date: Sun, 22 Mar 2020 09:31:20 -0400

Do not forward

From: Timothy Geithner (b)(6)
Date: March 22, 2020 at 8:20:23 AM EDT
To: Secretary Mnuchin
Subject: Lending Facility for Businesses

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

This from Thursday built around Warner/Warsh idea.

Sent from my iPhone

Begin forwarded message:

From: (b)(6)@yale.edu
Date: March 21, 2020 at 9:31:53 AM EDT
To: "Geithner, Timothy" <timothy.geithner@warburgpincus.com>
Subject: FW: Some ideas

[**EXTERNAL EMAIL**]

Tim-

Here is the email with attachments.

Best,
Bill E.

From: English, William
Sent: Friday, March 20, 2020 10:02 PM
To: Brainard, Lael (Board) <lael.brainard@frb.gov>
Subject: Some ideas

Lael-

As I think you know, some folks who were at the Board, the Treasury, and the FDIC during the 2007-09 crisis have been talking about possible things that the Fed could do to help in the current very difficult situation. The group asked me to forward three things to you that you might find helpful (or not – free disposal!).

The first is a document (Ways to keep...) that offers a two possible facilities that could be used to encourage bank lending to SMEs. The basic idea is to provide substantial funding and risk reduction to encourage lenders to provide credit in a time of tremendous uncertainty. Both facilities would require Treasury capital to cover possible losses. We discussed the two options at some length, and the group had a modest preference for the second one because it seemed simpler. But the first one, which uses the DW as a front end, could probably be put in place significantly more rapidly, which might be attractive.

The second is a document (Extensions and Enhancements...) that lays out a number of ways that the CPFF could be enhanced and extended. Basically, the group thinks that the CPFF is potentially a very powerful tool in the current situation, where short and medium-term credit will be valuable in getting firms past the worst of the coronavirus. One possibility would be to gradually add additional features as analysis can be completed on the associated risks (and sufficient support from the Treasury can be obtained).

The third is a document (enhancedtalf...) that provides a similar list of ways that a TALF-like structure could be used to support

UST_000040

a wider range of markets. There was some discussion about whether it wouldn't be more powerful to more directly purchase assets if that could be structured within the FRA. A benefit of the TALF structure might come after the virus has eased off, when there may be a need to restart markets. As with the CPFF suggestions, one idea would be to start with a short list of securities and gradually add more as the risks and capital needs could be evaluated. (I think this is much like what was done with the original TALF program.)

We plan to continue to discuss the CPFF and TALF-like structures, and we hope to have something more concrete to suggest at some stage, but we thought it was worth letting you know what we are thinking about. We have a number of additional issues that we will be discussing as well. If there are issues that it would be helpful to hear about, please let us know. And I'd be happy to discuss any of this.

Needless to say, we have been tremendously impressed by the efforts of the Fed in recent weeks, and we are want to help in any way we can.

Hang in there, and I hope you are staying safe,
Bill E.

William B. English
Professor in the Practice
Yale School of Management
165 Whitney Ave., Room 4516
New Haven, CT 06511
(b)(6)@yale.edu
(b)(6)
203 436-9252 (f)



UST_000041

Fwd: Fed 13(3) actions today

From: Secretary Mnuchin
To: (b)(6) @treasury.gov
Date: Sun, 22 Mar 2020 14:23:05 -0400

From: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Date: March 22, 2020 at 2:22:30 PM EDT
To: Secretary Mnuchin
Subject: Fwd: Fed 13(3) actions today

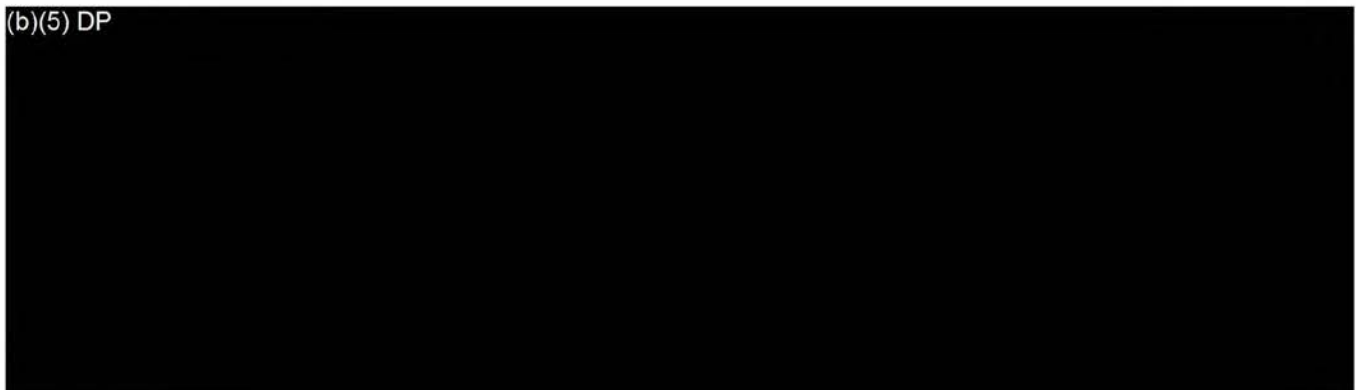
Fysa

From: Mark Van Der Weide <mark.vanderweide@frb.gov>
Date: March 22, 2020 at 2:16:16 PM EDT
To: Froman, Eric <Eric.Froman@treasury.gov>, Callanan, Brian <Brian.Callanan@treasury.gov>, Muzinich, Justin <Justin.Muzinich@treasury.gov>, Phelan, Peter <Peter.Phelan@treasury.gov>, Smith, Brian <Brian.Smith@treasury.gov>
Cc: Asad Kudiya <asad.i.kudiya@frb.gov>, Mary Watkins <mary.l.watkins@frb.gov>, Andreas Lehnert <andreas.lehnert@frb.gov>, Smith, Michelle A., <Michelle.A.Smith@frb.gov>
Subject: Fed 13(3) actions today

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Treasury colleagues:

(b)(5) DP



Mark



UST_000042



UST_000043

Fwd: Email from Tim Geithner Re: Additional Ideas

From: Secretary Mnuchin

To: (b)(6)@treasury.gov>

Date: Mon, 23 Mar 2020 09:27:41 -0400

(b)(5) DP

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Date: March 23, 2020 at 9:15:16 AM EDT
To: Secretary Mnuchin
Cc: (b)(6)@treasury.gov>
Subject: Email from Tim Geithner Re: Additional Ideas

From: Timothy Geithner (b)(6)
Sent: Sunday, March 22, 2020 7:59 AM
To: Secretary Mnuchin
Subject: Fwd: Some additional ideas

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov

Fed should do these quickly.

Sent from my iPhone

Begin forwarded message:

From: (b)(6)@yale.edu>
Date: March 21, 2020 at 9:50:28 PM EDT
To: "Brainard, Lael (Board)" <lael.brainard@frb.gov>, "Logan, Lorie" <lorie.logan@ny.frb.org>
Cc: "mark.vanderweide@frb.gov" <mark.vanderweide@frb.gov>, "Michael.held@ny.frb.org" <Michael.held@ny.frb.org>, "jerome.powell@frb.gov" <jerome.powell@frb.gov>, "john.williams@ny.frb.org" <john.williams@ny.frb.org>, "Geithner, Timothy" <timothy.geithner@warburgpincus.com>, (b)(6)@brookings.edu>
Subject: Some additional ideas

[EXTERNAL EMAIL**]**

Lael, Lorie-

There was further discussion by your former colleagues from the Fed, Treasury, and FDIC today. We thought we would send you three documents:

The first document (Extensions and ...) summarizes our current thinking about an expanded CPFF. The group continues to think that this is a potentially powerful tool, and there was broad agreement that a program along these lines should be considered seriously, so long as the Treasury can provide the needed capital. We realize that isn't up to you.

The second document (Broad repo...) summarizes our discussion about a broader repo facility. As you have probably discussed, this could go in two directions – adding participants to OMO operations, or adding participants to the PDCF (with a broader range of collateral). Our discussion today focused largely on operational complexity and time to market, both of which you probably know more about than we do. There are a number of tradeoffs here, and we tried to lay them out, but we reached no conclusions, other than that something along these lines seemed promising.

The third document (enhancedtalf...) updates our thinking on a new, broader TALF. It provides some very rough indicative numbers, as well as possible timing, though both clearly depend on how ambitious the program is. With markets for many assets under stress, a TALF-style program could help put a floor under asset valuations. However, we know that handling legacy assets in the original TALF was difficult and time consuming. Some folks pointed out, though, that a clear announcement that a TALF-style program was coming might help support markets, even if the facility couldn't open for a time. And even a TALF-style program for new issues could help restart markets once the coronavirus effects wane.

UST_000044

We generally thought that all of these programs could be quite helpful. But given you and your staff's very limited time, and the limits on Treasury capital, most participants thought that this was the right ordering – CPFF, broad repo facility, TALF. Basically, most folks' first priority was supporting the real economy, with support for financial markets – though still highly important – seen as a secondary concern.

Please let us know if there is anything we can do to be helpful to your or your staff.

Bill E.

William B. English
Professor in the Practice
Yale School of Management
165 Whitney Ave., Room 4516
New Haven, CT 06511
(b)(6)@yale.edu
(b)(6)
203 436-9252 (f)



UST_000045

Fwd: Same model we used in WWII

From: Secretary Mnuchin

To: "McIntosh, Brent" <brent.mcintosh@treasury.gov>

Date: Tue, 24 Mar 2020 09:04:15 -0400

From: O'Brien, Robert C. EOP/WHO WHO EOP
Date: March 22, 2020 at 8:22:32 AM EDT
To: Pottinger, Matthew F. EOP/WHO WHO EOP
Cc: DL NSC COVID-19 EOP NSC, Kushner, Jared C. EOP/WHO WHO EOP, Adam Boehler <Adam.Boehler@dfc.gov>, Short, Marc T. EOP/OVP WHO EOP, Liddell, Christopher P. EOP/WHO WHO EOP, Butterfield, Nicholas W. EOP/WHO WHO EOP, Rader, John N. EOP/NSC EOP NSC, Lyons, Derek S. EOP/WHO WHO EOP, Kan, Derek T. EOP/OMB EOP OMB, Vandroff, Mark R. EOP/NSC EOP NSC, Birx, Deborah L. EOP/NSC EOP NSC, Secretary Mnuchin, Mike Pompeo, Gray, Alexander B. EOP/NSC <Alexander.B.Gray@EOP NSC>, GrenellRA1@state.gov <GrenellRA1@state.gov>, mark.a.milley.mil@mail.mil <mark.a.milley.mil@mail.mil>, Miller, Stephen EOP/WHO <Stephen.Miller@WHO EOP>, Cipollone, Pat A. EOP/WHO WHO EOP, Kudlow, Lawrence WHO EOP, Navarro, Peter K. EOP/WHO WHO EOP
Subject: Re: Same model we used in WWII

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you for the Email and solid analysis, Matt. Alex and I just had Arthur Herman in the office last week. He is a fine American and I am sure would be willing to share further thoughts with the Task Force or subgroups.

(b)(5) DP

(b)(5) DP This crisis has been a wake up call for the whole country and demonstrates the rational behind the President's "America First" national security policy. Most Americans are just astounded that prior administrations and many of our great corporations and banks allowed the situation to develop whereby we are utterly dependent on the Chinese Communist Party for so many of our critical necessities - be it pharma, rare earths or other items.

Best regards,
RCO

Sent from my iPad

On Mar 21, 2020, at 8:51 PM, Pottinger, Matthew F. EOP/WHO WHO EOP wrote:

Lessons from FDR industrial mobilization in WWII -- <https://www.wsj.com/articles/make-america-the-medicine-chest-of-the-world-11584637124> -- by Arthur Herman, who wrote the book on the subject:

- America's productivity in World War II wasn't the result of bureaucrats in Washington exercising command and control over the U.S. economy, as some seem to think the Covid-19 pandemic requires. On the contrary, the federal government harnessed the energy and innovation of America's finest companies to produce what government could not: materials and supplies in sufficient quantities to prevail in two theaters of war on opposite sides of the globe.
- Just as FDR's administration temporarily set aside antitrust standards so companies could band together to produce everything from aircraft parts to tanks and synthetic fuels, the Trump administration can encourage companies to pool their patents and intellectual property to increase production of key drugs and technologies.
- It's absurd that Italy must rely on China for emergency supplies of ventilators when America is home to major ventilator manufacturers like Vyair, ResMed and Allied Healthcare Products. The Trump administration should work out a timeline with these medical-device makers to produce all the ventilators the world needs right here in the U.S. The same is true for respirators, swabs and other types of protective gear crucial to preventing a global health-care catastrophe.
- Washington should also clear the way for the American pharmaceutical industry to develop and deploy therapies for Covid-19 until antiviral drugs, and ultimately a vaccine, are in place. Regeneron Pharmaceuticals of Tarrytown, N.Y., which developed a drug last year to combat Ebola, announced Tuesday it has made progress in the hunt for a Covid-19 treatment. Swift action by the Food and Drug Administration has already streamlined the approval process so that what might normally take two to three years will now happen in a matter of weeks.

UST_000046

Make America the Medicine Chest of the World

Take a page from FDR's 'arsenal of democracy' and mobilize industry to fight Covid-19.

By Arthur Herman
March 19, 2020 12:58 pm ET

America's "arsenal of democracy" saved Europe and the world from fascism during World War II. Today the U.S. can win a similar victory over the novel coronavirus by sticking to the same principles that made the war effort so successful. President Trump took a vital step in that direction Wednesday by invoking the Defense Production Act, which gives him the authority to expedite and expand industrial production of key medical resources necessary to fight the pandemic.

America's productivity in World War II wasn't the result of bureaucrats in Washington exercising command and control over the U.S. economy, as some seem to think the Covid-19 pandemic requires. On the contrary, the federal government harnessed the energy and innovation of America's finest companies to produce what government could not: materials and supplies in sufficient quantities to prevail in two theaters of war on opposite sides of the globe.

By May 1940, President Franklin D. Roosevelt realized the tide of fascism and Nazism would overwhelm the forces of freedom unless the U.S. helped to rescue the world's democracies, starting with beleaguered Britain. Many in his administration believed then, as many Americans believe now, that the only way to deal with an extreme crisis was to adopt the same measures authoritarian governments were using to build their war machines—even to the point of nationalizing key industries like steel and automobiles.

But FDR understood that a wartime buildup wouldn't succeed unless it harnessed America's private resources and design expertise. He turned to the productive power of capitalism to arm the world against the fascist threat, leaving the federal government with the job of coordinating and overseeing the private companies best suited to accomplish the mission, and making sure resources went where private industry needed them. American factories produced a third of all war material used by the Allies in World War II, and they did it by applying a simple principle: Let the federal government point the way, and let private industry do the rest.

UST_000047

By invoking the Defense Production Act, the administration can clear away bureaucratic impediments to an effective pandemic response. Just as FDR's administration temporarily set aside antitrust standards so companies could band together to produce everything from aircraft parts to tanks and synthetic fuels, the Trump administration can encourage companies to pool their patents and intellectual property to increase production of key drugs and technologies.

Bringing together companies like Walgreens, [Walmart](#) and Google to streamline the Covid-19 testing process was a good first step toward making America safer and more secure against the growing pandemic. But there is much more the U.S. can do to mobilize its health-industrial and manufacturing base. It's absurd that Italy must rely on China for emergency supplies of ventilators when America is home to major ventilator manufacturers like Vyair, [ResMed](#) and [Allied Healthcare Products](#). The Trump administration should work out a timeline with these medical-device makers to produce all the ventilators the world needs right here in the U.S. The same is true for respirators, swabs and other types of protective gear crucial to preventing a global health-care catastrophe.

Washington should also clear the way for the American pharmaceutical industry to develop and deploy therapies for Covid-19 until antiviral drugs, and ultimately a vaccine, are in place. [Regeneron Pharmaceuticals](#) of Tarrytown, N.Y., which developed a drug last year to combat Ebola, announced Tuesday it has made progress in the hunt for a Covid-19 treatment. Swift action by the Food and Drug Administration has already streamlined the approval process so that what might normally take two to three years will now happen in a matter of weeks.

The government's first missions must be to keep Americans safe and to secure the U.S. economy as the mainspring of the global order. A Washington-led mobilization of the health-industrial and manufacturing base can also boost economic growth, just as the mobilization of the defense-industrial base did during World War II. "We won because we smothered the enemy in an avalanche of production, the like of which he had never seen, nor dreamed possible," said Lt. Gen. William "Big Bill" Knudsen of the American war effort. Knudsen had been president of General Motors before Roosevelt asked him to direct the War Department's production and procurement efforts.

A similar spirit of cooperation and determination will be necessary to defeat the novel coronavirus. All we have to do is strike the right balance between what the private sector can and must do, and what the federal government shouldn't and can't do.

Mr. Herman is a senior fellow at the Hudson Institute and author of "Freedom's Forge: How American Business Produced Victory in World War II" (2012) and the forthcoming "The Viking

UST_000048

Heart: How Scandinavians Conquered the World and Transformed the American Dream."

Sent from my iPhone

UST_000049

Fwd: Supply Chain

From: Secretary Mnuchin

To: "McIntosh, Brent" <brent.mcintosh@treasury.gov>

Date: Tue, 24 Mar 2020 09:04:41 -0400

From: O'Brien, Robert C. EOP/WHO WHO_EOP
Date: March 20, 2020 at 6:48:09 PM EDT
To: Kudlow, Lawrence WHO_EOP; Lighthizer, Robert E. EOP/USTR WHO_EOP
Secretary Mnuchin; Navarro, Peter K. EOP/WHO WHO_EOP; Liddell, Christopher P. EOP/WHO
WHO_EOP
Cc: Storch, Thomas H. EOP/NSC; Lin, Merry WHO_EOP; Olmem, Andrew
WHO_EOP; Kushner, Jared C. EOP/WHO WHO_EOP
Subject: RE: Supply Chain

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

(b)(5) DP

From: Kudlow, Larry A. EOP/WHO WHO_EOP
Sent: Wednesday, March 18, 2020 8:23 AM
To: O'Brien, Robert C. EOP/WHO WHO_EOP; Lighthizer, Robert E. EOP/USTR WHO_EOP
Secretary Mnuchin; Navarro, Peter K. EOP/WHO WHO_EOP; Liddell, Christopher P. EOP/WHO
WHO_EOP
Cc: Storch, Thomas H. EOP/NSC EOP_NSC; Lin, Merry S. EOP/WHO WHO_EOP; Olmem,
Andrew J. EOP/WHO WHO_EOP
Subject: FW: Supply Chain

FYI

From: Ubl, Steve <SUbl@phrma.org>
Sent: Tuesday, March 17, 2020 10:59 PM
To: Kudlow, Larry A. EOP/WHO WHO_EOP
Subject: [EXTERNAL] Supply Chain

Larry –

Thank you for your service through such a difficult time. It goes without saying that the pharmaceutical industry is on board to assist however we can.

I am writing to flag a potentially significant concern. As you may have seen, Peter Navarro, the director of the Office of Trade and Manufacturing Policy, mentioned this week that the President would issue an executive order, possibly as soon as this week, applying Buy American provisions to certain essential medications and active ingredients.

We strongly believe that discussions about further incentivizing pharmaceutical manufacturing in the United States should be deferred until after the crisis. Industry is doing everything it can to ensure continuity of supply chains and to avoid potentially life threatening shortages. We fear that imposition of Buy American provisions could cause disruptions at the worst possible time.

In normal times, moving manufacturing sites would be complicated and expensive. In the midst of this crisis, we worry it's impossible and that unintended consequences could be severe, including potentially *creating* shortages, distracting companies from the work of fighting coronavirus, imposing higher costs, and causing retaliation by other countries.

I appreciate your attention to this and am available to discuss if it would be helpful. I welcome any feedback on the likelihood of whether the E.O. will move forward and your thoughts on how industry can engage to help ensure Americans have continued access to medicines in these challenging times.

UST_000050

Best,
Steve

Stephen J. Ubl
President & Chief Executive Officer
PhRMA
Office: 202.835.3584
Fax: 202.715.7045
Email: subl@phrma.org
[@SteveUbl](#)

GOBOLDLY
GoBoldly.com | Innovation.org

UST_000051

Fwd: (BN) Boeing CEO Says He'd Resist Aid If U.S. Demands an Equity Stake

From: **Secretary Mnuchin**
To: "Muzinich, Justin" <justin.muzinich@treasury.gov>, Randy Quarles <randal.k.quarles@frb.gov>, Jerome H. Powell <jerome.powell@frb.gov>
Date: Tue, 24 Mar 2020 12:16:29 -0400

From: **Secretary Mnuchin**
Date: March 24, 2020 at 12:06:46 PM EDT
To: **Secretary Mnuchin**
Subject: (BN) Boeing CEO Says He'd Resist Aid If U.S. Demands an Equity Stake

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Boeing CEO Says He'd Resist Aid If U.S. Demands an Equity Stake

By Tony Robinson

(Bloomberg) --

Boeing Co. doesn't want the U.S. government to take a stake as the planemaker seeks assistance to grapple with effects from the new coronavirus, according to Chief Executive Officer Dave Calhoun.

"I don't have a need for an equity stake," Calhoun said in an [interview](#) Tuesday with Fox Business. "I want them to support the credit markets, provide liquidity. Allow us to borrow against our future."

He indicated that the Chicago-based company wouldn't accept aid in exchange for the government owning a share. "If you attach too many things to it, of course, you take a different course," he said.

Congress has struggled to come to terms on a massive stimulus package to aid businesses and individuals struggling with the economic fallout of the outbreak. House Speaker Nancy Pelosi said Tuesday she was [confident](#) a deal would be reached.

Boeing, which is seeking \$60 billion in aid for the aerospace industry, said Monday that it would [shut down](#) its Seattle-area manufacturing hub for two weeks after a worker died of coronavirus complications. The company has [suspended](#) stock buybacks and dividend payments, while Calhoun and Chairman Larry Kellner have given up all pay until year-end.

Its shares surged 16% to \$122.89 at 10:29 a.m. Tuesday as the market rallied on signs that Congress was near agreement on a stimulus bill. Boeing had plunged 68% this year through Monday, the worst performance on the Dow Jones Industrial Average.

Related ticker:
[BA US \(Boeing Co/The\)](#)

To contact the reporter on this story:
Tony Robinson in New York at trobinson72@bloomberg.net

To contact the editors responsible for this story:
Brendan Case at bcase4@bloomberg.net
Cécile Daurat

Recommended Stories [Boeing Halts Dividend; CEO, Chairman to Forgo Pay](#)
[Masa Son Unveils a \\$41 Billion Asset Sale to Silence His Critics](#)
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[Boeing to Temporarily Suspend Puget Sound Production Operations in Response to Escalating COVID-19 Pandemic](#)
[Boeing Trading Halted on N.Y. Stock Exchange, Pending News](#)
[President Trump Says Boeing Will Need 'Help' From Virus Impact](#)

People [Nancy D'Alesandro Pelosi \(United States House of Representatives\)](#)
[Lawrence W Kellner "Larry" \(Emerald Creek Group LLC\)](#)
[David L Calhoun "Dave" \(Boeing Co/The\)](#)
[William Boeing \(Boeing Co/The\)](#)

UST_000052

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[Click here to view story in Bloomberg](#)

UST_000053

Fwd: Covid- N803 potential Trial

From: Secretary [REDACTED]
To: "Rep. Mark Meadows" Mark Meadows [REDACTED], Jared Kushner WHO EOP [REDACTED]
Cc: Secretary Mnuchin [REDACTED]
Date: Sun, 29 Mar 2020 13:37:35 -0400

Please see below from Patrick Soon-Shiong

(b)(5) DP [REDACTED]

N803 is the name
IL15 molecule that stimulates the killer cells in your body and kills the virus factory.

It is in phase 3 for bladder cancer ..over 70 percent complete response and received Breakthrough Status by FDA
The FDA very rarely give drugs this high status. 80,000 patients a year with Bladder cancer. We avoid the horrible surgery of cutting out the entire bladder which itself has a 9percent mortality by surgery alone.

We also have complete remission of cancers with this drug in Breast cancer, Lung Cancer and pancreatic cancer.

We cured (b)(6) [REDACTED] cancer.. he is making this public soon on a video

By the way all we asking is to let us begin these trials in Covid patients
Not for full approval

We are filing for 2 trials in Covid patients:

One for N803

The second for the stem cells which will save lives like Kelly's husband... we need manufacturing capacity for those cells but more importantly need FDA to let me do that trial

Tell POTUS I'm so frustrated that I can't help him

So sad

We sent in our IND weeks ago.

They then said we have to back track and file for a Pre-IND to get a meeting.

So we filed the Pre-IND package.

And now we get a form letter in response to the PreIND package saying the meeting will try to be by May 24 !!!!!

So so crazy

We proposing a randomized trial testing our molecules against placebo.... I really believe we can help.

We have 2 treatments :

One for patients with mild disease to prevent to progress toICU status and even possibly to reduce the risk of healthcare professionals getting the infection by upregulating their NK cells with IL15

The second for those in ICU to mitigate fatality by dampening the inflammation

So frustrating .

But our molecule which is safe even in normal volunteers and has BREAKTHROUGH status by the FDA can't even try it even in our own clinic where our OWN doctors want it!

If we reduce the time in ICU just by 4 or 5 days we double the number of ventilators.

China has shown that when these MSC cells are injected it tamps down the inflammation and are transferred out of ICU

UST_000054

We have this cells under GMP in LA but can't get off first base. Any ideas or do I just wait until they call which according to the letter could be May ?

UST_000055

FW: Potus mtg

From: Secretary Mnuchin

To: (b)(6) @treasury.gov>

Date: Mon, 30 Mar 2020 12:34:01 -0400

From: Secretary Mnuchin

Sent: Monday, March 30, 2020 8:47 AM

To: Rep. Mark Meadows; Mark Meadows; Mark Meadows; Kudlow, Lawrence

WHO_EOP

Cc: Robert Lighthizer; WHO_EOP

Subject: Potus mtg

We need 15min with potus today. (b)(5) DP

(b)(5)

(b)(5) DP

UST_000056

Fwd: The Wall Street Journal: Steven Mnuchin Is Trying to Rescue the Economy From the Coronavirus

From: Secretary Mnuchin
To: Secretary Mnuchin
Date: Tue, 31 Mar 2020 08:14:40 -0400

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Date: March 31, 2020 at 7:36:38 AM EDT
To: Secretary Mnuchin
Cc: (b)(6)@treasury.gov, Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: The Wall Street Journal: Steven Mnuchin Is Trying to Rescue the Economy From the Coronavirus
Importance: High

Mr Secretary, the WSJ piece that has been in the works for a while.

The Wall Street Journal: Steven Mnuchin Is Trying to Rescue the Economy From the Coronavirus

Treasury secretary's ability to keep the president's trust while working with those outside the administration is expected to be crucial

By Kate Davidson and Bob Davis
March 31, 2020 7:30 am ET

Over the past month, Mr. Mnuchin has shepherded a pair of coronavirus rescue bills through Congress, including last week's roughly [\\$2 trillion relief package](#). He has tapped emergency funds so that the Federal Reserve can keep credit flowing to hemorrhaging markets.

Now, he's in charge of executing an unprecedented government spending surge in the coming weeks, delivering grants and loans to businesses, sending checks to millions of American households and expanding unemployment benefits amid soaring layoffs.

To get things done in partisan Washington, Mr. Mnuchin has relied on an ability to keep President Trump's trust while working with Democrats and others Mr. Trump distrusts, particularly House Speaker Nancy Pelosi and Federal Reserve Chairman Jerome Powell. Those skills, people who work with him say, will be all the more needed in the weeks ahead as the pandemic is expected to worsen and as Congress, Mr. Mnuchin and the White House negotiate new rescue measures for the economy.

"The next six months may be as challenging a time to be Treasury secretary as any since the Second World War," says former Clinton administration Treasury Secretary Lawrence Summers, who has been sharply critical of Mr. Mnuchin for his unswerving backing of the president.

Mr. Mnuchin declined to be interviewed. "My full-time objective right now is to make sure this administration does everything we can to get this money into the economy quickly," he said in an interview with Fox News Sunday.

The economic rescue is likely to prove critical to the re-election prospects for Mr. Trump, whose ad hoc management style hampered the government's initial response.

Mr. Trump and Mr. Mnuchin have known each other for more than 15 years. Their long-term relationship is key to Mr. Mnuchin's ability to outlast many in the cabinet despite occasionally harsh criticism from the president, say the Treasury secretary's allies. Mr. Mnuchin said in an earlier interview that he talks with the president "at least once every day."

UST_000057

Mr. Mnuchin avoids contradicting or upstaging Mr. Trump in public, which also helps his standing with the president though it prompts criticism from outside the administration. Mr. Summers called Mr. Mnuchin a sycophant in a tweet for supporting Mr. Trump's attacks on National Football League players kneeling during the national anthem.

Mr. Trump and Mr. Mnuchin at times disagree. The president, for instance, repeatedly overruled Mr. Mnuchin's efforts to find an early resolution to the China trade war.

Mr. Trump also has leveled harsh criticism at Mr. Powell, whom Mr. Mnuchin endorsed for the Fed job, accusing him of not doing enough to support economic growth. Mr. Mnuchin tries to handle the president's outbursts against Mr. Powell by explaining to Mr. Trump the way the Fed looks at the economy, say people who have witnessed the exchanges.

"Steven's view is, don't take it personally," says a Trump official who has witnessed the presidential outbursts. "It's a squall. We know it and we see it. It doesn't interfere with their relationship."

Regardless of the criticisms, Mr. Mnuchin and Mr. Powell coordinate closely, according to people who know both men. They have a regularly scheduled weekly breakfast—usually Thursdays at 8 a.m. This past month, the Fed and Treasury have worked in tandem to make credit available to markets and businesses. "There's not a day that goes by now that he and I don't speak," Mr. Mnuchin said last week on CNBC. "Sometimes it's five times, sometimes it's 30 times."

Before becoming Treasury secretary, Mr. Mnuchin had little Washington experience, having spent most of his career in finance. Still, despite some early missteps, including the use of government-run planes that drew criticism from ethics officials, he's credited by people who have dealt with him as straightforward and a quick learner in Washington's ways.

Mr. Mnuchin regularly consults with a number of business figures, according to his public calendar, none more frequently than Henry Paulson, the former Treasury secretary and Mr. Mnuchin's mentor at investment bank [Goldman Sachs](#).

"Steven has three attributes which are prerequisites to success—the confidence of the president, the confidence of congressional leaders on both sides of the aisle, and the right mix of experience and skills," says Mr. Paulson, who led the George W. Bush administration's response to the last financial crisis. He declined to say what advice he is giving his protégé.

As relations between Trump administration officials and Democrats in Congress have soured, the two sides have increasingly looked to Mr. Mnuchin to be the intermediary.

Last summer, as the government neared a deadline to raise its debt limit and a showdown with Congress loomed, Mrs. Pelosi said she was only interested in negotiating with Mr. Mnuchin. In the fall, they teamed up again on a deal to fund the government for the remainder of the fiscal year, averting a shutdown.

On March 3, as the coronavirus's spread outside China tanked global markets, Mr. Mnuchin testified on Capitol Hill about the administration's plans to expand testing and aid workers and people affected. After his testimony, Mrs. Pelosi invited Mr. Mnuchin for an impromptu meeting to begin work on a deal to provide targeted aid to businesses and workers affected by the virus.

They spoke dozens of times over the next two weeks to craft the roughly \$100 billion paid-leave bill Congress passed earlier this month.

"We kind of speak shorthand to each other so we don't waste time on niceties or anything like that," Mrs. Pelosi later told reporters.

A senior Treasury official said Mr. Mnuchin “views the speaker as a shrewd professional, with whom he continues to have a constructive and cordial working relationship and a good personal rapport.”

To get the Senate to pass the mammoth rescue package, Mr. Mnuchin set up camp in the Capitol, working in a temporary office in the historic Lyndon Baines Johnson room. He shuttled back and forth between Senate Minority Leader Chuck Schumer (D., N.Y.) and Senate Majority Leader Mitch McConnell (R., Ky.).

Democrats felt the Republican bill was too favorable to big business and wanted a broader expansion of unemployment insurance for workers and greater oversight of a \$500 billion lending program for big corporations. Some Republicans were concerned Mr. Mnuchin was too willing to give in to Democratic demands.

Crisis Management

Treasury Secretary Mnuchin's role in the coronavirus pandemic response

Jan. 23: Speaks publicly about the potential global impact of the outbreak in China

Feb. 6: Says on TV that the virus will impact global growth and the U.S.

March 3: Discusses epidemic response with G-7 finance ministers and central bankers

March 9: Presents policy options to President Trump, who seeks payroll tax cut

March 13: Reaches deal on Speaker Pelosi's bill to cover paid sick leave, virus testing

March 17: Announces IRS will postpone April 15 tax payment deadline for 90 days

March 19: Authorizes Fed emergency authority to shore up money-market mutual funds

March 24: Works with Senate Democrats, Republicans on \$2 trillion rescue package

“Mnuchin played the middleman, and he must have been in my office 20 times in three days,” said Mr. Schumer. He said Democrats felt they could trust Mr. Mnuchin to keep his word—and bring Republicans on board.

Several times as they tried to zero in on a deal, Mr. Mnuchin called Mr. Trump and put him on speaker.

Last Wednesday during the daily coronavirus media briefing, Mr. Trump stood at the lectern and thanked Mr. Mnuchin for what he said was a great job working “day and night” on the deal. “He, sort of, lived over in that beautiful building.”

Mr. Mnuchin is now working under tight timelines. He has said the government will begin distributing one-time cash payments to millions of Americans within the next few weeks and promised an easy application process for small businesses to apply for government loans, a program that starts Friday.

The \$500 billion of loans and loan guarantees for large U.S. companies that Mr. Mnuchin will administer is likely to face intense scrutiny from Democrats who derided it as a corporate slush fund.

Mr. Mnuchin has acknowledged the \$2 trillion relief package will only see the economy through the next eight to 12 weeks. Economists generally agree that won't be enough time or money to return the U.S. economy to full health.

“We're going to have a rough quarter,” Mr. Mnuchin said Monday in an interview with Fox

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Business Network. He said the administration is prepared to go back to Congress for more help if necessary. "When we reopen, we'll be ready and the economy will surge back," he said.

Stay Informed

Get a coronavirus briefing six days a week, and a weekly Health newsletter once the crisis abates: [Sign up here](#).

—*Lindsay Wise, Nick Timiraos and Andrew Duehren contributed to this article.*

UST_000060

Fwd: Some additional thinking

From: Secretary Mnuchin
To: (b)(6) @treasury.gov
Date: Tue, 31 Mar 2020 08:17:20 -0400

Pls print

From: Geithner, Timothy <timothy.geithner@warburgpincus.com>
Date: March 30, 2020 at 9:28:55 PM EDT
To: Secretary Mnuchin
Subject: Fwd: Some additional thinking

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Just sharing the latest of this.

Sent from my iPhone

Begin forwarded message:

From: (b)(6) @yale.edu
Date: March 30, 2020 at 8:57:55 PM EDT
To: "Brainard, Lael (Board)" <lael.brainard@frb.gov>, "Logan, Lorie" <lorie.logan@ny.frb.org>
Cc: "mark.vanderweide@frb.gov" <mark.vanderweide@frb.gov>, "Michael.held@ny.frb.org" <Michael.held@ny.frb.org>
"Geithner, Timothy" <timothy.geithner@warburgpincus.com>, (b)(6) @brookings.edu, (b)(6) @brookings.edu, "jerome.powell@frb.gov" <jerome.powell@frb.gov>
Subject: Some additional thinking

[**EXTERNAL EMAIL**]

Lael, Lori-

Your former colleagues have continued to think about the current policy issues that the Fed faces, and we are sending along material on three things today:

First, we have a slide deck ("publicsector_riskappetite...") that lays out the broad problems generated by the coronavirus and shows how the existing programs and some possible additional (or enhanced) programs could help address the problems in both a milder and a darker scenario. The deck ends with some considerations for escalation and a table showing where the escalation options would fit in.

Second, we have a memo ("Priorities...") that offers a set of principles for deciding among the various options and uses those principles to choose some priorities for action. It then shows how existing or new programs could help achieve the Fed's goals. As with the first document, it considers the options in two scenarios. It ends by discussing briefly two key tradeoffs to think about when making decisions about how to proceed.

Finally, we have been thinking a lot about the possibility of mutualizing the losses across different lending programs and how troubled assets could be managed across the programs. In two of the documents ("Using Treasury Capital..." and "resolution SPV..."), we spell out one way that these two features could be combined. We are sure there are others, but it seemed helpful to write down a specific example.

Over the next few days we plan to work on three further topics. First, a framework for thinking about the distribution of losses on the programs and the possible value of mutualizing the losses across programs. Second, a new facility that could be used to support large syndicated loans to non-investment-grade firms. And, third, a further dive into the issues around lending to non-bank and non-broker-dealer financial firms. On the latter, we sent a document last week that suggested that a broad repo program could be valuable, and offered some possible ways to structure such a program. We are aiming to provide more details on one possible approach. Please let us know if these topics don't seem helpful to you, or if others would be of more use.

The improvement in markets in recent days is a real testament to the efforts that the Fed has made to provide support. We

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are pleased, and hope that you are too.

Best,
Bill E.

(b)(6)
Professor in the Practice
Yale School of Management
165 Whitney Ave., Room 4516
New Haven, CT 06511
(b)(6)@yale.edu
(b)(6) (v)
203 436-9252 (f)

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[Warburg Pincus Privacy Notice.](#) 



UST_000062

Fwd: Ford

From: Secretary Mnuchin

To: "Muzinich, Justin" <justin.muzinich@treasury.gov>, "Lerrick, Adam" <adam.lerrick@treasury.gov>, Jerome H. Powell <jerome.powell@frb.gov>

Date: Tue, 31 Mar 2020 08:21:57 -0400

From: Stone, Tim (T.R.) <tstone43@ford.com>

Date: March 31, 2020 at 8:20:23 AM EDT

To: Secretary Mnuchin

Subject: RE: Ford

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you, we appreciate!

As you further consider your discussion with Bill, I thought it might be helpful to share additional thoughts (below), perhaps for you to share with your team.

Thanks again and take care,

Tim

Summary -

There are a few topics regarding the Primary Market Corporate Credit Facility (which we would like to participate in, with the Fed buying our bond issuances directly) and the Stimulus Package (which we would like to be positioned to access if needed) that would be helpful to clarify to provide the most benefit to Ford and the broader market, primarily:

1. We believe the Investment Grade ratings requirement should precede the acceleration of business impacts from the coronavirus, which would be consistent with the intent of the PMCCF and Stimulus Package to support companies impacted by the coronavirus crisis. We suggest using a measurement point not later than when the PMCCF program was introduced – Monday March 23rd – as the date to determine investment grade ratings eligibility, and based on ratings from at least two ratings agencies, consistent with investment grade index eligibility.
2. Related to the Stimulus Package \$500B Lending Program process and triggers, we would like to ensure that us applying and being accepted to participate if we need to does not trigger public disclosure or any company operating requirements; rather only origination and cash funding of any loan under the program would trigger the program related operating requirements for companies. We also want to ensure that us preparing to utilize this facility (as a last resort / backstop), would not preclude us from participating in the PMCCF.
3. The economy and auto industry (manufacturers like Ford, suppliers, dealers, employees/UAW, etc.) would benefit from a federal stimulus program for consumers and business customers to meaningfully stimulate demand for cars.

Additional Information -

- As you may know, Ford is the largest US auto employer and manufacturer, we did not take any \$ from the government during the 2008/2009 economic crisis, and we've invested heavily in our balance sheet and have established and remained above our target cash and liquidity levels to provide us flexibility in situations such as these. We currently have \$35B of cash after fully drawing our credit facilities mid-March; we should have ample liquidity to weather this storm.
- That said, we believe the PMCCF as well as the Treasury's \$500B lending program for companies as part of the Stimulus Package provide certainty for US industry during this period of unprecedented economic disruption. They are important options for us as we continue to think about our liquidity scenario planning in today's environment particularly if this crisis continues to persist. These facilities will help ensure we are thriving decades to come for our nearly 200K employees and many multiples of that when consider our entire ecosystem with suppliers and dealers (who separately will benefit from the Stimulus Package for small and medium businesses).
- Accordingly, we want to ensure that the details of the programs don't inadvertently make Ford ineligible from the programs.
- Our first primary point of emphasis is the Investment Grade ratings requirement. Given the stress the recent events have placed on many industries and organizations, we believe the PMCCF investment grade ratings requirement ... and if this same requirement is applicable to the Stimulus Package \$500B lending program ... should pre-date the acceleration of economic ramifications from the Coronavirus crisis. This would be consistent with the intent of the program to support companies impacted from the Coronavirus and provide the most benefit to market participants. We suggest using a measurement point not later than the date the program was introduced – Monday March 23rd – as the date to determine investment grade ratings eligibility. [A possible alternative would be to use March 17th, which is consistent with the Commercial Paper Funding Facility (CPFF) program recently introduced by the Fed.]

Additionally,

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o We believe that the PMCCF language for issuers that are rated by multiple nationally recognized statistical rating organizations (NRSROs) should be modified to remove any ambiguity ... from issuers should be rated at least BBB-/Baa3 by "two or more" NRSROs to "at least two" NRSROs (i.e., delete the "or more", this provides more clarity and makes the definition broadly consistent with investment grade index eligibility)

o We also believe the definition of "eligible issuers" should be limited to those that actually "receive" direct financial assistance under the Congressional legislation rather than those that "are expected to receive" assistance. This helps remove any ambiguity around "expected to receive" phrase

o Regarding the limits established for each issuer, we believe the calculation to determine the maximum issuance amount under the PMCCF should be defined to include: bonds, loans, and credit facilities (both drawn and undrawn). Presently, the release only references bonds and loans. This change ensures an even playing field as many companies have drawn (or are contemplating drawing) their credit facilities in the present environment. For reference, Ford fully drew its facilities March 16th out of an abundance of caution, but the \$15B of funding wasn't received until March 24th, which is after the date range referenced in the release (3/22/19 to 3/22/2020). This technicality suggests it wouldn't be included in the loan calculation as presently defined

o We also think consideration should be given for potential captive finance companies (that are tied closely to an Industrial parent and provide critical support to their "real economy" activities, like Ford Credit) to have access to the PMCCF

• Our second primary point to emphasize is related to the Stimulus Package \$500B Lending Program process and triggers... we would like to ensure that us applying and being accepted to participate if we need to does not trigger public disclosure or any company operating requirements; rather only origination and cash funding of any loan under the program would trigger the program related operating requirements for companies. In addition, we want to ensure that us preparing to utilize this facility (only as a last resort / backstop), would not preclude us from initially participating in the PMCCF

Please let me know if you have any questions or would like to discuss further.

-----Original Message-----
 From: Secretary Mnuchin
 Sent: Monday, March 30, 2020 10:31 AM
 To: Stone, Tim (T.R.) <tstone43@ford.com>
 Cc: C Ford, W (Bill.) <brado@ford.com>
 Subject: RE: Ford

Thanks. Bill and I just spoke.

-----Original Message-----
 From: Stone, Tim (T.R.) <tstone43@ford.com>
 Sent: Sunday, March 29, 2020 7:05 PM
 To: Secretary Mnuchin
 Cc: C Ford, W (Bill.) <brado@ford.com>
 Subject: Re: Ford

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi Secretary Mnuchin,

It's great to meet you. I'm Tim Stone, CFO for Ford; I've also copied Bill Ford.

We'd appreciate the opportunity to talk with you about the topics mentioned in the email John shared with you at your earliest convenience - please let me know what works best for you.

Thank you for making the time to talk with us.

Tim
 (b)(6) mobile
 (b)(6)

Sent from my iPad

> On Mar 29, 2020, at 6:01 PM, John Thornton (b)(6) wrote:
 >
 >
 > As you can see I have copied Secretary Mnuchin on this note.
 >
 > I sent him your note to me so he has the benefit of that context.
 >
 > Steven is happy to have you contact him directly.
 >
 > I leave it to you to do so.
 >
 > I am available anytime if helpful.
 >
 > Thank you.
 >

UST_000064

FW: (BN) Trump Set to Announce 90-Day Deferral for Some Tariff Payments

From: Secretary Mnuchin

To: "Lighthizer, Robert E. EOP/USTR" WHO_EOP

Date: Tue, 31 Mar 2020 15:13:30 -0400

Fyi- (b)(5) DP

From: Steven Mnuchin (US DEPT OF TREASURY) Secretary Mnuchin

Sent: Tuesday, March 31, 2020 3:05 PM

To: Secretary Mnuchin

Subject: (BN) Trump Set to Announce 90-Day Deferral for Some Tariff Payments

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Trump Set to Announce 90-Day Deferral for Some Tariff Payments
2020-03-31 18:47:38.496 GMT

By Jenny Leonard

(Bloomberg) -- President Donald Trump approved a proposal pushed for by some businesses to delay payment of certain tariffs by three months, according to people familiar with the matter.

The announcement to defer levies for so-called most-favored nation duties will come in the form of an executive order, one of the people said. The order, which could come as soon as this week, would give the Treasury Department the authority to direct Customs and Border Protection to delay collecting tariffs on those imports for 90 days.

The order wouldn't apply to tariffs Trump imposed as a result of an enforcement action, such as on Chinese goods or steel and aluminum from around the world.

Tariff Scope

Instead, it would apply to most-favored nation tariffs, which are imposed on a non-discriminatory basis to countries exporting certain products to the U.S. such as footwear and apparel. The duties on items such as ski jackets, baby garments, and tennis shoes can range from about 27% to more than 60%, according to the American Apparel and Footwear Association. The duty deferral would also apply to a 25% tariff the U.S. charges on imported light trucks -- dubbed the "chicken tax" that has been in place since the 1960s -- which Trump has touted as a reason for that industry's success.

A White House spokesman declined to comment.

Bloomberg News last week reported on the proposal, which was drafted by the customs agency. The original had a bigger scope of tariffs that would have been subject to deferral but that was subsequently narrowed.

Companies that import goods pushed for temporary relief from the duty payments as the economic impact of the coronavirus outbreak caused cash flow issues for many.

The proposal sparked immediate push back from domestic industry associations and unions like the United Steelworkers as well as from some people inside the White House.

UST_000065

The president has consistently dismissed calls for tariff cuts and said China hadn't asked him to remove duties even as a growing number of U.S. businesses and lawmakers called on him to approve a delay.

To contact the reporter on this story:

Jenny Leonard in Washington at jleonard67@bloomberg.net

To contact the editors responsible for this story:

Brendan Murray at bmmurray@bloomberg.net

Margaret Collins

UST_000066

FW: Carnival Corporation CARES Act Proposal

From: Secretary Mnuchin

To: "McIntosh, Brent" <brent.mcintosh@treasury.gov>, "Froman, Eric" <eric.froman@treasury.gov>
Cc: "McIntosh, Brent" <brent.mcintosh@treasury.gov>, "Muzinich, Justin" <justin.muzinich@treasury.gov>
Date: Wed, 01 Apr 2020 15:09:59 -0400

(b)(5) DP

From: Perez, Arnaldo (CarnCorp) <APerez@carnival.com>
Sent: Wednesday, April 1, 2020 1:54 PM
To: Secretary Mnuchin <justin.muzinich@treasury.gov>
Cc: Arison, Micky (CarnCorp) <MARison@carnival.com>; O'Brien, Mark (CarnCorp) <MO'Brien@carnival.com>; Bondi, Tandy (CarnCorp) <TBondi@carnival.com>
Subject: Carnival Corporation CARES Act Proposal

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Dear Secretary Mnuchin,

Thank you for taking the time to speak with Mr. Arison and myself yesterday morning regarding Carnival's need for a loan under the CARES Act. Our immediate need for a loan results directly from the significant losses we have incurred (and expect to continue incurring) because of COVID-19, which has substantially impacted the cruise line business and, more broadly, the travel industry. As discussed, the Carnival group employs thousands of US based employees and supports hundreds of thousands of other US-based jobs related to our US cruise and land-based operations. Because of the current crisis, we have had to suspend our cruise operations in the United States (and worldwide). When we are safely able to resume our cruises, we expect a gradual restart of operations. As a result, we are facing an unprecedented need for liquidity to continue to meet our minimum operating requirements. Like many other successful US businesses, the Carnival group was very financially stable and profitable until the COVID-19 crisis.

Background on Carnival and its US Operations

Carnival Corporation is incorporated in Panama, and Carnival plc is incorporated in England and Wales. Carnival Corporation and Carnival plc, along with their subsidiaries (the "Carnival group"), operate a dual listed company (DLC) arrangement, whereby the businesses of Carnival Corporation and Carnival plc are combined and they function as a single economic entity through contractual agreements between separate legal entities. Shareholders of Carnival Corporation and Carnival plc have the same economic and voting interest but their shares are listed on different stock exchanges and are not fungible. Carnival Corporation is traded on the New York Stock Exchange (NYSE) under the symbol CCL. Carnival plc is traded on the London Stock Exchange under the symbol CCL and as an American Depositary Share on the NYSE.

The Carnival group operates the following brands in the United States: Carnival Cruise Line, Princess Cruises, Holland America Line, and Seabourn. The Carnival group's global headquarters is located in Miami, Florida, including the most senior management personnel. Carnival Corporation is registered to do business in the State of Florida. Princess Cruises has its headquarters in Santa Clarita, California. Princess Cruise Lines Ltd. is registered to do business in the State of California. Holland America Line N.V. and Seabourn Cruise Line Limited are registered to do business in the State of Washington. As of 2019, the Carnival group employed approximately 7,300 shoreside employees based in the United States.

Carnival plc wholly owns a US domestic subsidiary, Princess Cruises and Tours, Inc. ("PCT"), incorporated in Delaware. PCT is the leading tour company in Alaska, which complements and supports our significant Alaska cruise operations. During 2019, our US brands operated 18 cruise ships in Alaska; we expected this number to remain the same in 2020. Through its wholly owned US domestic subsidiaries (Royal Highway Tours, Inc.; Westmark Hotels, Inc.; and Tour Alaska, LLC), PCT owns and operates hotels, lodges, glass-domed railcars and motor coaches. PCT and its subsidiaries (the "PCT group") employ approximately 3,600 US based employees during the peak operating season. The cruise line industry (including the Carnival group) is the second largest employer in Alaska.

Request for Loan Under CARES Act

The Carnival group intends to apply for a loan under section 4003(b)(4) of the CARES Act. The borrower may be Carnival Corporation or PCT, depending on how the term "United States business" (as defined in section 4003(c)(3)(C)) is interpreted. We believe Treasury should define the term United States business by looking at the borrower and its US affiliates' activities and employees. As noted above, Carnival Corporation is registered to do business in the State of Florida, where the Carnival

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group maintains its global headquarters, including its most senior management. If "United States business" is interpreted to require PCT to be the borrower, then we request that Treasury take into account the following considerations in determining the appropriate size of the loan:

- PCT's hotel, railcar, and bus business supports our significant Alaska cruise operations, which include 18 cruise ships.
- For 2019, the PCT group's total gross assets was \$400 million.
- For 2019, the gross assets of Holland America and Princess (which operate our Alaska cruise business) was \$14 billion.
- For 2019, the Carnival group's total gross assets was \$45 billion, of which our US brand's gross assets was \$26 billion.
- Among other terms and conditions as Treasury may deem appropriate, Carnival Corporation and Carnival plc would be willing to provide a parent guarantee for any loan extended to PCT, in order to provide taxpayer protections.
- PCT would on-lend the funds to other affiliates within the Carnival group (including the guarantors), as needed in order to fund our continued operations in the United States, including the operations of our US brands and the Alaska cruise business.

The Carnival group's US brands paid \$550 million of excise "head" (per passenger) taxes in 2019 of which at least 70% (\$385M) was for US federal or state taxes. In Alaska, the US brands paid approximately \$45 million in "head" taxes and approximately \$15 million in income and casino taxes. The US brands also paid \$38 million in federal and state payroll taxes (employer portion) in 2019.

You may be aware that Carnival Corporation yesterday announced a combined public and private offering for certain senior secured notes, senior convertible notes, and common stock (totalling \$6 billion). The present crisis is unpredictable and this borrowing, together with the offerings, will help us through this difficult situation.

Thank you again for your consideration, and I suggest a call with my colleagues to walk through the proposal and answer any of your questions. We look forward to discussing the above with you or your designees at your earliest convenience.

Best regards,

Arnie

Arnaldo Perez
General Counsel
3655 NW 87 Ave | Miami, FL 33178
Tel: (b)(6)
Fax: (b)(6)
[\(b\)\(6\)@carnival.com](mailto:(b)(6)@carnival.com)



UST_000068

FW: CEO letter on Duty Deferral

From: Secretary Mnuchin

To: "Kautter, David" <david.kautter@treasury.gov>

Cc: "McIntosh, Brent" <brent.mcintosh@treasury.gov>, "Muzinich, Justin" <justin.muzinich@treasury.gov>, "Callanan, Brian" <brian.callanan@treasury.gov>

Date: Wed, 01 Apr 2020 15:16:00 -0400

(b)(5) DP

From: Sonia Syngal <(b)(6)@gap.com>

Sent: Wednesday, April 1, 2020 11:25 AM

To: Secretary Mnuchin

Subject: CEO letter on Duty Deferral

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Dear Mr. Secretary,

Thank you for your time to join me and other retail CEOs for a call on Sunday night. As you know, this is a very challenging time for our industry. Thank you also for the unprecedented steps your Administration has taken to meet the enormous liquidity challenges that have been created by the economic fallout of the deadly COVID 19 pandemic. We appreciate those actions and look forward to working with you to implement those measures, particularly the stabilization fund.

In addition, we believe the President should also support the current proposal by U.S. Customs and Border Protection to allow companies to defer duty payments for a short period of time, similar to what has been done for tax and other payments owed to the government. This would not absolve companies of duty liability, just extend the period of time for when we have to pay.

I am sending to you the attached letter that was sent to President Trump yesterday and signed by nearly 400 CEOs of small, medium, and large-sized companies from across the country. We believe that deferring duty payments will help preserve cash flow, which is critically important during a prolonged period of little to no revenue.

Thank you for your support and we look forward to working with you.

Best Regards,
Sonia Syngal
Chief Executive Officer
Gap Inc.
(b)(6)



UST_000069

WHO EOP WHO EOP Mark Meadows
WHO EOP

FW: CEO letter on Duty Deferral

From: Secretary Mnuchin
To: "Mark Meadows - The White House (WHO_EOP", "Kudlow, Lawrence"
"WHO_EOP", "Lighthizer, Robert E. EOP/USTR" (WHO_EOP
Date: Sat, 04 Apr 2020 13:50:08 -0400

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Dear Mr. McEntee, Ms. Gathers & Mr. Skud,

Thank you for the unprecedented steps your Administration has taken to meet the enormous liquidity challenges that have been created by the economic fallout of the deadly COVID 19 pandemic. We appreciate those actions and look forward to working with you to implement those measures, particularly the stabilization fund.

In addition, we believe the President should also support the current proposal by U.S. Customs and Border Protection to allow companies to defer duty payments for a short period of time, similar to what has been done for tax and other payments owed to the government. This would not absolve companies of duty liability, just extend the period of time for when we have to pay.

I am sending to you the attached letter to President Trump signed by nearly 400 CEOs of small, medium, and large-sized companies from across the country who believe that deferring duty payments will help preserve cash flow, which is critically important during a prolonged period of little to no revenue. I ask you to please share it with Secretary Mnuchin.

Thank you for your support and we look forward to working with you.

Best Regards,
Sonia Syngal
Chief Executive Officer
Gap Inc.



UST_000071

Fwd: Vista Equity Partners

From: Secretary Mnuchin

To: (b)(6) @treasury.gov

Date: Mon, 06 Apr 2020 12:44:42 -0400

From: Robert Smith <RSmith@vistaequitypartners.com>

Date: March 30, 2020 at 9:33:42 PM EDT

To: Senate email

Cc: Secretary Mnuchin

Subject: Vista Equity Partners

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Dear Senator Warner:

It was good to see your face this afternoon – thank you for your leadership during this crisis, and for the urgency and thoughtfulness with which you're approaching the stimulus. I'm writing to provide more detail on my offer to assist in rapidly distributing working capital to community banks and small businesses so they can remain viable for the next few months.

As I mentioned on our call, [Vista Equity Partners](#) owns nearly 70 software companies that serve more than 200 million users in over 60 industries. Nearly every company we own is the largest or leading provider to their industries.

Vista has been answering the call to help in the fight against COVID-19 by leveraging our portfolio companies' abilities to solve problems for small businesses, individuals, and governments. We have seen how distributed computing power has created digital ecosystems highly effective at connecting businesses with vendors, manufacturers, and the customers they serve. We are using that connectivity to address this crisis in real-time. To name a few examples, PowerSchool is giving any school that wants to expand the number of students and teachers engaged in distance learning the ability to do it for free. Granicus is offering its govDelivery e-mail infrastructure to federal, state and local agencies for delivering information about COVID-19 at no cost to reach its 200 million subscribers. Upserve is helping hard-hit restaurants retool by providing free software to help them become takeout and delivery operations. In the UK, Allocate is providing the software to build and manage a roster of 30,000 healthcare professionals who will staff the largest hospital ever built to ensure they have the right doctors at the time right, and pull in folks who can help from across the country.

FINASTRA

Finastra serves 4,200 financial institutions in the United States, many of which serve the SME market and process significant Fedwire and ACH volume on a daily basis. Finastra is systemically important in the United States with the respect to the application, adjudication, and distribution of funds, currently processing ~25% of all Fedwire volume and a significant volume of ACH transactions per day. Furthermore, although Finastra is a fintech company, we're regulated in the US by the OCC and FFIEC, and adhere to the same standards as our clients.

Broadly, Finastra serves North America Community Markets with deep expertise and an unrivaled range of pre-integrated solutions spanning retail banking, transaction banking, lending, and treasury and capital markets. In addition, our Lending software helps about 5 million consumers and small businesses per year obtain credit in normal market conditions, supporting typical GSE mortgages, portfolio mortgages, consumer loans and small to medium small business credit needs. We are currently preparing an immediate response to the Cares Act to support SBA lending programs once the SBA issues its guidance.

We'd be happy to utilize our reach into community banks to facilitate the federal government's immediate provision of stimulus relief.

ALEGEUS

Our company Alegeus is the market leader in consumer-directed healthcare solutions, offering an industry-leading technology platform, benefit debit card, and mobile app that are simplifying and transforming the administration of benefit accounts for more than 30 million Americans, processing more than \$9.1 billion in consumer payments annually. The company is headquartered in Waltham, MA with operations in Orlando, FL and Milwaukee, WI.

With your go-ahead, we can immediately pivot this platform to distribute government payments to all small businesses in America. Obviously, we aren't looking to make money on this. Our objective is to support American small businesses as they struggle to endure this crisis, and therefore **we are offering our platform at-cost**.

UST_000072

Alegeus already supports funding from either an omnibus or direct employer account, and funds can be distributed via a debit card, EFT, or check. The alternative to our platform is to distribute stimulus funds via commercial banks; our solution is quicker, cheaper, and more reliable in ensuring the funds **immediately** reach the intended recipients. We can define the amount of funding and any distribution rules; we also can add incremental funds at any time. In addition, we can track and report how funds are used by each recipient, and limit spending in certain categories.

We also already have a large volume of small businesses across our Vista platform, with visibility into their historic payment behavior that can help identify strong candidates for loans. For example, our companies Upserve and Gather serve nearly 17,000 restaurants; Mindbody serves 68,000 fitness and wellness businesses; and Greenway serves 80,000 physicians. **We can reach small businesses immediately.**

In addition, **we're able to put a debit card into the hands of families**, with the ability to reload the card, control the spending categories, and track utilization.

QUICK BASE

Small businesses need a simple online interface to access stimulus funding, quickly. Our company Quick Base offers a low-code application development platform that can streamline and "software-ize" the stimulus application process to ensure as many people as possible get immediate access to funds in these critical times. We're building this solution with the goal of helping small businesses create fully completed applications and submit them in an automated way. We envision a "TurboTax" like approach that would walk applicants through a series of questions and automatically determine eligibility for certain programs. Our goal is to **1) increase completion rates and 2) get money to the people who need it, faster**. We'd be pleased to collaborate on the platform and on driving adoption as widely as possible – this can be accelerated with public signaling from the SBA or another government entity.

POWERSCHOOL

As you know, COVID-19 and the resulting school closures have posed an unprecedented challenge for education. Several schools have elected to move to 100% digital learning environments; however, others have temporarily halted instruction to ensure an even playing field for those without access to connectivity and/or devices. According to [a 2018 study by the National Center for Education Statistics](#), 94% of children ages 3 to 18 had a computer at home and 61% of children ages 3 to 18 had internet access at home. This leaves over 3 million children in the US that do not have access to devices, and over 21 million without access to broadband services.

We can't allow a public health crisis to become an educational crisis that lasts for many years. Our company PowerSchool helps schools and districts efficiently manage instruction, learning, grading, attendance, assessment, analytics, state reporting, special education, student registration, talent, finance, and HR. Today, we're the leading provider of K-12 education application technology supporting over 45 million students globally. In [response](#) to Covid:

- We're providing distance learning software (with onboarding and implementation assistance) to any school district in the country that wants it, with delayed billing until the end of the school year.
- Districts already using PowerSchool are now able to increase the number of their distance-learning licenses, at no cost, enabling them to reach as many students as they wish.
- We're offering our basic software to individual teachers for free, so they can quickly adopt remote learning for their classroom.

We're also asking device manufacturers and broadband providers to join our PowerSchool EdTech Coalition, pledging to provide the following for those in need:

- Free devices (Chromebooks, laptops, or tablets) for US children without access today, to be loaned out for the next 3 months and purchasable for less than \$50.
- Free broadband Wi-Fi internet access for the next 3 months and purchasable for \$10/month or less for the rest of the year for those without access today.
- Substantial discounts for school districts looking to roll out 1:1 initiatives in 2020, with deferred payments into districts' 2020-2021 budget years (July 1, typically).

I look forward to working with you on this and would be pleased to discuss further tonight or tomorrow. My chief of staff, Ami Desai, is also available anytime to help (917-488-1397 or ami.desai@vistaequitypartners.com).

All my best,
Robert



ROBERT F. SMITH | Founder, Chairman & CEO | Vista Equity Partners

401 Congress Ave, Suite 3100, Austin, TX 78701 | W (b)(6) | RSmith@vistaequitypartners.com | VistaEquityPartners.com

MARIA NICOLAS | Executive Office Associate

(b)(6) | MNicolas@vistaequitypartners.com

UST_000073

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UST_000074

FW: Live Oak

From: Secretary Mnuchin

To: molly.a.michael@WHO_EO "Mark Meadows - The White House" Mark Meadows

Date: Thu, 09 Apr 2020 11:20:40 -0400

(b)(5) DP

From: E. Dawn Thompson <dawn.thompson@liveoak.bank>

Sent: Tuesday, April 7, 2020 5:17 PM

To: Radford, Julie T. EOP/WHO_EOP

Subject: [EXTERNAL] Live Oak

Hi Julie,

We are so sorry about our portion. Chip and our IT folks said the line seemed live and he was talking, then it went dead. We are so embarrassed. We have been working around the clock to get this program going with our partners at Treasury and SBA. Therefore, I have included Chip's full remarks below as they specific some of the many folks that have helped get this program rolling. Please pass along to who you see fit. We are always here and would love to participate at any level.

Mr. President,

Thank you. We are Live Oak Bank, we are a \$5 billion bank in Wilmington, NC, and we are your number one SBA lender for each of the last 2 years. I'm happy to report as of tomorrow under the PPP, 75 percent of our customers will have money in the Triple P Program.

You have asked for a miracle, Mr. President, here at Easter. And we, the banking business, your distribution system, will deliver. Just to level set, in a normal year, about 3,000 banks issue about \$25 billion worth of 7(a) paper. We are now tasked by you to distribute \$350 billion and maybe quite a bit more, in the next several weeks.

I will tell you the original architecture of the PPP was a challenge. Secretary Mnuchin's team of Mike Faulkender and Bimal Patel worked 24/7 and they listened to us. They listened to the ABA. They listened to the ICBA, good Lord knows who else. But they fixed the challenges and we launched this program at 12:01 am, which is when we started working on Friday, April 3rd. As we sit here today, two and a half business days later, at 1 o'clock this afternoon, 3,230 banks have an SBA loan account authorization number for 251,000 small businesses totaling 68 billion 500 million dollars. That's an average loan for a small businessperson of \$175,000 each.

Jovita's team of Steve Kuchuaski and others worked their magic. We in the banking business are used to old antiquated clunky back-end systems. Steve and his team have fine-tuned theirs to scale to 7,280 loan authorizations in an hour. Mr. President, that is \$2 billion an hour. We will do our job.

Lastly a story.

One of our first customers to receive PPP money was Bitty & Beau's, a four-location coffee shop here in southeastern North Carolina. Our dear friends, Amy and Ben Wright have four children, the last two have downs syndrome. They have dedicated their lives to make the world a better place for those folks that have intellectual and developmental disabilities. Our DC friend, Kristen Fisher, has organized a national Fox feature tomorrow morning at 9:50. I recommend that you take a look.

Thank you.

E. Dawn Thompson | SVP - Government Relations

Office 910.550.1406

Cel (b)(6)

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UST_000075

FW: (BN) Mnuchin Airline Aid Plan Seeking Partial Repayment Draws Rebukes

From: Secretary Mnuchin
To: "McIntosh, Brent" <brent.mcintosh@treasury.gov>
Cc: "Muzinich, Justin" <justin.muzinich@treasury.gov>, "Crowley, Monica" <monica.crowley@treasury.gov>
Date: Sat, 11 Apr 2020 18:06:02 -0400

Good job!

From: Secretary Mnuchin
Sent: Saturday, April 11, 2020 6:05 PM
To: Secretary Mnuchin
Subject: (BN) Mnuchin Airline Aid Plan Seeking Partial Repayment Draws Rebukes

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Mnuchin Airline Aid Plan Seeking Partial Repayment Draws Rebukes

By Alan Levin, Saleha Mohsin and Mary Schlangenstein

- Airlines attempting to negotiate terms of virus bailout plan
- Flight attendants union says Treasury stealing from workers (Bloomberg) --

Treasury Secretary Steven Mnuchin's insistence that America's major airlines partially repay taxpayer funds aimed at shoring up the industry has set up a clash between the Trump administration and the carriers.

At least some of the large carriers are unhappy with the terms -- specifically, that large airlines repay 30% of any grant within five years -- and are seeking to negotiate with the Treasury Department, said a person familiar with the discussions.

The leader of one trade group said the offer violated "both the letter and the spirit of the law" written to provide help for an industry reeling from the coronavirus pandemic, which has seen air travel grind to a halt. Flight attendant groups were also livid. The large carriers are set to receive billions of dollars each in payroll assistance.

But Treasury officials contend this should come as no surprise, and that airlines were warned what to expect when the \$2.2 trillion pandemic rescue package was developed with Congress.

"The bipartisan law passed by Republicans and Democrats and signed by President Trump specifically states that the Secretary may receive warrants, options, debt securities, or other financial instruments to provide compensation for American taxpayers," Brent McIntosh, undersecretary of Treasury's international affairs unit, said in an interview. He's playing a leading role in distributing aid to airlines.

Caught Off Guard

Mnuchin's team is requiring large carriers to repay 30% of the grants through low-interest loans due within five years, Bloomberg News reported Friday. The agency said it has received 230 applications for aid from passenger carriers of all size. It's working with 12 that would get more -- in some cases much more -- than \$100 million each, and is discussing what sort of terms it will require in return.

UST_000076

The head of the National Air Carrier Association, which represents mid-sized airline and air cargo companies, some of which fall above the \$100 million threshold, said its members were caught off guard by the repayment request.

"In our conversations with Hill staff and members of Congress, it was very clear that this portion of the aid was to be grants in aid to the air carriers to support payroll," said George Novak, president of NACA.

Airlines receiving \$100 million or less in payroll assistance from the government won't need to provide a financial stake or pay compensation, Treasury has said.

Focus on Workers

Airlines for America, which represents the larger airlines, said in a statement Friday that the offers weren't consistent with what they expected.

"We believe the law indicated that the Direct Payroll Assistance funding was to be only in grants -- which is considerably more effective for our employees -- and not a combination of grants and loans," Katherine Estep, a spokeswoman for A4A, said in the group's statement.

The grants "are critical to getting our employees paid and preventing furloughs, especially at a time when our country is experiencing historically high unemployment claims," Estep said.

Treasury officials are working through Easter weekend to review loan applications and start unlocking federal aid to airlines, which face a ridership drop-off of 95% across the industry.

"Our goal is to approve applications as quickly as possible, consistent with the law, after reviewing those applications to protect taxpayers' interests," McIntosh said.

Mnuchin has repeatedly rejected the idea that airlines are getting a "bailout." His assurances reflect public outcry that the U.S. a decade ago bailed out Wall Street banks, whose behavior in part led to the global financial crisis.

[Earlier: Airlines Squeezed by Delays in \\$29 Billion U.S. Rescue Funds](#)

Democrats in Congress have insisted their intent in the law was to offer payroll grants intended to keep workers employed.

The terms Treasury is floating aren't what bipartisan Congressional supporters or President Donald Trump intended, Sara Nelson, president of the Association of Flight Attendants-CWA, said Saturday.

The provisions may lead to airline bankruptcies or worker concessions or furloughs after Sept. 30, said Nelson. She estimated it would require airlines to pay back a combined \$7 billion to the Treasury -- or more pointedly, "steal \$7 billion from us."

Julie Hedrick, national president of the Association for Professional Flight Attendants, which represents workers at American Airlines, said Mnuchin was disregarding "the specific intent" of the rescue bill.

"Congress understood that flight attendants have been at the forefront of this pandemic since day one, and that the grants were designed to keep our members ready to return to the front lines to jump-start our economy," Hedrick said. "Secretary Mnuchin owes the more than 2 million workers supported by the aviation industry an explanation."

[Read More: Airfare Refunds Hinge on Whether Carrier or Flyer Cancels First](#)

The dispute revolves around the meaning of a provision in the law that says Mnuchin "may" obtain a variety of financial instruments in exchange for the grants. Mnuchin can ensure the airlines "provide appropriate compensation" for the grants, the law says.

Southwest Airlines Co. said it was in discussions with the Treasury over the grant proposal and "we are eager to complete this process." It declined to discuss its offer from the agency or the payback provision.

American Airlines Group Inc., Delta Air Lines Inc., United Airlines Holdings Inc. and JetBlue Airways Corp. also declined to discuss the terms. Alaska Air Group Inc. didn't immediately respond to a request for comment.

The decision by the Treasury to exempt smaller carriers marks a victory for that group, most of which aren't publicly traded and have limited assets to provide as collateral.

Bleeding Cash

UST_000077

"The staff at Treasury has been truly exceptional in terms of their accessibility and receptiveness to our questions and concerns," said Jonathon Freye, a spokesman for the National Air Transportation Association, which represents some charter companies that have applied for aid.

The Trump administration has quickened the pace of distributing the aid amid complaints that the process was moving too slowly as airlines -- which are flying only 5% of their usual load -- bled cash.

[A Sea of Seats and Just 11 Flyers: Airlines' Woes Dwarf U.S. Aid](#)

The more than \$2 trillion federal stimulus package includes payroll grants of \$25 billion for passenger airlines, \$4 billion for cargo haulers and \$3 billion for airline contractors, plus another \$29 billion in loans for passenger and cargo carriers and \$10 billion in grants to airports. Treasury has two oversight panels that will be monitoring its efforts on the pandemic recovery package.

Under the law, airlines that get such grants must promise not to lay off workers through Sept. 30.

--With assistance from Justin Bachman.

To contact the reporters on this story:

Alan Levin in Washington at alevin24@bloomberg.net ;
Saleha Mohsin in Washington at smohsin2@bloomberg.net ;
Mary Schlangenstein in Dallas at maryc.s@bloomberg.net

To contact the editors responsible for this story:

Jon Morgan at jmorgan97@bloomberg.net
Ros Krasny, Ian Fisher

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[Trump Says Bailout Proposal for Airlines May Come by Weekend \(1\)](#)

[CNBC: Stocks making the biggest moves after hours: United Airlines, Pfizer, KB Home and more](#)

People [Donald John Trump \(United States of America\)](#)

[Faye Malarkey Black \(Regional Airline Association\)](#)

[George David Novak \(National Air Carrier Association Inc\)](#)

[Jonathon Freye \(National Air Transportation Association Inc\)](#)

[Brent McIntosh \(United States Department of the Treasury\)](#)

[Steven Terner Mnuchin \(United States of America\)](#)

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[Bloomberg Politics \(BPOLITICS\)](#)

[Coronavirus \(CORONAVIR\)](#)

[Click here to view story in Bloomberg](#)

UST_000078

FW: A positive story you may want to cite newt

From: Secretary Mnuchin
To: "Mark Meadows - The White House", Mark Meadows, molly.a.michael@WHO_EOP
Cc: "Crowley, Monica" <monica.crowley@treasury.gov>
Date: Sun, 12 Apr 2020 14:29:09 -0400

(b)(5) DP

From: Thirdwave2 <thirdwave2@speakingingrich.com>
Sent: Sunday, April 12, 2020 1:38 PM
To: Secretary Mnuchin
Subject: A positive story you may want to cite newt

Sent from my iPad

Begin forwarded message:

From: Woody Hales <hales@gingrich360.com>
Date: April 12, 2020 at 4:56:18 PM GMT+2
To: Thirdwave2 <thirdwave2@speakingingrich.com>
Subject: My Dad's Small Business had a good experience with the SBA paycheck protection program

MATCHPOINT's experience with Payroll Protection Program:

Matchpoint is a small business with 15 employees. We are a water asset management company working with water and waste water utilities across North America and the Caribbean; deploying People, Processes, and Technology to monitor infrastructure integrity and develop plans for rehabilitation or replacement based on fact, not assumption.

We found the PPP process simple and straightforward. Calculation of eligibility and amount was easily determined and non-discretionary. Seven days from application to funding, it would be hard to imagine a federal program running more efficiently or effectively.

The funds enabled Matchpoint to hire two additional technicians and to acquire and test, US made product to replace some of the devices we are currently importing from France or the U.K.

In summary, we found the program to be simple, efficient, and effective. For us, it was a positive experience working through our local bank to access the Federal Program. The funds were timely and critically important to our company, enabling us to bring on two additional employees and fund the research to improve our "Made in America" program. The Paycheck Protection Program alleviated payroll pressure and has enabled us to quickly create two new jobs and work to bring a critical piece of our technology "onshore".

Well done.

Sent from my iPhone

UST_000079

Fwd: Tariff deferral is still critically needed and timely this week

From: Secretary Mnuchin
To: (b)(6)
Date: Mon, 13 Apr 2020 20:53:41 -0400

(b)(5) DP

From: Sonia Syngal <Sonia_Syngal@gap.com>
Date: April 13, 2020 at 7:20:17 PM EDT
To: Secretary Mnuchin
Cc: Skud, Timothy <Timothy.Skud@treasury.gov>, Stephanie Lester <Stephanie_Lester@gap.com>
Subject: Tariff deferral is still critically needed and timely this week

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Dear Secretary Mnuchin,

Thank you again for your tireless efforts to shore up the economy. I'm reaching out to urge you to please prioritize and help overcome the impasse on tariff deferral. We appreciate your help with tariff deferral and we need to get the effort over the finish line.

Time is of the essence. Gap has another \$50M+ tariff bill due next Monday, 4/20—97% of that bill is MFN tariffs. All importers that participate in CBP's Periodic Monthly Statement process will have tariff bills payable on Monday. Deferral relief would need to come by Thursday to give time to work with banks to turn off payments.

Apparel retailers are in crisis. Tariff deferral is the fastest, most effective way to immediately improve cash flow for Gap and other apparel retailers. I ask for your help and to please let me know what else we can do to make it happen this week.

Thanks,
Sonia

UST_000080

Carnival

From: Secretary Mnuchin [REDACTED]

To: molly.a.michael [REDACTED] WHO_EOP [REDACTED]

Cc: "Kudlow, Lawrence" [REDACTED] WHO_EOP [REDACTED] "Mark Meadows - The White House" [REDACTED] WHO_EOP [REDACTED]
WHO_EOP [REDACTED]

Date: Tue, 14 Apr 2020 14:50:35 -0400

<https://finance.yahoo.com/news/cruise-operator-carnival-pays-high-024920149.html>

(b)(5) DP [REDACTED]

Carnival Cruise pays 11.5% on bonds.

UST_000081

Fwd: WaPo: Coming to your \$1,200 relief check: Donald J. Trump's name

From: Secretary Mnuchin

To: Mark Meadows **Mark Meadows**

Date: Wed, 15 Apr 2020 08:11:06 -0400

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Date: April 14, 2020 at 9:08:40 PM EDT
To: Secretary Mnuchin
Cc: (b)(6)@treasury.gov, Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: waPo: Coming to your \$1,200 relief check: Donald J. Trump's name

Mr Secretary, for your awareness. They are all chasing this story now.

Coming to your \$1,200 relief check: Donald J. Trump's name

Washington Post

Lisa Rein

April 14, 2020 – 8:46 PM

https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

The Treasury Department has ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said.

The unprecedented decision, finalized late Monday, means that when recipients open the \$1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, "President Donald J. Trump" will appear on the left side of the payment.

It will be the first time a president's signature appears on an IRS disbursement, whether a routine refund or one of the handful of checks the government has issued to taxpayers in recent decades either to stimulate a down economy or share the dividends of a strong one.

While some people receiving the checks — the centerpiece of the U.S. government's economic relief package to stave of the effects of the coronavirus pandemic — may not care, or observe, whose name appears on them, the decision is another sign of Trump's effort to cast his response to the pandemic in political terms.

Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who asked not to be named because they were not authorized to speak publicly.

But the president is not an authorized signer for legal disbursements by the U.S. Treasury. It is standard practice for a civil servant to sign checks issued by the Treasury Department to ensure that government payments are nonpartisan.

The checks will instead bear Trump's name in the memo line, below a line that reads, "Economic Impact Payment," the administration officials said.

UST_000082

The IRS will mail the checks to people for whom it does not have banking information. Many of them have low incomes.

The checks will carry the signature of an official with the Bureau of the Fiscal Service, the Treasury Department division that prints the checks. The checks will follow direct deposits issued in recent days to the bank accounts of about 80 million people. Those payments do not include Trump's name.

The decision to have the paper checks bear Trump's name, in the works for weeks, according to a Treasury official, was announced early Tuesday to the IRS's information technology team. The team, working from home, is now racing to implement a programming change that two senior officials said will likely lead to a delay in issuing the first batch of paper checks. They are scheduled to be sent Thursday to the Bureau of the Fiscal Service for printing and issuing.

Computer code must be changed to include the president's name and the system must be tested, these official said. A Treasury Department spokesperson, however, denied any delay and said the plan all along was to issue the checks next week.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever," the spokesperson said in a written statement. She said this was a faster process than the stimulus checks the George W. Bush administration issued in 2008 to head off a looming recession.

"In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates," the statement said.

An IRS spokesperson referred questions to the Treasury Department.

The paper checks are scheduled to be issued at a rate of 5 million each week until September, starting with the lowest-income taxpayers. They're for taxpayers whose bank information is not on file with the IRS.

The \$2.1 trillion stimulus, the government's largest and most recent coronavirus rescue package, was passed by a bipartisan Congress and signed by the president. The checks to individual taxpayers were not originally Trump's idea, but he embraced them after Sens. Josh Hawley (R-Mo.) and Mitt Romney (R-Utah) proposed them.

The White House had initially floated a payroll tax cut as a centerpiece of its stimulus effort but backed off that plan amid concerns it would not reach American households quickly enough.

Trump has repeatedly called the legislation "a Trump administration initiative" and placed himself singularly at the center of what the government is doing to help Americans during the coronavirus response — taking full credit.

About six months before he faces reelection, with his campaign on pause because the virus has prevented him from holding the rallies that are popular with his base, the checks provide Trump with a new form of retail politics. A check provides a touchable, bread-and-butter symbol to taxpayers right in their mailboxes.

But to critics and some IRS employees, many of whom started to learn of the decision on Tuesday, the presence of Trump's name on the checks reeks of partisanship in a corner of the government that touches all Americans and has, since the Nixon era, steadfastly steered clear of politics. After president Richard Nixon targeted a wide range of "enemy" groups for tax audits, including civil rights groups, reporters and prominent Democrats, Congress enacted laws to ensure that the agency conducts itself apolitically.

UST_000083

"Taxes are supposed to be nonpolitical and it's that simple," said Nina Olson, who stepped down last fall after an 18-year tenure as the National Taxpayer Advocate, leading an arm of the IRS that helps individual taxpayers resolve tax problems, manage clinics for low-income taxpayers and advise the agency on service issues.

"It's absolutely unprecedented," Olson said.

She recalled that when the Bush administration delivered economic rebate checks of \$300 to \$600 to taxpayers in 2001 to share the benefits of a strong economy, the White House asked the IRS to include in a letter to taxpayers a sentence that took credit for "giving you your money back."

The IRS commissioner at the time refused, Olson recalled, because the move was perceived as too political.

When the Bush administration launched its \$168 billion economic stimulus package in 2008, the checks were signed by a treasury official.

Only the IRS commissioner and general counsel are politically appointed. The current, Trump-appointed commissioner, Charles Rettig, a tax attorney confirmed by the Senate in 2018, was appointed to a five-year term designed to carry over into a possible new administration.

Chad Hooper, a quality-control manager who serves as national president of the IRS's Professional Managers Association, said he was appalled by what he called "an abuse of government resources."

"In this time of need for additional resources," Hooper said, "anything that takes our focus from getting those checks out the door and hampers the equitable, fair administration of the tax code is not something we can support."

House Speaker Nancy Pelosi (D-Calif.) has dismissed suggestions about Trump signing checks or having his name attached. Last week she said the payments should go out as quickly as possible without "waiting for a fancy-Dan letter from the president"

About 150 million Americans and others are expected to receive the one-time payment. The first wave of recipients includes mainly people who filed a 2018 or 2019 tax return and gave the IRS their direct deposit information.

Under the stimulus plan, single filers earning up to \$75,000 a year receive a payment of \$1,200. Married couples earning up to \$150,000 a year receive a payment of \$2,400. Parents receive an additional \$500 for each child under 17.

UST_000084

Fwd: Protection of American jobs

From: Secretary Mnuchin

To: Robert Lighthizer WHO EOP

Date: Wed, 15 Apr 2020 12:00:37 -0400

(b)(5) DP

From: Kraft, Robert <Rkk@thekraftgroup.com>

Date: April 12, 2020 at 2:16:06 PM EDT

To: Secretary Mnuchin

Subject: Protection of American jobs

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Steve

Thank you for all you are doing for the country. It gives me a real sense of security knowing that you are overseeing the effort to protect and re-start the economy.

As discussed I have attached a version of the document that I texted. It is a one page summary of what I described on the phone and below is a "Reader's Digest" of the situation:.

There is a worldwide shortage of wastepaper caused by COVID-19. The rest of the world is coming to the USA to buy our wastepaper and export to their respective countries which is taking supply out of the market and in turn driving up pricing. In order to protect our jobs and essential businesses (packaging and sanitary supplies (toilet paper, feminine hygiene products etc.) we should temporarily ban the export of wastepaper to ensure that our mills have enough raw materials to keep running. If these tons were to stay in the USA for the duration of this pandemic it would guarantee a reliable supply chain to keep our mills running full and our millworkers employed

I hope this is helpful and my staff is available 24/7 to your staff if needed to help with this and I am always available to you for this or anything else.

Robert

NOTICE: This message and any attachments are solely for the intended recipient and may contain confidential or privileged information. If you are not the intended recipient, you are hereby notified that any review, dissemination, distribution or duplication of this message and any attachments is prohibited. If you have received this communication in error, please notify us by reply email and immediately and permanently delete this message and any attachments. Email transmission may not be secure and could contain errors. We accept no liability for any damage caused by any virus transmitted by this email. Please do not send to us by email any information containing personally identifiable information without appropriate encryption. Thank you.



UST_000085

Fwd: The New York Times: Fed Faces Calls for Bailout Transparency from New Oversight Commission (Alan Rappeport, 4.15.20)

From: Secretary Mnuchin

To: "Callanan, Brian" <brian.callanan@treasury.gov>

Date: Thu, 16 Apr 2020 06:43:07 -0400

(b)(5) DP

(b)(5) DP

From: Crowley, Monica <Monica.Crowley@treasury.gov>

Date: April 15, 2020 at 8:48:49 PM EDT

To: Secretary Mnuchin

Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, (b)(6) @treasury.gov, Myers, Baylor <Baylor.Myers@treasury.gov>

Subject: The New York Times: Fed Faces Calls for Bailout Transparency from New Oversight Commission (Alan Rappeport, 4.15.20)

Mr Secretary, for your awareness

[The New York Times: Fed Faces Calls for Bailout Transparency from New Oversight Commission \(Alan Rappeport, 4.15.20\)](#)

WASHINGTON — The lone member of the nascent Congressional Oversight Commission created as part of President Trump's \$2 trillion economic stimulus law is calling on the Federal Reserve to release detailed information about which companies receive loans from its emergency lending facilities and how the money is being used.

The request comes amid growing concern that disbursements from the giant economic stabilization package will be shrouded in secrecy or used improperly. In recent weeks, the Fed and the Treasury Department have rolled out a half-dozen emergency lending facilities that will allow the Fed to inject \$4 trillion into almost every corner of financial markets. But who will be getting what remains murky.

In a letter sent on Wednesday to Jerome H. Powell, the Fed chair, and Steven Mnuchin, the Treasury secretary, Bharat Ramamurti, the only person appointed to the Congressional Oversight Commission so far, demanded clarity.

Business executives press White House for more testing before reopening the economy.
Trump's move to freeze aid to the W.H.O. draws condemnation.
Trump threatens to adjourn Congress to install nominees. McConnell says it won't happen.

"I write to respectfully request that the Federal Reserve publicly release detailed and timely information about each individual transaction," Mr. Ramamurti wrote. "The public deserves to know which companies are receiving taxpayer-backed lending through the Fed and on what terms, and to be able to monitor what those companies do after receiving taxpayer support."

Mr. Ramamurti asked the Fed to provide details about the identity of borrowers, the terms of the loans and the intended use of the proceeds. He is also seeking full deal documents, information about the equity supporting the deals, and proof that the money is not going to foreign businesses or companies controlled by White House officials or members of Congress and their families.

The Fed, which avoids taking credit risk on its own, is using Treasury funds authorized by Congress to buy corporate and municipal bonds and to provide lending to mid-sized businesses as part of an effort to keep credit flowing as the coronavirus pandemic shuts large parts of the economy. Congress gave the Treasury Department \$454 billion to back up the Fed's efforts, which need to be insured against losses.

The economic relief legislation that Mr. Trump signed last month created a three-pronged oversight structure: a special inspector general within the Treasury Department, a committee of inspectors general and the Congressional Oversight Commission, which is selected by the majority and minority leaders of the Senate as well as the House Speaker and minority leader.

Mr. Ramamurti, a former aide to Senator Elizabeth Warren, Democrat of Massachusetts, was the first person selected to what will ultimately be a five-person commission that will oversee the bailout fund being run by the Treasury Department.

There have been growing concerns that Mr. Trump will not comply with oversight efforts, particularly after his selection of a White House lawyer, Brian D. Miller, to serve as the special inspector general at Treasury and his firing of the Pentagon's inspector general, Glenn A. Fine, who had been tapped by the Council of the Inspectors General on Integrity to lead the new Pandemic Response Accountability Committee.

The economic stimulus legislation requires the Fed and Treasury to turn over an array of information after disbursing loans. However, Mr. Ramamurti is concerned that the information could be provided in aggregate, making it difficult for watchdogs or taxpayers to know how the money is being spent and which specific companies or sectors are benefiting.

The Fed and the Treasury Department did not immediately respond to requests for comment.

UST_000086

Fwd: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

From: Secretary Mnuchin

To: "McIntosh, Brent" <brent.mcintosh@treasury.gov>

Date: Sun, 19 Apr 2020 11:11:05 -0400

(b)(5) DP

From: Secretary Mnuchin

Date: April 19, 2020 at 8:22:35 AM EDT

To: Secretary Mnuchin

Subject: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

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Iran's Central Bank Head Urges IMF to Approve Virus Loan

By Golnar Motevalli

- U.S. opposes Iran's application as sanctions are biting hard
- Central bank governor says for IMF the 'time to act is now'

(Bloomberg) --

Iran's central bank governor urged the International Monetary Fund to resist U.S. pressure and approve its application for financing to help bridge a 10 billion-euro (\$10.9 billion) deficit as the country's sanctions-hit economy struggles to cope with the coronavirus pandemic.

The Islamic Republic asked the IMF on March 6 for \$5 billion in loans to help finance its efforts to combat the disease and support an economy severely weakened by U.S. sanctions that have devastated oil revenues and isolated the state from the global banking system. While the U.S. has said it will block the application, on April 15 the IMF's director for the Middle East and Central Asia said it's proceeding with Iran's request for assistance.

"The last time I checked, it's not the United States running the IMF, but its management and the board of governors who oversee the work and ensure that the IMF delivers on its mandate," Abdolnaser Hemmati, head of the Central Bank of Iran, said in written answers to questions sent by Bloomberg.

The U.S. says sanctions don't apply to humanitarian goods such as pharmaceuticals, medical supplies and food, but Iran says they are preventing it from accessing its own money, which is frozen overseas and hurting its ability to pay for imports. Iran's economy has contracted significantly since the U.S. abandoned the 2015 nuclear deal and enforced its toughest sanctions on the Islamic Republic to date.

Iran is the site of the worst coronavirus outbreak in the Middle East with more than 5,000 deaths and over 80,000 infections. The country started easing restrictions on some businesses on April 11, seeking to boost the economy, and two-thirds of government employees have now been allowed to return to work.

'Time to Act Is Now'

"We have lost so many lives, as the Americans and Europeans have lost, and my thoughts and prayers go with them," Hemmati said, appealing directly to Kristalina Georgieva, chair and managing director of the IMF. "The time to act is now."

According to Hemmati, U.S. sanctions and its decision to add the Iranian central bank to its list of "specially designated nationals and blocked persons" in September 2019 prevent Iran from accessing its own money, which would be "more than enough" to cover the 10 billion-euro shortfall.

"Central Bank reserves are under U.S. sanctions overseas, which is illegal and unilateral, and I want to be clear about this. What we are saying is that the sanctions should be lifted altogether, however, sadly, there are actors in the U.S. government that have little regards for international law and order," Hemmati said.

UST_000087

Iran is separately seeking a \$50 million loan from the World Bank, marking the first time since 2005 that the country has applied for such a loan from the Washington-based institution, a deputy health minister said on state TV on Saturday. It has also asked for a 130 million-euro loan from the Jeddah-based Islamic Development Bank.

Opposition From Pompeo

U.S. Secretary of State Mike Pompeo has fiercely opposed Iran's request to the IMF, accusing it of seeking to funnel the money into "corrupt purposes."

The U.S. imposed its toughest sanctions regime to date on Iran in 2018 after President Donald Trump abandoned the 2015 nuclear deal, which was designed to address concerns related to the country's atomic activities. Trump's so-called "maximum pressure" strategy against Iran aims to force the Islamic Republic into submitting to a series of demands by Washington including a complete end to its support for Hezbollah and Iraqi militias.

Since withdrawing from the nuclear deal and reimposing sanctions, Trump has also designated Iran's Islamic Revolutionary Guard Corps -- the most powerful branch of its military forces -- a terrorist organization and killed its most powerful military General, Qassem Soleimani.

Hemmati said he has told the IMF that a loan could be channeled directly into the EU's INSTEX trade vehicle and the SHTA, a financial channel run by the Swiss government to allow Swiss-based food and pharmaceutical companies to send goods to Iran.

"These are specifically designed to help us import food and medicine," Hemmati said. "These channels have proper safeguarding mechanisms in place to address all concerns, if any."

Hemmati said Iran had requested 100% of its quota in the IMF, equivalent to 3.6 billion Standard Drawing Rights.

To contact the reporter on this story:
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UST_000088

Fwd: (BN) Shake Shack, Potbelly Among Big Chains Tapping Small-Biz Funds

From: Secretary Mnuchin

To: "Patel, Bimal" <bimal.patel@treasury.gov>, "Faulkender, Michael" <michael.faulkender@treasury.gov>

Date: Sun, 19 Apr 2020 11:31:19 -0400

(b)(5) DP

From: Secretary Mnuchin

Date: April 19, 2020 at 11:24:16 AM EDT

To: Secretary Mnuchin

Subject: (BN) Shake Shack, Potbelly Among Big Chains Tapping Small-Biz Funds

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Shake Shack, Potbelly Among Big Chains Tapping Small-Biz Funds

By David McLaughlin , Naomi Nix and Mark Niquette

- Small business owners express despair over not getting money
- Public companies with hundreds of millions in sales won big

(Bloomberg) --

More than a dozen publicly traded companies with revenue of more than \$100 million, including Shake Shack Inc., Potbelly Corp. and a Tex-Mex restaurant chain with more than 10,000 employees, received loans through a massive relief program aimed at small businesses.

With a \$349 billion lending package for small business owners now [exhausted](#), a review of regulatory filings shows that restaurant chains and companies in industries ranging from mining to manufacturing to cruise travel received large amounts, while much smaller businesses like neighborhood eateries and hair salons were locked out.

The disclosures could fuel calls for Congress to provide another round of funding to keep thousands of mom-and-pop firms afloat amid state lockdowns. Negotiations to replenish the tapped-out fund hit a stalemate last week, with Republicans calling for adding more money and Democrats also demanding changes to ensure smaller firms get loans, plus more funding for state and local governments and hospitals.

As talks stretched into the weekend, President Donald Trump signaled a possible [compromise](#) that could add \$75 billion for health facilities, in addition to \$250 billion more for the small-business program. House Speaker Nancy Pelosi said Congress is ["very close"](#) to striking a bipartisan deal in an interview with ABC News "This Week With George Stephanopoulos" that aired on Sunday.

[Earlier: Democrats Make Offer to Mnuchin in Effort to Break Aid Deadlock](#)

Many small firms that flooded banks with applications are livid that they were left out in the cold. One of them is Florida business owner Edgar Comellas, owner of Aces Wild Entertainment, which supplies "Vegas-style" activities and staffing for birthday parties, fundraisers and corporate events. He said he tried to get \$10,000 from Bank of America Corp., but was unsuccessful.

Comellas said he's upset that money went to larger businesses like Ruth's Hospitality Group Inc., which operates the Ruth's Chris Steak House chain and received \$20 million in loans, according to a Securities and Exchange Commission [filing](#). Ruth's Hospitality didn't respond to a request seeking comment. The restaurant chain racked up \$468 million in sales last year and employed about 5,700 people.

Ruth's Hospitality has the individuals "work the papers and lobby and get things to what they need to get \$20 million," Comellas said. "We don't."

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Some business owners like Lupe Rose found the process disheartening. The co-founder and chief executive officer of [SHE Beverage Co.](#), a Lancaster, California, beverage manufacturer and distributor, unsuccessfully applied for a loan through Wells Fargo & Co. as well as online companies PayPal Holdings Inc. and Kabbage Inc. Rose said she and her team "jumped on a conference call and literally cried with each other" when they heard the money had run out.

"It's just pretty disgusting that you hear about all of these other businesses who have been funded and who are able to pay for their employees," Rose said. "While you have businesses like mine that are being buried, small businesses being buried because we believed what we heard."

[For more: SBA's Herculean Pandemic Response Was Swift, But Not Smooth](#)

The rescue financing -- known as the Paycheck Protection Program -- is intended to help companies that employ up to 500 people, pay workers and certain expenses such as rent for two months. Loans convert to grants if a company maintains its payroll and salaries.

But because the 500-employee cap refers to a single location operated by hotel and restaurant companies, chains like Shake Shack could apply.

Shake Shack is one of the fastest-growing restaurant companies in America, with \$595 million in annual sales. While the burger chain has fewer than 500 workers at each site, it had about 7,600 employees spread across numerous locations as of the end of last year. It received the maximum \$10 million under the program. The company didn't respond to a request seeking comment.

The U.S. Small Business Administration program, working with almost 5,000 lenders that disburse the loans, approved applications for \$342.3 billion in just 13 days, with the rest of the \$349 billion going for fees and processing. There's no accounting of how much money small businesses have received so far.

A [statement](#) from the SBA and the Treasury Department said, "The vast majority of these loans -- 74% of them -- were for under \$150,000, demonstrating the accessibility of this program to even the smallest of small businesses."

But an SBA [report](#) showed that about 2% of the firms approved for loans accounted for almost 30% of the funding. The National Federation of Independent Business, the largest group representing small businesses in the country, is calling on Congress to approve \$400 billion more for the program -- with not less than \$200 billion going to firms that have 20 or fewer employees.

[Earlier: Small Business Relief Funds Drained Fast With Many Shut Out](#)

Nine percent of the pot went to companies, such as Fiesta Restaurant Group Inc. that got loans of at least \$5 million. Fiesta, which owns and franchises Pollo Tropical and Taco Cabana restaurants, said in a regulatory filing that it got \$10 million. The company's annual sales totaled \$661 million and it had about 10,500 employees at the end of last year.

Sandwich chain Potbelly Corp., which had sales last year of \$410 million and employed 6,000 people, also received \$10 million.

Other companies that reported getting small-business funding are Zagg Inc., which makes protective coverings for smart phones and had \$522 million in sales last year; Hallador Energy Co., a coal-mining company with \$323 million in 2019 revenue; adventure-travel and cruise company [Lindblad Expeditions Holdings Inc.](#), which reported \$343 million in sales last year; and data storage company Quantum Corp., with \$403 million in sales.

A Potbelly spokesman said Congress allowed funding for restaurants because their workers are "vital to our economy." Representatives for the other companies didn't respond to requests for comment.

John Arensmeyer of Small Business Majority, an advocacy group for small firms, said he has been disappointed that larger companies have been able to take advantage of the loan program over smaller ones.

"Most of the money has gone to much larger entities and the very small entities for the most part have been left behind," he said. "We're dealing with finite dollars," Arensmeyer added. "Even if more money is put into the system, we really need to prioritize very small businesses over publicly traded companies."

When asked early in the rollout about concerns from small-business owners that they wouldn't get funding, Trump praised the program. "It's been flawless so far, far beyond our expectations," he [told](#) reporters April 4. "These are great loans. These are loans that get immediately paid off. These are loans that get businesses back."

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--With assistance from Matt Townsend .

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Naomi Nix in Washington at nnix1@bloomberg.net ;

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To contact the editors responsible for this story:
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UST_000091

Fwd: Global Offer to finish Interim Package

From: Secretary Mnuchin [REDACTED]

To: Mark Meadows [REDACTED], Eric Ueland [REDACTED] WHO EOP

Date: Sun, 19 Apr 2020 12:13:48 -0400

Just received

From: Petrella, Gerry (Schumer) [REDACTED] Senate email

Date: April 19, 2020 at 12:11:39 PM EDT

To: Secretary Mnuchin [REDACTED]

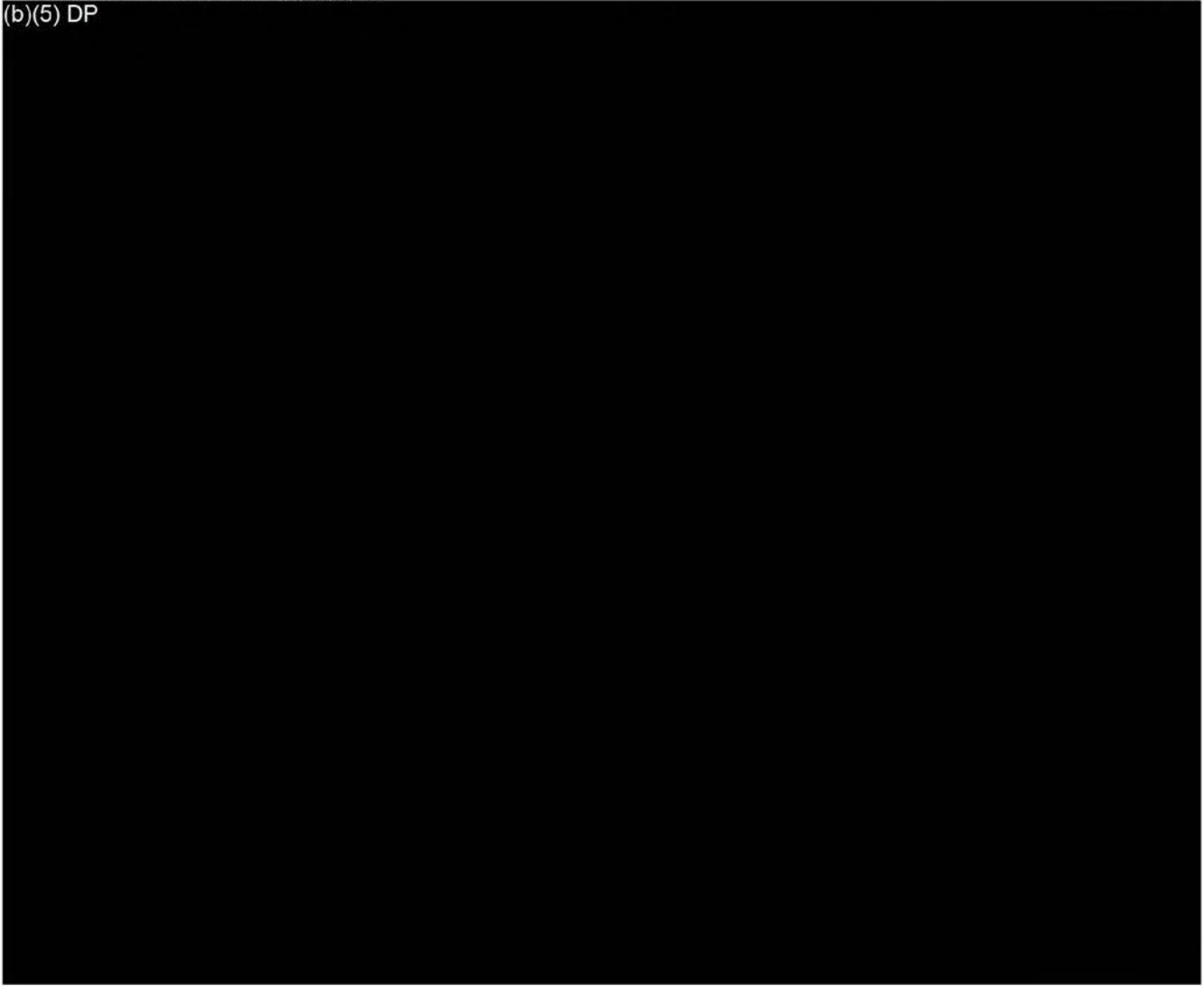
Cc: Kowalski, Daniel <Daniel.Kowalski@treasury.gov>

Subject: Global Offer to finish Interim Package

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Mr. Secretary: thanks again for your continued good faith effort to finish this negotiation. We were encouraged by your remarks on CNN this morning. (b)(5) DP

(b)(5) DP



UST_000092

(b)(5) DP



UST_000093

FW: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

From: Secretary Mnuchin
To: "Pompeo, Mike" Mike Pompeo
Date: Mon, 20 Apr 2020 10:59:42 -0400

FYI

From: McIntosh, Brent <Brent.McIntosh@treasury.gov>
Sent: Monday, April 20, 2020 10:46 AM
To: Secretary Mnuchin
Subject: RE: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

(b)(5) DP

(b)(5) DP

Deliberative and predecisional

From: Secretary Mnuchin
Sent: Sunday, April 19, 2020 11:11 AM
To: McIntosh, Brent <Brent.McIntosh@treasury.gov>
Subject: Fwd: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

(b)(5) DP

From: Secretary Mnuchin
Date: April 19, 2020 at 8:22:35 AM EDT
To: Secretary Mnuchin
Subject: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

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Iran's Central Bank Head Urges IMF to Approve Virus Loan

By Golnar Motevalli

- U.S. opposes Iran's application as sanctions are biting hard
 - Central bank governor says for IMF the 'time to act is now'
- (Bloomberg) --

Iran's central bank governor urged the International Monetary Fund to resist U.S. pressure and approve its application for financing to help bridge a 10 billion-euro (\$10.9 billion) deficit as the country's sanctions-hit economy struggles to cope with the coronavirus pandemic.

The Islamic Republic asked the IMF on March 6 for \$5 billion in loans to help finance its efforts to combat the disease and support an economy severely weakened by U.S. sanctions that have devastated oil revenues and isolated the state

UST_000094

from the global banking system. While the U.S. has said it will block the application, on April 15 the IMF's director for the Middle East and Central Asia said it's proceeding with Iran's request for assistance.

"The last time I checked, it's not the United States running the IMF, but its management and the board of governors who oversee the work and ensure that the IMF delivers on its mandate," Abdolnaser Hemmati, head of the Central Bank of Iran, said in written answers to questions sent by Bloomberg.

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'Time to Act Is Now'

"We have lost so many lives, as the Americans and Europeans have lost, and my thoughts and prayers go with them," Hemmati said, appealing directly to Kristalina Georgieva, chair and managing director of the IMF. "The time to act is now."

According to Hemmati, U.S. sanctions and its decision to add the Iranian central bank to its list of "specially designated nationals and blocked persons" in September 2019 prevent Iran from accessing its own money, which would be "more than enough" to cover the 10 billion-euro shortfall.

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Opposition From Pompeo

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To contact the reporter on this story:
Golnar Motevalli in London at gmotevalli@bloomberg.net

To contact the editors responsible for this story:
Lin Noueihed at lnoueihed@bloomberg.net
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From: Secretary Mnuchin

To: "Muzinich, Justin" <justin.muzinich@treasury.gov>

Date: Mon, 20 Apr 2020 10:59:51 -0400

FYI

From: McIntosh, Brent <Brent.McIntosh@treasury.gov>

Sent: Monday, April 20, 2020 10:46 AM

To: Secretary Mnuchin

Subject: RE: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

(b)(5) DP

(b)(5) DP

Deliberative and predecisional

From: Secretary Mnuchin

Sent: Sunday, April 19, 2020 11:11 AM

To: McIntosh, Brent <Brent.McIntosh@treasury.gov>

Subject: Fwd: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

(b)(5) DP

From: Secretary Mnuchin

Date: April 19, 2020 at 8:22:35 AM EDT

To: Secretary Mnuchin

Subject: (BN) Iran's Central Bank Head Urges IMF to Approve Virus Loan

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By Golnar Motevalli

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- (Bloomberg) --

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"We have lost so many lives, as the Americans and Europeans have lost, and my thoughts and prayers go with them," Hemmati said, appealing directly to Kristalina Georgieva, chair and managing director of the IMF. "The time to act is now."

According to Hemmati, U.S. sanctions and its decision to add the Iranian central bank to its list of "specially designated nationals and blocked persons" in September 2019 prevent Iran from accessing its own money, which would be "more than enough" to cover the 10 billion-euro shortfall.

"Central Bank reserves are under U.S. sanctions overseas, which is illegal and unilateral, and I want to be clear about this. What we are saying is that the sanctions should be lifted altogether, however, sadly, there are actors in the U.S. government that have little regards for international law and order," Hemmati said.

Iran is separately seeking a \$50 million loan from the World Bank, marking the first time since 2005 that the country has applied for such a loan from the Washington-based institution, a deputy health minister said on state TV on Saturday. It has also asked for a 130 million-euro loan from the Jeddah-based Islamic Development Bank.

Opposition From Pompeo

U.S. Secretary of State Mike Pompeo has fiercely opposed Iran's request to the IMF, accusing it of seeking to funnel the money into "corrupt purposes."

The U.S. imposed its toughest sanctions regime to date on Iran in 2018 after President Donald Trump abandoned the 2015 nuclear deal, which was designed to address concerns related to the country's atomic activities. Trump's so-called "maximum pressure" strategy against Iran aims to force the Islamic Republic into submitting to a series of demands by Washington including a complete end to its support for Hezbollah and Iraqi militias.

Since withdrawing from the nuclear deal and reimposing sanctions, Trump has also designated Iran's Islamic Revolutionary Guard Corps -- the most powerful branch of its military forces -- a terrorist organization and killed its most powerful military General, Qassem Soleimani.

Hemmati said he has told the IMF that a loan could be channeled directly into the EU's INSTEX trade vehicle and the SHTA, a financial channel run by the Swiss government to allow Swiss-based food and pharmaceutical companies to send goods to Iran.

"These are specifically designed to help us import food and medicine," Hemmati said. "These channels have proper safeguarding mechanisms in place to address all concerns, if any."

Hemmati said Iran had requested 100% of its quota in the IMF, equivalent to 3.6 billion Standard Drawing Rights.

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Golnar Motevalli in London at gmotevalli@bloomberg.net

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James Amott, Andrew Davis

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UST_000099

FW: State and Local - terms to finish

From: Secretary Mnuchin [REDACTED]

To: "Mark Meadows - The White House" [REDACTED] Mark Meadows

Date: Mon, 20 Apr 2020 11:01:21 -0400

(b)(5) DP [REDACTED]

From: Petrella, Gerry (Schumer) [REDACTED] Senate email [REDACTED]

Sent: Monday, April 20, 2020 10:50 AM

To: Secretary Mnuchin [REDACTED]; Kowalski, Daniel <Daniel.Kowalski@treasury.gov>

Cc: Meltzer, Dick <Dick.Meltzer@mail.house.gov>

Subject: State and Local - terms to finish

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

(b)(5) DP [REDACTED]

UST_000100

FW: The Washington Post: Amid bipartisan criticism, Treasury Department attorneys review bank seizures of \$1,200 stimulus checks

From: Secretary Mnuchin
To: "Kowalski, Daniel" <daniel.kowalski@treasury.gov>
Cc: "Jelani, Eric M. EOP/WHO" WHO_EOP, "Mark Meadows - The White House" Mark Meadows
Date: Mon, 20 Apr 2020 15:08:53 -0400

(b)(5) DP

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Sent: Monday, April 20, 2020 12:59 PM
To: Secretary Mnuchin
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>; (b)(6)@treasury.gov; Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: The Washington Post: Amid bipartisan criticism, Treasury Department attorneys review bank seizures of \$1,200 stimulus checks
Importance: High

Mr Secretary, for awareness: this is the Wash Post reporter to whom you spoke late Friday

[The Washington Post: Amid bipartisan criticism, Treasury Department attorneys review bank seizures of \\$1,200 stimulus checks \(Jeff Stein, Renae Merle, 4.20.20\)](#)

The Treasury Department is reviewing whether it has the legal authority to prevent banks and private debt collectors from seizing \$1,200 government stimulus payments, according to a person familiar with the internal deliberations, as blowback builds over private lenders clawing back parts of the emergency financial relief package.

The review is being conducted by legal counsel at the Treasury Department, said the person, who spoke on the condition of anonymity to discuss agency process. It was unclear when a determination about the payments would be made.

Earlier this month, the Trump administration began directly depositing stimulus checks in the bank accounts of 80 million Americans to help them survive the economic downturn caused by the coronavirus. But reports quickly surfaced that some of these payments were being redirected to banks and private debt collectors from people who have overdraft fees, delinquent loans, or other debt obligations.

These garnishments have sparked a bipartisan backlash in Congress, with lawmakers arguing the money should be walled off from collection by banks and private debt collectors. Several large banks have also announced they would stop taking the money amid public criticism. USAA, which services veterans and military families, announced last week it would return the stimulus funds and change its policy after The American Prospect reported the bank took \$3,400 in payments from the family of a disabled veteran to offset an existing debt.

The seizure of stimulus checks by private lenders threatens to further undermine the rocky roll-out of the \$2 trillion coronavirus relief package, as a number of obstacles have surfaced blocking Americans from swift access to the direct payments, a massive increase in unemployment benefits, and emergency loans through the Small Business Administration. The Trump administration has defended its implementation of the law, saying it sent out 80 million checks within three weeks with an error rate of under 1 percent and has successfully disbursed hundreds of billions in small business aid.

Millions of people stand to have their stimulus payments garnished under the current Treasury policy as nearly a third of Americans have a debt in collection, although the exact number affected is unclear, according to Lauren Saunders, associate director of the National Consumer Law Center, a nonpartisan advocacy group.

Several of the largest banks, such as Bank of America and Wells Fargo, have said they will not collect these payments regardless of Treasury policy. Thousands of smaller banks and credit unions may still be doing so, and some debt collectors are trying to grab these payments.

"Congress authorized these payments because people have lost their jobs and are desperate for money for food. The money needs to go to food, not the debt collectors or back bank fees," Saunders said. "I hope Treasury reverses itself immediately, because every day that goes by that people can't access their money they are wondering how they are going to eat."

Some Treasury officials have privately told outside advisers that Congress would have to pass new legislation to give them the authority to ensure the payments are not garnished, according to two people familiar with the conversations. The people spoke on the condition of anonymity to discuss private conversations. A joint letter signed by the American Bankers Association, the Consumer Bankers Association, and the Financial Services Forum urged Congress to revise the Cares Act to ensure the stimulus checks not be redirected to certain garnishments.

The issue has surfaced across the country, complicating the process of disbursing badly needed aid. Alex Kornya, litigation

UST_000101

director of Iowa Legal Aid, said dozens of people have called a hotline for help because they cannot access their stimulus payments due to prior debt obligations. A mother of five living in a domestic abuse shelter sought legal help because she was unable to receive her check due to a frozen account. Because court services have been reduced, her initial hearing date was not scheduled until June.

"We have been appalled by what's happening," Kornya said. "Unless someone like us is putting up a fuss, this money is getting tied up."

U.S. now has 22 million unemployed, wiping out a decade of job gains

Treasury was warned weeks ago about the potential danger of letting the payments be siphoned off. On April 9, Sens. Sherrod Brown (D-Ohio) and Josh Hawley (R-Mo.) sent a joint letter to Mnuchin urging him to prevent the funds from going to private collectors settling prior debts.

Some critics welcomed news Treasury legal counsel would review the matter, but expressed fear any action could come too late given that tens of millions of stimulus payments have already gone out the door.

"Let's hope it isn't too late," said Sarah Bloom Raskin, a former Treasury official in the Obama administration. "The question now is whether Treasury can implement in time to provide real assistance to households waiting for their checks and needing those checks to not be hijacked by debt collectors or overdraft fees."

UST_000102

Fwd: Tweet

From: Secretary Mnuchin
To: Mark Meadows Mark Meadows
Cc: Secretary Mnuchin
Date: Tue, 21 Apr 2020 07:49:14 -0400

POTUS Tweet

I urge the Senate and House to pass the Paycheck Protection Program and Health Care Enhancement Act with additional funding for PPP, Hospitals, and Testing. After I sign this we will begin discussions on the next legislation with fiscal relief to state/local governments for lost revenues from COVID 19, much needed infrastructure investments for bridges, tunnels, broadband, tax incentives for restaurants, entertainment, sports, and payroll tax cuts to increase economic growth,

UST_000103

Fwd: Tweet

From: Secretary Mnuchin [REDACTED]

To: "Scavino, Dan J. EOP/WHO" WHO EOP [REDACTED]

Date: Tue, 21 Apr 2020 12:17:32 -0400

From: Secretary Mnuchin [REDACTED]

Date: April 21, 2020 at 7:49:15 AM EDT

To: Mark Meadows Mark Meadows [REDACTED]

Cc: Secretary Mnuchin [REDACTED]

Subject: Fwd: Tweet

POTUS Tweet

I urge the Senate and House to pass the Paycheck Protection Program and Health Care Enhancement Act with additional funding for PPP, Hospitals, and Testing. After I sign this we will begin discussions on the next legislation with fiscal relief to state/local governments for lost revenues from COVID 19, much needed infrastructure investments for bridges, tunnels, broadband, tax incentives for restaurants, entertainment, sports, and payroll tax cuts to increase economic growth,

UST_000104

Fwd: Harvard

From: Secretary Mnuchin
To: "Muzinich, Justin" <justin.muzinich@treasury.gov>
Date: Wed, 22 Apr 2020 06:44:45 -0400

From: (b)(6)@harvard.edu>
Date: April 21, 2020 at 7:56:34 PM EDT
To: Secretary Mnuchin
Subject: Harvard

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Dear Secretary Mnuchin,

On the heels of President Trump's comments this evening, I wanted to quickly reach out to you about this misunderstanding about Harvard and the small business Paycheck Protection Program. Harvard has not applied nor received any funding from this program. We support and recognize that these critical dollars were provided by Congress and the Administration at a time of critical need for America's small businesses to help sustain them and their workers through this public health and economic crisis.

Like all other colleges and universities in America, Harvard has been allocated funding under the Higher Education Emergency Relief Fund. Again, we have neither applied for nor received these funds. Based on a statutory formula, colleges are scheduled to receive funds to address the many needs that have arisen with the pandemic. By law, 50% of the funds are reserved for direct grants for students. Harvard has committed to use 100% of its allocations to assist our students in need. Moreover, we made this commitment before the President's comments this evening. As you know, Harvard serves significant numbers of needy students with 16% of our undergraduates qualifying for Pell Grants – these students needs are real and acute. This assistance will undoubtedly be of significant assistance to them. Moreover it will not reduce or replace any assistance that Harvard has already provided to them.

I hope you will let me know how we can best clear up this confusion. I feel strongly that it does a disservice to Harvard as well as the federal efforts to respond to the crisis.

Thank you as always for your attention and assistance.

Sincerely,
Larry

Lawrence S. Bacow
President
Harvard University

UST_000105

FW: Just a recommendation ...

From: Secretary Mnuchin

To: jhbhope@operationhope.org

Date: Wed, 22 Apr 2020 09:31:05 -0400

(b)(6)

From: John Bryant <jhbhope@operationhope.org>

Date: April 21, 2020 at 11:03:23 PM EDT

To: Tony Ressler <tressler@aresmgmt.com>

Cc: Ja'ron Smith WHO_EOP, Christopher Pilkerton WHO_EOP

Brooke Lrollins WHO_EOP, Muzinich, Justin <Justin.Muzinich@treasury.gov>

Subject: Re: Just a recommendation ...

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you for this Tony, (b)(6) I am copying individuals I trust and I know who care at The White House.

Brooke, Ja'Ron and Chris, Mr. Tony Ressler is one of the most successful entrepreneurs and businessmen in the world today. Arguably one of the 1,000 wealthiest in the world, having helped to build a 150B+ company called Ares Management (and ones Before Ares). He is also the principal owner of the Atlanta Hawks NBA team. And he's a partner and friend of mine in my private sector ventures, and a donor to and member in Operation HOPE.

(b)(6)

(b)(6) Trying to — help the nation positively wrestle with viable, win/win solutions to this crisis and to quickly return us to sustainable economic activity.

It is with this in mind, and in this spirit, that I share with you Tony's personal email below.

Over to you all.

Stay Blessed and Distanced,

JOHN HOPE BRYANT, *Entrepreneur*.

Founder, Chairman & CEO | Operation HOPE, Inc. and Subsidiaries.

Founder, Chairman & CEO | Bryant Group Ventures and Subsidiaries.

Founder and Principal | The Promise Homes Company and Subsidiaries.

t - (b)(6)

[Link to Background Deck.](#)

<https://hyperlink.services.treasury.gov/agency.do?origin=www.johnhopebryant.com> | www.operationhope.org

[Link to HOPE Inside Disaster - COVID19 RESPONSE](#)

[Link to HOPE Global Forums 2020.](#)

On Apr 21, 2020, 10:36 PM -0400, Tony Ressler <tressler@aresmgmt.com>, wrote:

UST_000106

John. As we enter a new phase in this war against this crazy virus it is critical that we learn from the past six weeks and set the tone for the next six weeks ... it is my strong view that the White House is trying to help bridge the American people to the reopening of the US. economy with an extraordinary array of federal loans and investments that will grow along the way and should ... having potentially 100mm people in need of \$3000 per month to help them and their families thru this is \$300b per month and fortunately we can survive as a country for at least 6-12 months , if necessary (some direct to the individual , some thru small business loans etc) More importantly is how do we convince the American public that we are reopening the US economy in a safe and intelligent fashion ? My answer is to create FOUR task forces all reporting into the White House Task Force fighting COVID 19 ... ONE focused on Viral Testing , ONE focused on Anti Body Testing , ONE focused on Treatments and the last focused on Vaccine Development , which we know will probably not be available for 9-18 months ... the objective of the first three task forces are to help convince the American public that with the right testing AND treatment we can reduce the mortality rate to below .2% ... (b)(6)

(b)(6) ... with more focused and better organized Task Forces with great leadership we will win this war , reopen the US economy faster and more effectively and enjoy greater public support.... AND SOON (I can offer more detail if requested) ...With respect. TR

Sent from my iPhone

This message, including any attachments, may include privileged, confidential and/or inside information. Any distribution or use of this communication by anyone other than the intended recipient(s) is strictly prohibited unless authorized by the sender and may be unlawful. If you are not the intended recipient, please notify the sender by replying to this message and then delete it from your system.

UST_000107

FW: (BN) 'Shake Shack Loophole' Stays Open, Spawns a Washington Whodunit

From: Secretary Mnuchin

To: "Callanan, Brian" <brian.callanan@treasury.gov>, "Muzinich, Justin" <justin.muzinich@treasury.gov>

Date: Wed, 22 Apr 2020 12:13:16 -0400

(b)(5) DP

'Shake Shack Loophole' Stays Open, Spawns a Washington Whodunit
2020-04-22 08:00:00.3 GMT

By Ben Brody, Steven T. Dennis and Naomi Nix (Bloomberg) -- It's a classic Washington whodunit. No one wants to take the blame for the loophole that allowed name-brand restaurant chains like Shake Shack to get huge sums of pandemic-relief money meant for small businesses. Lobbyists, lawmakers and agency officials deny responsibility. Yet fingers are pointing over how big national chains including Potbelly Corp. and Ruth's Chris Steak House landed \$10 million or more apiece in loans while millions of mom-and-pop firms were left stranded when the program ran out of money.

Many lawmakers now want the loophole closed with Congress poised to approve \$320 billion of new funds this week, though a draft of the new legislation obtained by Bloomberg doesn't fix it. The Senate passed the measure Tuesday and the House could vote Thursday.

Still, some companies and Washington policy makers are rushing to recover in the face of bad press over the earlier round of small-business relief, with Shake Shack pledging to return its \$10 million. Treasury Secretary Steven Mnuchin said he'd work to make sure big companies don't get money in the new bill.

He said the Treasury Department would issue guidance to clarify the certification process and requirements for companies seeking small business loans under the new round of funding.

Earlier: Shake Shack to Return \$10 Million Loan to U.S.

After Uproar

The culprit in the earlier bill was three words that made all the difference: "per physical location."

"During the covered period, any business concern that employs not more than 500 employees per physical location" in the hospitality sector should be eligible to get a loan.

The language didn't clarify whether individual locations must apply for the aid or whether corporate headquarters could start vacuuming up millions in relief funds, nor did it necessarily apply solely to franchisees.

"We have over a million companies that have received this with less than 10 workers," Mnuchin said Tuesday at a White House briefing. He added, however, that "there have been some big business that have taken these loans." He said the Treasury will issue guidance to clarify the certification process and requirements for companies seeking loans destined for small businesses.

President Donald Trump said at the briefing that he would ask larger companies to return money that was intended to help small businesses. "They shouldn't have taken it," Trump said.

"And they're going to pay back that money."

UST_000108

Mnuchin tweeted Monday and repeated earlier Tuesday that he was glad Shake Shack said it's returning the funds it received.

Steven Mnuchin

@stevenmnuchin1

I was glad to see that @shakeshack will be returning the #ppploan #CARESAct @SBAgov

Sent via Twitter for iPhone.

View original tweet.

Restaurant and hotel lobbyists concede they pushed for their industries to get special treatment, but denied they were behind the language that opened the door to large firms. A key House Democrat blames Republicans, one of whom pins fault on the Treasury. Others say the measure was sought and approved by lawmakers from both parties to keep unemployment from swelling.

There was bipartisan support for including operators of multiple franchises who, though they fly the flag of a corporate brand -- Marriott, for example -- and get marketing support, are essentially independent small businesses.

"The idea when this was passed, was to bring as many small businesses as possible into this to help their employees,"

Representative Steve Chabot of Ohio, the top Republican on the House Small Business Committee, said in an interview. "They are hurting just like everybody else is."

The measure was "designed to put a floor under the restaurant and travel and hotel industries that are genuinely struggling, and the small businesses that so many of us are familiar with," Democratic Senator Chris Coons of Delaware said in a March Bloomberg Television interview.

The now infamous loophole is nestled in the Paycheck Protection Program, overseen by the Small Business Administration. The initiative was designed to throw a financial lifeline to businesses with fewer than 500 employees to help them keep workers on the payroll.

Shake Shack said Monday it's giving the money back and raising salaries for employees, while the operator of Ruth's Chris Steak House said it's keeping the funds and will follow the guidelines to maintain staff and paychecks. A spokesman for Potbelly said Congress allowed funding for restaurants because their workers are "vital to our economy." Fiesta Restaurant Group Inc., which said last week its Texas Taco Cabana subsidiary received \$10 million under the program, declined to comment beyond an earlier filing.

Earlier: Harvard Says It Didn't Get Small Business Aid After Trump Threat

Initial proposals from the Treasury and Senate Republicans in March disappointed lobbying groups for the hotel and restaurant industries, as well as franchises, where big brands and chains are common.

They argued that many independent franchises are de facto small businesses that were suffering as shutdowns spread across the country. The trade groups urged lawmakers crafting the provisions, particularly Republican Senators Marco Rubio of Florida and Susan Collins of Maine, to make sure franchises and other hospitality businesses with multiple locations could access the funds.

"For that laid-off server or line cook they don't care what logo is on their uniform," said Sean Kennedy, executive vice president for public affairs for the National Restaurant Association, which was one of the groups that lobbied for special attention. "They are praying that their boss has applied for this so they can stay on payroll."

Read More: Senate Passes \$484 Billion Interim Economic Stimulus Package

The group, which represents thousands of restaurant owners and chains including McDonald's Corp. and Chipotle Mexican Grill Inc., was "pushing this message with anyone who would listen" in

UST_000109

the Treasury Department, at the White House and in Congress, Kennedy said. They first made the case for restaurant-specific aid in a March 18 letter, but Kennedy said they didn't come up with the legislative language around locations. Kennedy noted that despite the outcry over Shake Shack, food service and hotels together have represented less than 10% of the loans, according to the SBA's numbers. As the backlash heated up, House Republican leader Kevin McCarthy said Tuesday on Fox News that he had spoken to Mnuchin and Trump about going "after those big companies that cheat the system."

Rubio, who chairs the Senate Small Business Committee, tweeted Monday that he was trying to get at "independently owned franchises" rather than "multiple subsidiaries of a national brand" and blamed the Treasury for issuing a rule for implementing the law that doesn't "reflect legislative intent & should be corrected."

A Treasury spokesman didn't comment on Rubio's contention that it was regulatory guidance that allowed the big chains to get the small business loans, but said the department was looking at how to make the program better at reaching its intended recipients.

Guidance from Treasury may be the only way to change the program in the near term. Although Congress is close to voting to replenish the program's funds, with most members sheltering in place, lawmakers will need to take up the narrowest bill possible in a "pro forma session" to win approval by unanimous consent.

Rubio said Monday that his committee would conduct "aggressive oversight" of PPP this fall, including using subpoena power to determine whether companies made false certifications to obtain loans.

Pointing Fingers

Senator Martha McSally, an Arizona Republican, blamed "big banks" for allowing bigger companies in on a program despite their advantages over small firms in accessing capital in a tweet Tuesday and urged "better oversight and transparency." Representative Nydia Velazquez, a New York Democrat, who chairs the House Small Business Committee, faulted Republicans for the loophole. "I can promise you that was not the language," Democrats proposed, she said in an interview. She said she opposes major chains' use of the PPP because the program wasn't intended to be a "bailout to the wealthy and well-connected."

The money "has to go to the small businesses, main street businesses, businesses in under-served communities, women owned-businesses," minority owned-businesses and those in "rural America," she said.

The American Hotel & Lodging Association pointed out that funds are also going to industries that have suffered fewer consequences from the pandemic, such as the construction sector, said Brian Crawford, the group's executive vice president of government affairs.

The International Franchise Association said that group's goal was to make sure "that independent franchise owners should be treated the same as every other business owner," according to Matt Haller, the group's senior vice president for government relations.

"What was unexpected is that so many businesses of all sizes would be stuck on the outside looking in," Haller said.

--With assistance from Mark Niquette and Josh Wingrove.

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Ben Brody in Washington, D.C. at btenercllabr@bloomberg.net;

Steven T. Dennis in Washington at sdennis17@bloomberg.net;
Naomi Nix in Washington at nnix1@bloomberg.net
To contact the editors responsible for this story:
Sara Forden at sforden@bloomberg.net;
Joe Sobczyk at jsobczyk@bloomberg.net
John Harney

UST_000111

Fwd: Bloomberg: Here's Where \$881 Billion in U.S. Aid Went in Month of Spending

From: Secretary Mnuchin
To: Secretary Mnuchin
Date: Fri, 24 Apr 2020 08:47:32 -0400

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Date: April 24, 2020 at 7:34:07 AM EDT
To: Secretary Mnuchin
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, (b)(6)@treasury.gov, Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: Bloomberg: Here's Where \$881 Billion in U.S. Aid Went in Month of Spending

Mr Secretary, for your awareness

Bloomberg: Here's Where \$881 Billion in U.S. Aid Went in Month of Spending

Laura Davison and Saleha Mohsin (4.24.20)

- Small business aid quickly tapped but some programs unused

[Sign up here](#) for our daily coronavirus newsletter on what you need to know, and [subscribe to our Covid-19 podcast](#) for the latest news and analysis.

The Trump administration has doled out roughly \$881 billion from the major components of the pandemic relief package signed into law one month ago, and soon will have a half trillion dollars more to shovel into the economy.

The Treasury Department was put in charge of distributing, through multiple channels, nearly half of the \$2.2 trillion Coronavirus Aid, Relief and Economic Security Act. While one key piece ran empty within two weeks -- aid to small businesses -- there's still has a lot of money left to work with.

"We've had an unprecedented fiscal and monetary response," Treasury Secretary Steven Mnuchin said Thursday in a Bloomberg News interview.

On Friday, President Donald Trump plans to sign into law another \$484 billion in rescue money, including replenishment of small business assistance, aid to hospitals and funding for virus testing. Here is a tally of what's been spent or committed so far from the law's key programs:

1. Fed Liquidity

About 20% of the stimulus, or \$454 billion, was given to Mnuchin to use as a backstop for Federal Reserve lending facilities. The central bank can leverage that into more than \$4 trillion to help stabilize financial markets through loans aimed at companies and local governments.

So far, the Treasury has committed \$215 billion from its Exchange Stabilization Fund to [nine different](#) Fed facilities.

The central bank has said it will post [details](#) about who is tapping its facilities on its website.

The Fed's Giant Bridge Loan

UST_000112

Sources: Federal Reserve, Bloomberg research

2. Airlines

Nearly a dozen airlines have said they would [participate](#) in the payroll assistance program designed specifically for the industry, which comes in the form of grants and low-interest loans. So far, airlines have claimed \$21.6 billion of the total \$50 billion in aid available.

Payments are being handed out on a “[rolling basis](#),” according to the Treasury Department. Several airlines have announced that they may ask for more loans but have until the end of September to decide what they will actually take.

Nearly Halfway There

Not quite 50% of the \$50 billion for commercial airlines has been allocated.

Source: U.S. Treasury Department, Bloomberg analysis

Note: Loans that airlines have yet to request are not included in totals

3. National Security

The Cares Act sets aside \$17 billion for companies deemed critical to national security. So far, none of that money has gone out. The Treasury released [an application](#) for those funds late Thursday.

The most obvious contender for the funds is [Boeing Co.](#), which is [shying](#) away from asking for a piece of this portion of the rescue package.

[Earlier: Boeing Set to Cut Dreamliner Output, Jobs on Plunging Demand](#)

Mnuchin has so far said this pot of money is for companies that are either major suppliers to the Defense department, or companies with top-secret clearance.

4. Cash for American Families

The Internal Revenue Service has sent out more than half of economic impact payments it plans to distribute to [households](#) to help bolster family budgets as workers face job losses or see their hours cut.

The agency has sent up to \$155.9 billion of the total \$292 billion it plans to send, according to Treasury Department data released Thursday afternoon.

Payments Pending

The IRS has sent out more than half of the direct payments to households

Source: U.S. Treasury Department, Joint Committee on Taxation, Bloomberg analysis

5. States and Cities

The Treasury has deployed more than \$95.2 billion of the \$150 billion for state, local and tribal governments.

Municipalities can also seek federal relief through the Fed’s Municipal Liquidity Facility, although the central bank has set [population thresholds](#).

Time is Money

UST_000113

State and local governments are quickly tapping a federal coronavirus relief fund

Source: U.S. Treasury Department

While the latest spending bill from Congress does not authorize any more money for state and local governments, House Speaker Nancy Pelosi [said](#) Wednesday that there would be a separate “major package” to address the needs of states and localities.

6. Small Business Relief

The initial \$349 billion for Paycheck Protection Program loans intended for small businesses ran out less than [two weeks](#) after it was rolled out. The Small Business Administration approved about 1.6 million loans at an average size of \$206,000.

Congress has approved another [\\$320 billion](#) for the program, \$10 billion of which is for fees and processing, bringing the total aid package to \$670 billion. That latest bill also includes an additional \$60 billion for a separate small business economic injury loan program, that Congress initially gave \$17 billion.

7. Unemployment Insurance

More than \$27.7 billion in unemployment benefits have been paid out so far in April. Congress estimates that expanded benefits package will total about \$260 billion, however there isn't a cap on the amount that the federal government will pay out. More than 26 million Americans have [lost their jobs](#) in the past five weeks.

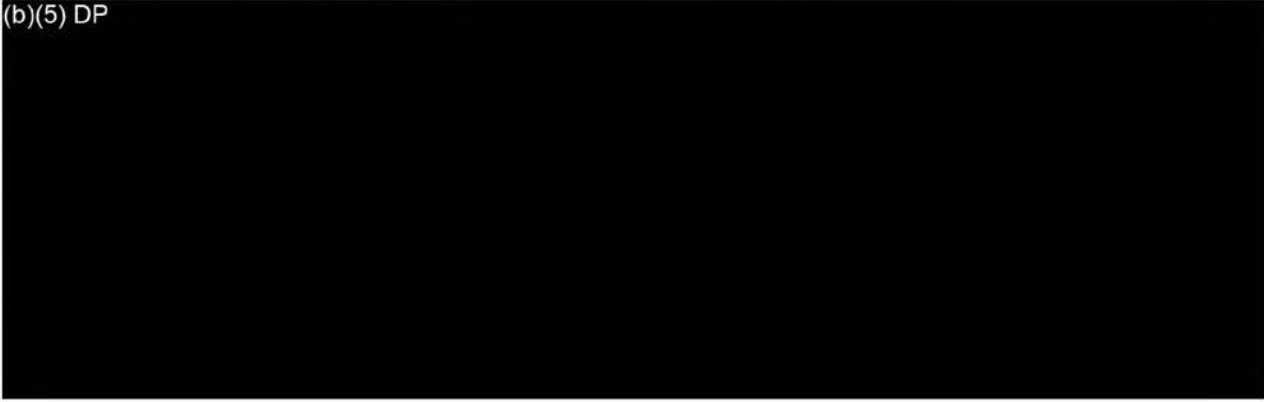
— *With assistance by Christopher Condon, Mary Schlangensteen, Alexandre Tanzi, Dave Merrill, Justin Bachman, and Julie Johnsson*

UST_000114

Draft safe harbor

From: Secretary Mnuchin
To: "Callanan, Brian" <brian.callanan@treasury.gov>
Cc: "Muzinich, Justin" <justin.muzinich@treasury.gov>, Secretary Mnuchin
Date: Fri, 01 May 2020 07:11:39 -0400

(b)(5) DP



UST_000115

FW: State/Local FAQ

From: Secretary Mnuchin [REDACTED]

To: "Mark Meadows - The White House" [REDACTED] Mark Meadows [REDACTED]

Date: Fri, 01 May 2020 10:25:10 -0400

(b)(5) DP [REDACTED]

[REDACTED] we posted last night!

From: Callanan, Brian <Brian.Callanan@treasury.gov>

Sent: Friday, May 1, 2020 10:17 AM

To: Secretary Mnuchin [REDACTED]

Cc: Kowalski, Daniel <Daniel.Kowalski@treasury.gov>

Subject: State/Local FAQ

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

Last FAQ on this page.

UST_000116

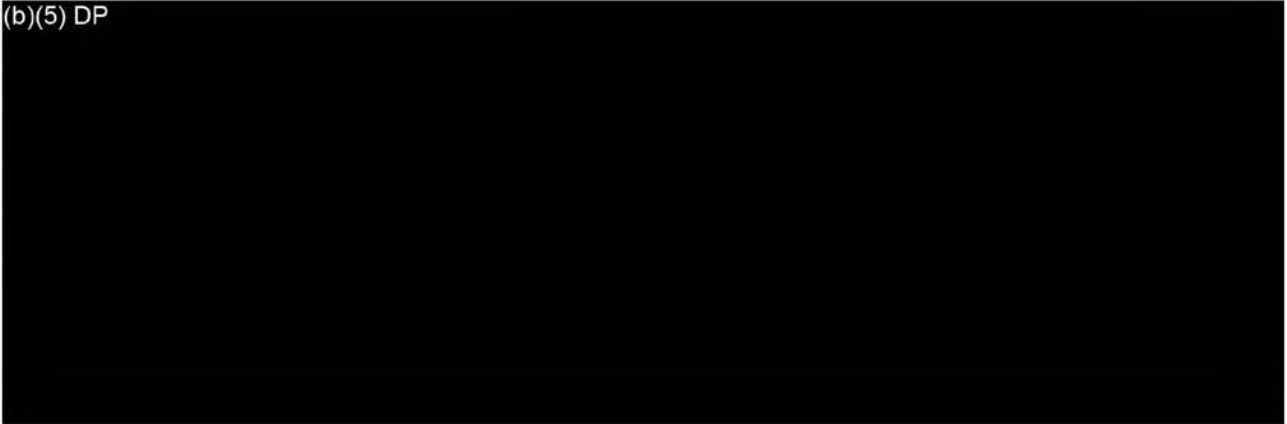
Draft V4

From: Secretary Mnuchin

To: Secretary Mnuchin

Date: Fri, 01 May 2020 16:51:59 -0400

(b)(5) DP



UST_000117

Fwd: (BN) Small Firms Still in Dark on Loan Forgiveness as Clock Ticks (1)

From: Secretary Mnuchin
To: "Callanan, Brian" <brian.callanan@treasury.gov>
Cc: "Muzinich, Justin" <justin.muzinich@treasury.gov>
Date: Sun, 03 May 2020 13:14:08 -0400

(b)(5) DP

From: Secretary Mnuchin
Date: May 3, 2020 at 1:10:49 PM EDT
To: Secretary Mnuchin
Subject: (BN) Small Firms Still in Dark on Loan Forgiveness as Clock Ticks (1)

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Small Firms Still in Dark on Loan Forgiveness as Clock Ticks (1)

By Mark Niquette

- Agency missed deadline last week to give guidance on grants
- Loans forgiven if spent on payroll and costs in eight weeks

(Bloomberg) --

Small businesses that struggled to get loans from a government pandemic relief program still don't know how much they may have to repay after the government missed a deadline to give specific guidance.

The U.S. Small Business Administration was supposed to clarify by April 26 how loans it approved as part of the Trump administration's multitrillion-dollar coronavirus stimulus package can be spent and still qualify to become grants.

Companies and lenders say they need more guidance on how to calculate the amount that's eligible for forgiveness and what documentation is required to support the claims. That could leave small firms on the hook to repay loan proceeds they thought would be a grant. As a result, some business owners are holding onto the loans and may even return them, according to interviews with small business groups, lenders and borrowers.

The [Paycheck Protection Program](#) was designed as a lifeline for small firms, many of which were shuttered due to stay-at-home orders, have no revenue coming in, and may be forced to close for good. Time is short, since the funds must be spent within eight weeks after they're received to qualify for forgiveness. Every day of uncertainty means making decisions is more difficult, the groups and business owners said.

"As soon as they got the money, they're calling and saying, 'OK, how do I spend this to make sure I get this forgiven, because I don't want to mess this up,'" said [Kimberly Rayer](#), a partner at Starfield & Smith in Pennsylvania, who advises lenders on SBA loan programs. "Borrowers are concerned, they would like to make sure that they don't have to pay this money back."

Earlier: SBA's Herculean Pandemic Response Was Swift, But Not Smooth

The uncertainty about how loans will be forgiven is just the latest stumbling block in the SBA's chaotic effort to funnel about \$670 billion to small firms across the country to counter the devastating effects of Covid-19 on their operations. The initiative was intended to keep them afloat and keep employees on payrolls to be ready to reopen.

The initial round of \$349 billion in funding [ran out](#) on April 16 in just 13 days after 1.66 million firms were approved for loans. The program [relaunched](#) April 27 with an additional \$320 billion, and the SBA and Treasury Department reported on Sunday that 2.2 million loans totaling \$175.7 billion from more than 5,400 lenders have been processed, with an average loan size of \$79,000 -- much lower than the \$206,000 average in the first round. The totals, through May 1, mean less than half the additional funding remains available.

UST_000118

The program provides loans of as much as \$10 million to small businesses affected by the outbreak. The law says borrowers don't have to repay the loans if the money is spent on payroll plus mortgage interest, rent and utilities. An initial [rule](#) issued by SBA and Treasury said 75% of the proceeds must be spent on payroll and 25% on the approved expenses. The amount forgiven is reduced if owners cut jobs or wages, and any amount that's not forgiven must be repaid at 1% interest in two years, with the first payment deferred for six months.

Business owners don't have enough guidance about how they're spending the money to ensure they'll avoid having to repay it, said Holly Wade, director of research and policy analysis for the National Federation of Independent Business. Questions include whether expenses incurred during the eight weeks but paid later would qualify. They'd also like more flexibility about how the proceeds can be used and still qualify for forgiveness. Small business and industry groups are lobbying Congress and the Trump administration for changes.

"There's just many questions where we don't have an answer, and small business owners are concerned," Wade said.

Congress said in the legislation creating the program that the SBA was to issue guidance and regulations for loan forgiveness "not later than 30 days after the date of enactment of this act," which would have been April 26. Almost a week on, the agency hasn't said when it will issue the guidance and didn't comment for this report.

[For more: Trump's Rural Base Fared Better Than Coastal Cities in SBA Loans](#)

The program was designed to have banks disburse loans to small businesses that SBA would guarantee, to get money into the hands of those in need as quickly as possible. Lenders can apply to have the agency reimburse them for the portions of loans that are forgiven, starting seven weeks after money is disbursed.

Lenders also want more guidance because they make the initial assessment about loan forgiveness, said Paul Merski of the Independent Community Bankers of America. The SBA and Treasury should produce a calculator to help lenders and borrowers determine loan forgiveness and simplify the process, he said.

[Read: Wall Street Misses Chance to Star After Chaos Snags Rescue Loans](#)

The rollout of the small business relief program last month had numerous problems. SBA's lending platform was quickly overwhelmed, and guidance to borrowers and banks -- which has changed dozens of times since it launched April 3 -- sowed confusion and caused banks to hold back on processing applications initially.

Large firms and national chains [swooped](#) in, picking up millions of dollars in loans and leaving many mom-and-pop businesses shut out. Almost 320 public companies received loans totaling \$1.12 billion, according to [data compiled](#) by FactSquard.

After the Trump administration [warned](#) large firms with access to other capital about taking loans and Treasury Secretary Steven Mnuchin said all loans of more than \$2 million would be reviewed for criminal liability, 29 companies had returned loans worth \$183 million as of May 1, data show.

Texas hotelier Monty Bennett, a major donor to President Donald Trump whose companies are among the biggest known recipients of loans that total about \$70 billion, according to regulatory filings, [said](#) Saturday he will return the money.

James Cummings, who runs 22 Great Clips franchises across North Carolina, said he received a loan for his hair salons toward the end of April, but is holding on to it until he gets more details on how the forgiveness will work. He's hoping that the government will allow more flexibility in how he spends it.

Cummings said he needs to "be able to use this money when we reopen, or we're literally going to have to pay it all back, every dime."

[For more: Eight-Week Clock Ticks Too Fast for Small Firms Facing Failure](#)

The salon operator is among small business owners that are finding themselves caught in an additional bind: even with a loan, they can't pay their employees as much as the workers could get from unemployment benefits, but they can't use more of the money to cover other expenses while waiting to reopen.

Many restaurants and other small business owners also [say](#) eight weeks of federal coronavirus relief won't be enough, especially if they're not ready to reopen during that time. Industry groups including the National Restaurant Association are seeking a number of changes, including an extension of the period when owners can use the loan and have it forgiven.

Advocates also want more flexibility to the rule on how the proceeds can be spent, but Mnuchin has defended the terms because the intent of the law was to keep workers employed.

Clara Osterhage, who owns hair salons in Ohio and other states, got her loan funds on April 26, but doesn't know when she'll be able to reopen and whether she can rehire workers. She said she needs more clarity about the rules and may end up having to return the money rather than having to repay with interest a two-year loan she can't afford.

"It's incredibly concerning," Osterhage said. "I don't know the rules of the game, and I have no control."

(Updates from new loan totals in the seventh paragraph.)

--With assistance from Ben Brody .

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To contact the editors responsible for this story:
Sara Forden at sforden@bloomberg.net
Steve Geimann

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People [Donald John Trump \(United States of America\)](#)
[Paul G Merski \(Independent Community Bankers of America\)](#)
[Steven Mnuchin \(United States of America\)](#)
[Marco Antonio Rubio \(United States Senate\)](#)
[Montgomery J Bennett "Monty" \(Ashford Inc\)](#)

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UST_000120

Fwd: (BN) Pompeo Links Outbreak to Lab; N.Y. Deaths Slowing: Virus Update

From: Secretary Mnuchin

To: "Patelunas, Isabel" (b)(6)@treasury.gov>

Date: Sun, 03 May 2020 13:14:29 -0400

(b)(5) DP

From: Secretary Mnuchin

Date: May 3, 2020 at 1:08:27 PM EDT

To: Secretary Mnuchin

Subject: (BN) Pompeo Links Outbreak to Lab; N.Y. Deaths Slowing: Virus Update

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Pompeo Links Outbreak to Lab; N.Y. Deaths Slowing: Virus Update

By Bloomberg News

(Bloomberg) --

U.S. Secretary of State Michael Pompeo, without providing the proof he claims to have seen, said "enormous evidence" exists that the coronavirus outbreak began in a laboratory in Wuhan, China. New York had the fewest daily deaths in more than a month.

Italy, which plans to ease its restrictions on Monday, reported the fewest deaths and new cases since March 10, while the U.K. had the smallest daily increase in more than a month. Spain recorded the fewest deaths in more than six weeks.

Russia had more than 10,000 new cases, the most since the outbreak began. Germany reported the fewest new cases and deaths in a month, while Deutsche Lufthansa AG said the airline expects to reach a deal on government aid soon.

Key Developments

- [Virus Tracker](#): global cases near 3.5 million; deaths top 244,000
- Roche [antibody test](#) gets FDA emergency-use approval
- Europe's declining virus deaths [spur tensions](#) on easing limits
- Covid exit strategy [needs](#) a worldwide vaccine
- One U.K. shopkeeper [knows](#) why the rescue fell flat
- Buffett says Berkshire [reverses](#) course on airlines
- Beating the virus in a crowded Brazilian [favela](#)

Subscribe to a daily update on the virus from Bloomberg's Prognosis team [here](#). Click VRUS on the terminal for news and data on the coronavirus.

N.Y. Has Fewest Deaths Since March 30 (12:10 a.m. NY)

New York Governor Andrew Cuomo said the state had 280 new deaths in the past 24 hours, a slight decline in the rate of fatalities and the lowest level since March 30.

"The overall direction is good, even though it's very painful," Cuomo said at his daily briefing.

The state's hospitalization rate also fell, the governor said.

Italy Deaths at Lowest Level Since March 10 (11:55 a.m. NY)

UST_000121

Italy reported 1,389 new cases, compared with 1,900 a day earlier, with 174 new deaths, bringing total fatalities to 28,884. Both new cases and fatalities are fewest since March 10, the day Prime Minister Giuseppe Conte implemented a nationwide lockdown. The country is preparing to gradually ease its two-month restrictions as of Monday.

U.K. Reports Fewest Deaths Since March (11:35 a.m. NY)

The U.K. reported an additional 315 coronavirus deaths, bringing the total to 28,446. That's the smallest daily increase in more than a month.

Biden, Warren Slam Stimulus Oversight (10:51 a.m. NY)

Senators Joe Biden and Elizabeth Warren lambasted what they called the Trump administration's [weak oversight](#) of trillions of dollars in coronavirus relief spending in a joint op-ed published on Sunday for McClatchy-owned newspapers.

The Democrats laid out what they termed the administration's failings and how Biden, as president, would strengthen supervision of the funds being spent to prop up the U.S. economy.

Lufthansa Expects to Reach Deal on Aid Soon (10:46 a.m. NY)

Lufthansa expects to complete its talks with the German government on an aid package soon, the company leadership said in a letter to employees seen by Bloomberg News.

New Yorkers Obeying Rules, Mayor Says (9:40 a.m. NY)

New York City Mayor Bill de Blasio said Sunday the "vast majority" of New Yorkers were obeying social-distancing rules, despite flocks of people who went outside this weekend to enjoy the early spring weather. The city issued a total of 43 summonses in parks and eight outside.

The city is a step closer to performing its own coronavirus tests, the mayor said. He said that by Friday 30,000 swabs for testing would be ready, ramping up to 50,000 full tests later this month.

Pompeo Says 'Evidence' Links Wuhan Lab, Virus (9:37 a.m. NY)

U.S. Secretary of State Michael Pompeo said "[enormous evidence](#)" exists that the outbreak began in a laboratory in Wuhan, China, and that Beijing has refused to give international scientists access to learn what happened. He didn't provide proof for his claims.

"I can tell you that there is a significant amount of evidence that this came from that laboratory in Wuhan," Pompeo said on ABC's "This Week," responding to a question about the virus starting in a Wuhan laboratory.

Pompeo stopped short of suggesting the virus was man-made, saying he agreed with a report by the Office of the Director of National Intelligence that the virus wasn't genetically modified or man-made. "I've seen what the intelligence community has said," he said. "I have no reason to believe that they've got it wrong."

Israel Ministry Proposes Exit Strategy (8:15 a.m. NY)

The Ministry of Finance proposed a framework for re-opening [Israel's economy](#) that would see restrictions on malls and universities lifted as soon as this week.

The timetable publicized on Sunday would speed up the country's exit from its nearly two-month-long closure, after Prime Minister Benjamin Netanyahu imposed a near total shutdown to bring the pandemic under control.

Tanzanian President Questions Government Data (8:05 a.m. NY)

Tanzanian President John Magufuli questioned the reliability of government data on the outbreak and ordered a [criminal investigation](#) into the national medical laboratory, suggesting "sabotage from imperialists" is at play.

Criticism of Magufuli's response to the pandemic is mounting after he refused to impose stringent movement restrictions and told churches and mosques to stay open, saying God will protect Tanzanians from the virus. The number of cases has jumped to 480 in one month, and three members of parliament have died in the space of 11 days, fueling fears that the outbreak is larger than reported.

French App Could Be Ready This Month (7:54 a.m. NY)

The controversial app that France is developing to trace those who could be infected, known as StopCovid, could be ready by the end of May, the government spokeswoman Sibeth Ndiaye told France Inter Sunday. That would be after France starts lifting its lockdown, from May 11 -- although the government has signaled this re-opening date could be postponed.

Japan to Extend State of Emergency (6:26 a.m. NY)

Prime Minister Shinzo Abe plans to extend the national [state of emergency](#) over the outbreak until May 31. Tokyo Governor Yuriko Koike confirmed in a live-streamed video on Sunday that Economy Minister Yasutoshi Nishimura told her the government will extend the emergency status until the end of the month.

U.K. Won't Be Back to Normal Soon (6:20 a.m. NY)

The U.K. will take a [gradual path](#) out of the coronavirus lockdown, Transport Minister Grant Shapps said on Sky News on Sunday.

Two-thirds of Britons oppose lifting the lockdown now, a poll in the Observer showed. Nevertheless, the rate of infections is now past the initial peak, said Ian Diamond, the nation's chief statistician.

Deaths Slowing in Iran (6:09 a.m. NY)

Iran's daily number of deaths from coronavirus fell to the lowest in over seven weeks with 47 fatalities recorded in the past 24 hours, raising the total to 6,203. The total number of infections reached 97,424 with 976 new positive cases, while more than 78,000 have recovered since the virus was first detected in the country in February.

EU Delays Recovery Initiative Announcement (6:03 a.m. NY)

The EU Commission won't unveil this week its proposal for a recovery initiative to finance the efforts for an economic rebound, an EU official said. After a tense video conference last month, EU leaders tasked the bloc's executive arm to come up with a proposal, which was expected, but never confirmed, to be unveiled on May 6. The Commission has the unenviable task of coming up with a compromise amid deep divisions between member states over the size of the recovery fund and whether money from this joint pool will be handed to member states in the form of loans or grants.

German Business Groups Call for Lockdown End (6 a.m. NY)

German business associations urged Chancellor Angela Merkel to end the lockdown and announce a clear plan after her May 6 meeting with state leaders.

The shutdown is costing "a middle-range two-digit billion euro amount" every week, Dieter Kempf, head of the BDI Association of German Industry told Funke Mediengruppe. He warned of permanent damage to the economy and called for an increase in testing.

The number of new infections and deaths reported in the country was the lowest since March 31.

Spain Deaths Lowest Since March 18 (5:18 p.m. HK)

There were 164 new fatalities, bringing total deaths to 25,264, according to Health Ministry data. That compared with 276 daily fatalities reported Saturday. Total infections rose by 838 to 217,466, down from the previous increase of 1,147. The figures include adjustment on how previous new cases were counted in certain regions, the ministry said.

France Warns on Summer Flights (4:15 p.m. HK)

France won't lift its lockdown on May 11 as planned if the virus circulation is still high then, Health Minister Olivier Veran warned in an interview with Le Parisien, echoing previous comments from the prime minister. The date when restrictions will be lifted could be different from one area to another. The minister also advised the French not to book flights for the summer holidays.

Russia Has Highest Daily Case Total (3:44 p.m. HK)

Russia added 10,633 cases of Covid-19, the highest daily number for the nation so far, increasing for a fifth day in a row. The total number of cases has risen to 134,687, according to the government's virus response center. Around a half of the new cases are asymptomatic and Moscow accounts for nearly 56% of new infections. Russia's total Covid-19 fatalities rose to 1,280.

EU May Ask for Review Into Global Response (3:17 p.m. HK)

EU foreign-policy chief Josep Borrell told Journal du Dimanche in an interview published Sunday that the bloc is considering asking for an independent review into the international response to Covid in order to be better prepared for the next epidemic. "We need to study what happened independently, staying away from the battlefield between China and the U.S., which blame each other for the events in a oneupmanship that only exacerbates their rivalry," Borrell told JDD. The request could be submitted at a WHO assembly on May 18.

Speaking about solidarity between EU members, he said "the lack of help from Germany to Italy at the beginning was a

grave mistake" that has now been fixed. In the end, he added, Germany and France provided more medical supplies to Italy than China and Russia.

Zimbabwe Seeks Debt Aid to Avoid Collapse (1:23 p.m. HK)

Zimbabwe asked for international help to clear billions of dollars in debt to avoid economic collapse and mitigate the impact of the pandemic, the Financial Times reported, citing a letter from Finance Minister Mthuli Ncube to the International Monetary Fund and other financial institutions.

Zimbabwe is about \$2 billion behind on payments to lenders, including the World Bank and African Development Bank, and has been excluded from emergency loans from international institutions, the newspaper said.

Singapore May Ask Some Businesses to Work From Home Beyond June 1 (1:02 p.m. HK)

Singapore said companies with employees who can work from home will probably have to continue doing so even after the country's partial lockdown ends on June 1. Sectors such as manufacturing, which require workers to be on site, should prepare for the gradual re-opening of the economy in the coming weeks, the Trade and Industry Minister said.

Authorities on Saturday said sectors important to the global supply chain as well as food manufacturers, home-based food businesses, some retail outlets for deliveries and takeaways, and laundry and hairdressing services can resume operations from May 12. Certain groups of students will be allowed to return to school the following week. More than 80% of Singapore's workforce is now working at home.

The nation reported 657 new cases on May 3, pushing its total above 18,000 cases.

Trump Donor Returns Money (11:15 a.m. HK)

Texas hotelier Monty Bennett, a major donor to President Donald Trump whose companies are among the biggest known recipients of rescue loans for small businesses hurt by the pandemic, said he will [return the money](#).

Bennett said he will give back the loans provided under the Small Business Administration's Paycheck Protection Program, which is intended to help keep workers employed, because new restrictions meant his companies may no longer qualify.

Roche Gets FDA Emergency Approval for Antibody Test (10:43 a.m. HK)

Roche Holding AG said it received emergency-use authorization from the U.S. Food and Drug Administration for its Elecsys coronavirus [antibody test](#). The test, designed to determine if a patient has developed antibodies against the virus, has a specificity greater than 99.8%, the company said.

Related tickers:
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[AF FP \(Air France-KLM\)](#)

--With assistance from Ian Fisher , Ari Natter , Ania Nussbaum , Ville Heiskanen , Dina Khrennikova , Rodrigo Orihuela , Karin Matussek , Arsalan Shahla , Nikos Chrysoloras , Alexander Weber , Shoko Oda , Catherine Bosley , Fumbuka Ng'Wanakilala , Ivan Livingston , Tony Czuczka and Tommaso Ebhardt .

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Sara Marley , Andrew Davis

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UST_000125

Fwd: SBA Loan

From: Secretary Mnuchin
To: "Callanan, Brian" <brian.callanan@treasury.gov>
Cc: "Muzinich, Justin" <justin.muzinich@treasury.gov>
Date: Sun, 03 May 2020 21:41:45 -0400

From Texas lieutenant governor. Thanks! Great job tonight.

- Brad

From: Dan Patrick (b)(6)
Sent: Thursday, April 30, 2020 4:41:56 PM
To: Bradley Parscale <brad@parscale.com>
Subject: Fwd: SBA Loan

Sent from my iPhone

Begin forwarded message:

From: "Joseph O. Slovacek" <slovacek@hooverslovacek.com>
Date: April 30, 2020 at 3:10:38 PM CDT
To: Dan Patrick (b)(6)
Subject: SBA Loan

Numerous friends and clients who are Trump supporters have qualified and received SBA loan on Trump's encouragement to stimulate the reopening of our economy!

While Trump encouraged seeking the loans to maintain pre-Covid 19 levels of employment, Mnuchin goes on live TV and threatens "borrowers" with audits and criminal prosecution if the borrowers really didn't "need" the loan...

Auto dealers, real estate developers, real estate mall owners, brokers, real estate managers all diligently and honestly applied and qualified for SBA loans...more than one of my clients have returned the loan proceeds for fear of criminal prosecution.

Several clients, with my help, have engaged criminal counsel for advice of handling Mnuchin's threats.

Law abiding, Trump supporting patriots sought financial assistance and then AFTER receiving loans are threatened by a Secretary of Treasury of costly audits and criminal prosecution!!

Everything Trump has done to help stimulate reopening is being trashed by unelected bureaucrats. The cost of threatened audits and criminal prosecutions will further devastate the economy and Trump's patriotic intentions!!!

I cannot imagine the cost required to review the applications, perform the audits and prosecute the arbitrarily-identified borrowers.

Please pass my message to anyone with common sense who can redirect the positive message Trump intends to send to our business community.

Please call if you need more details.

Joseph O. Slovacek
Principal

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UST_000126

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origin=www.hooverslovacek.com](https://hyperlink.services.treasury.gov/agency.do?origin=www.hooverslovacek.com)

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UST_000127

FW: Recommendations for reopening the economy

From: Secretary Mnuchin
To: "Liddell, Christopher P. EOP/WHO" WHO_EOP "Kudlow, Lawrence"
WHO_EOP
Cc: Jared Kushner WHO_EOP "Mark Meadows - The White House" Mark Meadows
Mark Meadows "Short, Marc T. EOP/OVP" WHO_EOP
Date: Wed, 06 May 2020 16:33:06 -0400

FYI: (b)(5) DP

From: Michael Van Wyk <MVanWyk@Caruso.com>
Sent: Friday, May 1, 2020 5:36 PM
To: Secretary Mnuchin
Cc: Rick J. Caruso <RCaruso@Caruso.com>
Subject: Recommendations for reopening the economy

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Secretary Mnuchin-

My name is Mike Van Wyk, and I am Rick Caruso's Executive Officer, responsible for coordinating his public policy engagements and development. Below is a high-level summary of his thinking, research, and recommendations for how to reopen the economy starting with small businesses. I've also attached a "playbook" that goes into more depth on the proposed approach and supporting research.

The revival of small-businesses will be "ground zero" of a safe economic revival in the midst of COVID-19. Here's how we can reopen the economy and reduce the risk of a second wave:

Small means safe; but small also means mighty – start by **reopening stores that are 2,500 square-feet or smaller with occupancy limited to 5 customers at a time (~25% occupancy).**

- This will **limit the amount of people concentrating in one place** while also allowing many businesses to reopen
- Fewer employees and customers makes it **easier to screen for symptoms, control access, and contact trace**
- Because **99.9% of American businesses are small and employ nearly 50% of Americans**, this is a politically strategic approach, and the best way to have a broad impact on millions of Americans who will remember who fought to get them back on their feet
- The country has an army of volunteers waiting to be mobilized; **redeploy them to help these businesses reopen safely**

It's safe at home, but it's also safe outside – **Reopen open-air retail centers, restaurants and cafes, streets, and public centers,** maintaining established distancing and PPE requirements (summary source article [here](#))

- The head of infectious disease at USC Keck confirmed to us that **being outdoors poses little- to no-risk of airborne transmission**. Researchers and doctors from Johns Hopkins and Harvard University are on record supporting this assessment
- A Department of Homeland Security study confirmed that **sunlight rapidly kills COVID-19 on outdoor surfaces and reduces airborne concentration**
- Extensive research in China has uncovered **only a single instance of outdoor transmission**; public outdoor spaces in Wuhan have been reopened
- Historically, **just opening windows, even inside indoor hospitals** was effective for curtailing the spread of Spanish Flu and Tuberculosis outbreaks

Timing matters when balancing lives and livelihoods, and the time is now – people across the country are starting to chafe against the lockdowns; **there's definitely a "pressure cooker" effect and people are on the verge of starting to break the rules.** We need to give them a safe, controlled environment to release this pressure into.

- A Bain and Company survey showed that as of mid-April, **64% of people are comfortable with returning to work**, with two-thirds of them highly comfortable

UST_000128

- Your administration has already provided an estimated 35% of GDP on stimulus programs, which can't last forever. The sooner we can get the economy going, the better our chances are to **be on our feet when our stimulus programs run out**
- For each day this lockdown continues, more businesses close and more jobs are lost, many for good. A survey of small businesses owners in mid-April revealed that **43% of small businesses closed, shedding 40% of their employees**

False hope can be dangerous, but no hope is worse. The policies of the administration have helped to protect the public health, and keep people afloat through the initial shock of this pandemic. But they need to know that there is more to look forward to than just holding out and holding on, and they need a bold plan bring them out of the lockdown and into the future. Just like the Battle of Midway got us back on our feet after Pearl Harbor, successfully reopening our businesses, open-air spaces, and communities will help Americans believe that not only did we survive the initial wave together, but we can fight back and win this together.

Please reach out if you have any questions at all. Thank you.

Mike Van Wyk
Executive Officer

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Los Angeles, CA 90036
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UST_000129

FW: (BN) Software Company Sues to Avoid Repaying \$750,000 PPP Loan (1)

From: Secretary Mnuchin

To: "Callanan, Brian" <brian.callanan@treasury.gov>

Cc: "Muzinich, Justin" <justin.muzinich@treasury.gov>

Date: Thu, 07 May 2020 09:12:11 -0400

Software Company Sues to Avoid Repaying \$750,000 PPP Loan (1)
2020-05-07 12:52:20.935 GMT

By Malathi Nayak

(Bloomberg) -- A California software company that received a federal Paycheck Protection Program loan of more than \$750,000 sued the government over new guidelines attempting to restrict who can get such assistance.

Zumasys Inc. said in a suit filed Monday against the Small Business Administration and Treasury Department that it is now concerned it will have to pay back the forgivable loan the company and its two subsidiaries received in mid-April, some of which has already been spent to keep nearly 70 employees on payroll.

Facing criticism that much of the money intended to help small businesses weather the economic shock of the coronavirus pandemic was going to larger enterprises, the government said on April 23 that companies applying for PPP loans were required to certify that federal assistance was "necessary," taking into account their access to other sources of liquidity.

But San Clemente-based Zumasys says it is entitled to the money under the original terms, and the company wants an order canceling the April 23 guidance and barring the government from enforcing it.

The SBA and Treasury Department didn't immediately respond to requests for comment on the suit.

Several large companies that initially took PPP loans, including Shake Shack Inc. and Ruth's Chris Steak House Inc., have returned them in response to public criticism.

Read More: Resentment Grows on Main Street Over Bailout Winners and Losers

The company, which provides software programming and data security services, says it "has access to other credit facilities, but the uncertainty of current economic conditions, and purpose of the PPP, caused Plaintiffs to request PPP loan funds to support ongoing operations." Zumasys said enforcing the new guidance would thwart the purpose of the federal stimulus program by putting companies deeper in debt.

Mona Hanna, a lawyer for Zumasys with Michelman & Robinson in Irvine, California, said many companies would likely terminate workers or shut down completely rather than take on more debt in the current economic environment.

"And that's why we filed this lawsuit," she said. "We want the court to tell us whether or not this guidance, given by the SBA and Treasury, is valid, or is it in fact invalid and unenforceable. We need to know."

To contact the reporter on this story:

UST_000130

Malathi Nayak in San Francisco at mnayak21@bloomberg.net
To contact the editors responsible for this story:
David Glovin at dglovin@bloomberg.net
Anthony Lin

UST_000131

FW: The Washington Post: 77 percent of laid-off workers believe they will return to their old job, Post-Ipsos poll finds

From: Secretary Mnuchin
To: "Kudlow, Lawrence" WHO_EOP, "Liddell, Christopher P. EOP/WHO" WHO_EOP, Jared Kushner WHO_EOP, "Mark Meadows - The White House" Mark Meadows
Date: Thu, 07 May 2020 09:14:29 -0400

The Washington Post: 77 percent of laid-off workers believe they will return to their old job, Post-Ipsos poll finds

Optimism is high among workers that they can return to their pre-pandemic jobs, but economists warn over 40 percent of job losses could become permanent.

Jose Mogna of Miami has been checking his phone constantly for a text or call from his manager telling him it's time to return to his job at a construction supply company. Mogna was furloughed at the end of March, making him one of [more than 30 million Americans](#) suddenly without a job during the pandemic, but he's hopeful he will be called back soon.

The vast majority of laid-off or furloughed workers — 77 percent — expect to be rehired by their previous employer once the stay-at-home orders in their area are lifted, according to a nationwide [Washington Post-Ipsos poll](#). Nearly 6 in 10 say it is "very likely" they will get their old job back, according to the poll, which was conducted April 27-May 4 among 928 workers who were laid off or furloughed since the outbreak began. But there's concern that many of these workers are too optimistic about being rehired given how much uncertainty remains about health and business conditions in the year ahead.

[Hispanics are almost twice as likely as whites to have lost their jobs amid pandemic, poll finds](#)

The United States is facing [its biggest unemployment crisis since the Great Depression](#), as many firms have been quick to let employees go. Economists say the best chance for any sort of recovery is to get as many workers as possible back into their old jobs. Much of that will depend on how reopening goes.

"I figure they might call me at the end of this month to start again in June. But I don't know," said Mogna, 54, who sells materials to construction sites. "If I worked in a restaurant, I probably wouldn't be that optimistic. But construction is still going."

Going back to a prior job is typically much easier — and faster — than searching for an entirely new job. It also gives laid-off workers a greater sense of comfort about their finances. Studies show that workers who believe they are only a few weeks away from a steady job again are less likely to [spiral into a depression](#) or [stop paying major bills](#).

But economists warn the optimism could be misplaced. The longer people are out of work, the less likely they are to be called back. In an alarming trend, companies such as General Electric and Nordstrom initially [announced they were furloughing employees](#), a temporary layoff where workers aren't paid but usually keep their health insurance. But now some of those furloughs are [becoming permanent](#) layoffs. MGM Resorts just warned [it might make its furloughs permanent](#) as well if businesses does not rebound this summer.

[Sign up for our Coronavirus Updates newsletter to track the outbreak. All stories linked in the newsletter are free to access.](#)

A new [report](#) from the Becker Friedman Institute at the University of Chicago predicts 42 percent of the recent layoffs from the pandemic will result in permanent job losses. There are two big issues: First, many companies are going bankrupt or shutting down permanently, so they won't need workers.

UST_000132

Second, even after parts of the economy reopen, many people will be hesitant to shop, travel and go out to eat as they did before. Businesses operating at half capacity or switching to online or takeout don't need nearly as many workers.

U.S. companies cut thousands of workers while continuing to reward shareholders during pandemic

"Even if a miracle cure falls out of the sky in July, it's going to take demand a while to pick back up," said Betsey Stevenson, an economics professor at the University of Michigan. "There's no way travel or retail look the same and brings everybody back."

Typically, fewer than half of laid-off workers expect to return to their previous job, but there's hope this time could be different, since many business shutdowns are likely to be temporary, said economist Till von Wachter of the University of California at Los Angeles.

"Helping workers keep attached to their prior employers could speed up the recovery," said von Wachter.

Economists have urged companies to furlough workers instead of laying them off, since a furlough allows for some sort of employer-employee relationship to remain even though a worker is no longer going to the job. Mogna has been able to keep his employer-sponsored health insurance. He has had to make his monthly payments, but it's been a big help to know he has the same insurance during a global pandemic.

There's a growing possibility of a W-shaped economic recovery — and it's scary

Layoffs and furloughs skyrocketed in mid-March and have kept climbing as some businesses that initially tried to stay open found it was impossible. Americans still widely oppose reopening most businesses and remain hesitant to go to stores and restaurants.

Unease is rising among many of these jobless workers as they approach nearly two months out of a job. Roughly 1 in 4 laid-off workers say they will be in "real financial trouble" in less than a month if nothing changes. Among those laid off, 43 percent say the outbreak has been a "serious source of stress" in their life, compared with 29 percent among other Americans, the Post-Ipsos poll finds.

Chauncey Davis is worried about losing his place in Memphis. The 44-year-old father has struggled to pay his rent since he lost his job as a cook at Checkers in March as business slowed during the pandemic. He has been trying to input his information on the Internal Revenue Service website in the hope of getting a \$1,200 relief payment to tide him over until he can find a new job, since he doesn't think it's likely he'll be brought back.

"Right now, I'm struggling just to pay for meals," Davis said. "I've applied for unemployment twice but gotten no answer."

Crisis begins to hit professional and public-sector jobs once considered safe

Congress has enacted \$2.5 trillion in aid for struggling businesses and workers who have been hard hit by the mandates to stay at home to try to stop the spread of covid-19. Most of those laid off — 61 percent — say they have received a \$1,200 or more relief check from the federal government to help offset expenses, but 38 percent have not.

It's a similar story regarding unemployment insurance. Congress bumped up weekly unemployment checks by \$600, meaning many workers are eligible for about \$1,000 a week in unemployment compensation. But they have to be able to complete their application and receive the aid, a process that has been extremely slow in some states. In Florida, fewer than 30 percent of the 1.8 million people filing unemployment claims have been paid so far because of problems with the filing system. In other states, such as New York, many jobless workers had to call dozens of times a day for weeks to finalize their application.

Half of the laid-off workers say they have been able to apply for unemployment, but under 3 in 10 have received money so far, the Post-Ipsos poll finds. Of those who tried to apply but were unsuccessful, 4 in

10 report that they could not complete the application because phone lines were so busy that they could not get through or their state's unemployment website wasn't working.

The coming weeks are likely to be critical to see how many unemployed workers begin to transition back to work. The new Small Business Administration loans and grants — known as the Paycheck Protection Program — require firms to rehire employees by the end of June.

Even if a large share of workers do get called back, millions of Americans are still likely to remain jobless. The nation's unemployment rate is [widely expected](#) to hit 20 percent this spring and drop only to about 10 percent by the end of the year, meaning one in 10 workers would still be out of work at the holidays.

Scott Clement contributed to this report.

Poll methodology: The [Washington Post-Ipsos poll](#) was conducted April 27-May 4 through Ipsos's KnowledgePanel, a large online survey panel recruited through random sampling of U.S. households. Results among the sample of 928 people who were laid off or furloughed during the coronavirus outbreak have a margin of sampling error of error margin of 3.5 percentage points.

UST_000134

Fwd: Bloomberg: Democrats Ask Five Companies to Return Relief Funds

From: Secretary [REDACTED]
To: Mark Meadows [REDACTED]
Date: Sat, 09 May 2020 11:01:15 -0400

Bloomberg: Democrats Ask Five Companies to Return Relief Funds

By **Billy House** | **Bloomberg**

Democratic members of a new House panel created to oversee coronavirus relief spending demanded that five publicly owned companies immediately return taxpayer funds the lawmakers said were intended for smaller businesses.

"Since your company is a public entity with a substantial investor base and access to the capital markets, we ask that you return these funds immediately," the panel's Democrats wrote to each of the five companies.

The letters weren't signed by the five Republicans on the 12-member panel, who were named on Thursday. Representative Steve Scalise, the second-ranking House Republican and a member of the committee, blasted Democrats for making the panel's first official act "blindly sending harassing letters to individual companies that followed the law."

The letters were sent to EVO Transportation & Energy Services Inc.; Gulf Island Fabrication Inc.; MiMedx Group Inc.; Universal Stainless & Alloy Products, Inc.; and Quantum Corp. The companies didn't immediately return messages seeking comment.

A statement by the panel, led by Chairman Jim Clyburn of South Carolina, said the companies all are publicly owned, have market capitalization of more than \$25 million, have more than 600 employees, and sought and received loans through the Paycheck Protection Program for small business of at least \$10 million.

The letters ask the companies to inform the subcommittee by May 11 if they will return these funds. If not, the lawmakers will ask the chief executive officers to produce a range of documents no later than May 15.

"Returning these funds will allow truly small businesses -- which do not have access to alternative sources of capital -- to obtain the emergency loans they need to avoid layoffs, stay in business, and weather the economic disruption caused by the coronavirus crisis," the letters said.

The letters to the CEOs of the five companies provide the dates of when each filed with or reported to the Securities and Exchange Commission having obtained a Paycheck Protection Program loan, each in the amount of \$10 million.

MiMedx, a biotech firm based in Marietta, Georgia, said April 21 that it obtained \$10 million from the PPP. Just weeks earlier, the company had agreed to pay \$6.5 million to the Justice Department to settle allegations that it defrauded the federal government, without admitting wrongdoing. Once a promising small-cap company with a market value of nearly \$2 billion, it was delisted from Nasdaq in 2018 after its board found accounting irregularities.

The five panel Republicans were invited to co-sign the letters, and they declined, according to a official familiar with the committee action. Scalise was copied as a recipient of the letters.

The 12-member committee was created on a party-line House vote when lawmakers were in Washington last month to pass the most recent coronavirus aid package.

House Minority Leader Kevin McCarthy of California didn't announce his appointees to the panel until this week. He and other Republicans have said the committee isn't needed because other

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committees are already performing oversight.

In a statement, Scalise said Treasury Secretary Steven Mnuchin had already stated that the Treasury Department is looking into all companies that have received loans through the PPP fund.

"With a large scale audit underway, this action by Democrats represents dangerous government intimidation that could cause more widespread layoffs at a time when we should be trying to keep American workers on the payroll," the Louisiana Republican said. "We hope Democrats will change course and spend as much time targeting, shaming, and investigating China as they do going after American workers and job creators."

(Corrects date of loan to MiMedx in ninth paragraph)

For more articles like this, please visit us at [bloomberg.com](https://www.bloomberg.com)

UST_000136

FW: (NYT) U.S. Delivers Another Blow to Huawei With New Tech Restrictions

From: Secretary Mnuchin

To: "Lighthizer, Robert E. EOP/USTR" WHO_EOP

Date: Fri, 15 May 2020 10:40:30 -0400

From: Steven Mnuchin (US DEPT OF TREASURY) Secretary Mnuchin
Sent: Friday, May 15, 2020 10:40 AM
To: Secretary Mnuchin
Subject: (NYT) U.S. Delivers Another Blow to Huawei With New Tech Restrictions

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

U.S. Delivers Another Blow to Huawei With New Tech Restrictions
2020-05-15 13:24:46.560 GMT

By Ana Swanson

(New York Times) -- New rules announced by the Commerce Department Friday morning threaten to inflict more pain on Huawei and upset an already rocky U.S.-China relationship.

WASHINGTON — The Trump administration issued new rules Friday that will bar Huawei and its suppliers from using American technology and software, a significant escalation in its battle with the Chinese telecom giant and one that will likely inflame tensions with Beijing.

The rule changes will prevent companies from selling chips to Huawei that are made with American manufacturing equipment, or based on designs that are the product of American software and technology, the Commerce Department said. Companies can apply for a license to continue supplying products to Huawei, but the administration said the presumption will be to deny those requests.

The move could inflict further damage on Huawei, which continues to rely on American-made machinery and software designs to make the chips for its smartphones and tablets.

The measure comes on top of several restrictions taken against Huawei in the last year. The administration added the Chinese telecom giant to an "entity list" last May, barring exports of American products to Huawei and 114 of its affiliates unless suppliers had first obtained a license.

But Huawei has continued to use American software and technology to make its own semiconductors, as well as purchase them from foreign foundries that use American equipment, "undermining the national security and foreign policy purposes of the entity list," the Commerce Department said Friday.

"Despite the entity list actions the department took last year, Huawei and its foreign affiliates have stepped up efforts to undermine these national security-based restrictions through an indigenization effort," Commerce Secretary Wilbur Ross said. "However, that effort is still dependent on U.S. technologies. This is not how a responsible global corporate citizen behaves."

The new rule expands U.S. restrictions to include semiconductor designs that

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are the product of American software and technology, as well as chip sets made outside the United States with American equipment.

The move comes at a moment of heightened tensions between the United States and China. President Trump has blamed China for not doing enough to stop the spread of the coronavirus and has suggested the United States may punish the Chinese government. Mr. Trump has begun threatening to scrap the trade deal the two countries signed in January.

The new measure, which will affect one of China's biggest technology companies and a crown-jewel of Chinese innovation, could also elicit damaging retaliation from Beijing aimed at American technology companies that depend on sales to China, such as Qualcomm and Apple.

On Friday evening, the English edition of the Chinese state-controlled newspaper Global Times cited an unnamed source who said that the Chinese government was ready to retaliate against the new U.S. moves against Huawei. Among the countermeasures under consideration, according to Global Times, are new restrictions against American companies including Apple, Cisco and Qualcomm, and suspension of aircraft purchases from Boeing.

"Based on what I know, if the U.S. further blocks key technology supply to Huawei, China will activate the 'unreliable entity list,' restrict or investigate U.S. companies such as Qualcomm, Cisco and Apple, and suspend the purchase of Boeing airplanes," Hu Xijin, the editor in chief of the Global Times, wrote on Twitter.

Industry executives said they were still waiting to analyze the full text of the rule, but suggested it could have sweeping implications not just for Huawei, but for other companies around the world.

Under the new rule, any foreign company that uses American technology to produce microchips would need a license to sell to Huawei. That makes it difficult for major chip contract manufacturers like Taiwan's T.S.M.C. to sell to Huawei, because its supply chains rely heavily on American manufacturing tools. It could also clamp down on sales by makers of semiconductor equipment, like Applied Materials and KLA, and chip design software companies like Cadence.

The move came shortly after an announcement Thursday night that T.S.M.C. had agreed to build a \$12 billion manufacturing facility in Arizona, in a response to the Trump administration's growing concerns about the security of the global electronics supply chain.

Also on Friday morning, the Commerce Department extended for another 90 days a license that has allowed American companies to continue doing business with Huawei temporarily. It warned this would be the final extension.

Paul Mozur and Raymond Zhong contributed reporting.

[Click Here](#) to see the story as it appeared on the New York Times website.

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-0- May/15/2020 13:24 GMT

UST_000138

FW: (BN) Trump Aide Accuses China of Using Air Travelers to 'Seed' Virus

From: Secretary Mnuchin

To: "Lighthizer, Robert E. EOP/USTR" WHO_EOP

Date: Sun, 17 May 2020 12:59:52 -0400

From: Steven Mnuchin (US DEPT OF TREASURY) Secretary Mnuchin

Sent: Sunday, May 17, 2020 12:32 PM

To: Secretary Mnuchin

Subject: (BN) Trump Aide Accuses China of Using Air Travelers to 'Seed' Virus

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Trump Aide Accuses China of Using Air Travelers to 'Seed' Virus
2020-05-17 14:23:20.489 GMT

By Steve Geimann

(Bloomberg) -- The Trump administration stepped up its campaign of blaming China for the deadly coronavirus pandemic, with a top aide suggesting Beijing sent airline passengers to spread the infection worldwide.

"The virus was spawned in Wuhan province, patient zero was in November," White House trade adviser Peter Navarro said on ABC's "This Week."

"The Chinese, behind the shield of the World Health Organization, for two months hid the virus from the world and then sent hundreds of thousands of Chinese on aircraft to Milan, New York and around the world to seed that."

Milan and New York went on to become hotspots for the pandemic.

Read: Nearly 10,000 Chinese Flights Canceled Due to Coronavirus: Chart

Navarro's comments add to the almost daily barrage of U.S. attacks on China, including suggestions that the virus escaped from a laboratory in the central city of Wuhan.

As recently as last week, Secretary of State Michael Pompeo ratcheted up his criticism, asserting China covered up the origins of the virus.

"They could have kept it in Wuhan," Navarro said. "Instead, it became a pandemic. That's why I say the Chinese did that to Americans and they are responsible."

'Out of Control'

On Thursday, Trump said that while he still suspects the outbreak may be connected to the Wuhan virology lab, he said it was unlikely the Chinese deliberately unleashed the pathogen. "I think more likely it got out of control," he said.

Navarro also dismissed complaints offered by whistle-blower Rick Bright, who had served as the director of the Biomedical Advanced Research and Development Authority until the end of last month.

"I don't mourn the loss of people when they leave this bureaucracy," Navarro said. "There's always going to be somebody

UST_000139

better to replace them, somebody more loyal, not to the president necessarily, but to the Trump agenda. That's what's important."

To contact the reporter on this story:
Steve Geimann in Washington at sgeimann@bloomberg.net
To contact the editors responsible for this story:
Matthew G. Miller at mmiller144@bloomberg.net
Ros Krasny

UST_000140

Fwd: New York Times story

From: Secretary Mnuchin

To: "Patel, Bimal" <bimal.patel@treasury.gov>

Cc: "Faulkender, Michael" <michael.faulkender@treasury.gov>, "Muzinich, Justin" <justin.muzinich@treasury.gov>, Jovita <jovita@sba.gov>, "Callanan, Brian" <brian.callanan@treasury.gov>

Date: Mon, 18 May 2020 14:21:24 -0400

(b)(5) DP

From: Petrella, Gerry (Schumer) Senate email
Date: May 18, 2020 at 2:13:30 PM EDT
To: Secretary Mnuchin
Subject: New York Times story

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Mr. Secretary: the Leader asked that I share this with you and mention that this story highlights why it's so important we find agreement on the set-aside request. We look forward to following up with you soon. Thanks.

NYT – Few Minority-Owned Businesses Got Relief Loans They Asked For
By Emily Flitter
May 18, 2020

The Paycheck Protection Program largely neglected them, a survey commissioned by two equal-rights groups found. Nearly half the respondents expect to close permanently.

Black and Latino business owners are struggling to get government assistance under the Paycheck Protection Program, a new survey has found, and many say they are on the brink of closing permanently.

The survey, conducted by the Global Strategy Group for two equal-rights organizations, Color of Change and UnidosUS, included interviews with 500 business owners and 1,200 workers from April 30 to last Monday. Just 12 percent of the owners who applied for government-backed loans in the \$650 billion program reported receiving what they had asked for, and nearly half of all owners said they anticipated having to permanently close in the next six months.

By comparison, in a survey of small businesses by the Census Bureau from April 26 to May 2, three-quarters said they had asked for a loan and 38 percent of them said they had received one.

Rashad Robinson, the president of Color of Change, said the new survey showed that "if we don't get policies to protect these communities, we will lose a generation of black and brown businesses, which will have deep impacts on our entire country's economy."

Two-thirds of the respondents sought loans of under \$50,000 through the government's aid program. Nearly half said they had to lay off at least some employees.

The results suggest that the historically weak relationships that minority business owners have with banks are making it harder for them to tap into the aid program, which makes loans that become grants if borrowers spend the money paying employees and rent and utility bills. Many banks considered applications only from existing customers; some, like Bank of America, even turned away people who had opened credit cards through other lenders.

The program was the first time some black and Latino business owners had ever sought a bank loan.

Equal-rights advocates and some lawmakers are pushing to get more help for minority business owners built into the government's response to the coronavirus pandemic, and the second round of funding for the loan program set aside \$60 billion for small and rural banks and nonprofit lenders, which often do more work in minority communities than large banks do.

Mr. Robinson said his group was pushing lawmakers to come up with other ways to transmit aid to business owners, such

UST_000141

as direct payments to businesses' employees through payroll processors or other means.

<https://www.nytimes.com/2020/05/18/business/minority-businesses-coronavirus-loans.html?smid=tw-share>

UST_000142

FW: Following Up

From: Secretary Mnuchin

To: "Callanan, Brian" <brian.callanan@treasury.gov>

Date: Sun, 24 May 2020 12:35:08 -0400

From: Muzinich, Justin <Justin.Muzinich@treasury.gov>

Date: May 24, 2020 at 12:05:16 PM EDT

To: Secretary Mnuchin

Subject: FW: Following Up

From: Miller, Rebecca <Rebecca.Miller@treasury.gov>

Date: May 21, 2020 at 3:33:34 PM EDT

To: Muzinich, Justin <Justin.Muzinich@treasury.gov>, Crowley, Monica <Monica.Crowley@treasury.gov>

Subject: FW: Following Up

From: Miller, Rebecca <Rebecca.Miller@treasury.gov>

Date: May 21, 2020 at 1:56:20 PM EDT

To: Muzinich, Justin <Justin.Muzinich@treasury.gov>, Crowley, Monica <Monica.Crowley@treasury.gov>

Subject: FW: Following Up

See below. My calls yesterday and today went straight to voicemail and texts were unanswered, surely because he wants official on record replies. (b)(5) DP

(b)(5) DP

(b)(5) DP

From: Robert Faturechi <Robert.Faturechi@propublica.org>

Sent: Thursday, May 21, 2020 1:31 PM

To: Miller, Rebecca <Rebecca.Miller@treasury.gov>

Subject: RE: Following Up

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Hi Becky,

Thanks so much for all your time this week and last. I am still seeking basic answers to the questions I posed to you earlier this week about Mr. Muzinich's divestiture. As it currently stands, we are preparing a story that will say that the top Trump administration official overseeing the coronavirus economic response retains financial ties to his family investment firm that has massively benefitted from the Treasury and Fed's bailouts. That rather than being paid out when he left the firm, he has an unusual arrangement where he will be paid over 50 million dollars from the family at a later date, an arrangement former Treasury officials told us was highly unusual and posed a clear conflict because it results in Mr. Muzinich having a personal interest in the firm's solvency. We will also have to say that Treasury officials refused to explain why the divestiture was structured this way or to disclose the terms of the deal - what sort of interest Mr. Muzinich is receiving from the firm, whether

UST_000143

the receivable is reversible, when the money is supposed to be paid out, etc.

Below is a list of questions. Our deadline is this coming Monday at noon.

--In 2017 before he divested his stake in Muzinich & Co, did Treasury's ethics lawyers provide Mr. Muzinich any written guidance around managing potential conflicts stemming from his stake in the firm, including the possibility that his actions would affect the firm's investments or that he would be dealing with the firm's clients (wealthy individuals, insurance companies, investment funds, etc)? If yes, any details or documentation would be helpful.

--Can you explain what role, if any, OGE had in signing off on the arrangement in which the Muzinich & Co stake was made into a receivable from the family?

--We have asked some former Treasury ethics lawyers to look at this situation, and they can't immediately find any precedent for it. Can you point to any analogous arrangement where a large asset becomes a receivable with undefined terms?

--We're wondering about the terms of the receivable from the family; any details and documentation you can offer would be helpful. For example, when is the receivable due to be paid to Mr. Muzinich? Can Mr. Muzinich swap the receivable for a stake in the firm?

--Mr. Muzinich's latest available financial disclosure (signed June 2019) reports interest payments from the receivable asset of between \$1 and \$5 million. What are the terms of the interest payments that this asset is generating?

Thanks again,

Robert

Robert Faturechi

[Reporter, ProPublica](#)

Desk: 917-512-0216

Cell/Signal/WhatsApp: (b)(6)

robert.faturechi@propublica.org

From: Robert Faturechi
Sent: Wednesday, May 20, 2020 3:35 PM
To: Rebecca.Miller@treasury.gov
Subject: RE: Following Up

Hey Becky,

Thanks for your time on this. Just a quick note, we have to agree to off record in advance.

Also, this seems like just a recap of what we discussed yesterday, and offers no explanation of my main question: why did Mr. Muzinich divest in the form of a receivable, instead of a cash payout... and what are the terms of the receivable (i.e. is there interest, is it reversible, when does it have to be paid out, etc.)

Can you provide that info?

UST_000144

Thanks again,

Robert

Robert Faturechi

[Reporter, ProPublica](#)

Desk: 917-512-0216

Cell/Signal/WhatsApp (b)(6)

robert.faturechi@propublica.org

From: Rebecca.Miller@treasury.gov <Rebecca.Miller@treasury.gov>
Sent: Wednesday, May 20, 2020 3:18 PM
To: Robert Faturechi <Robert.Faturechi@propublica.org>
Subject: RE: Following Up

Hi Robert,

Per our discussion, I went back to our career ethics official for more context on your questions. The following information – provided off the record, for your awareness – reflects their feedback and input on the more technical/legal aspects (perhaps more formally than I would necessarily put it, but I think addresses your questions):

During his time at Treasury, Mr. Muzinich has worked closely with the Treasury Ethics Office and Office of Government Ethics. When Mr. Muzinich joined the Department as Counselor in February 2017, the Treasury Ethics Office reviewed his assets in light of his expected official duties, and did not require a divestiture of all assets. This is because the conflicts of interest statute, 18 U.S.C. § 208, is triggered when an executive branch employee participates in a particular matter in which he knows he has a financial interest directly and predictably affected by the matter. Pursuant to the ethics laws and regulations, the term “particular matter” includes only matters focused upon the interests of specific persons, or a discrete and identifiable class of persons. It does not cover consideration or adoption of broad policy options directed to the interests of a large and diverse group of persons (5.C.F.R. § 2640.103). Mr. Muzinich's Counselor duties did not include particular matters that required divestiture of certain assets.

When Mr. Muzinich's role within the Department broadened, and in connection with his nomination for a PAS position, Mr. Muzinich undertook a more extensive divestiture of assets, as agreed with the Treasury Ethics Office and Office of Government Ethics. The value of the “receivable from family” is for a completely fixed, non-variable amount, and payment is not dependent on performance of any fund, company or asset. On this matter, as on all ethics matters, Mr. Muzinich has worked with Treasury's career ethics officials to ensure compliance with all applicable statutes and regulations regarding financial disclosure and conflict of interest.

Best,

Becky

From: Miller, Rebecca
Sent: Tuesday, May 19, 2020 5:01 PM
To: 'Robert Faturechi' <Robert.Faturechi@propublica.org>
Subject: RE: Following Up

Hi Robert, apologies for the delay, it's been a crazy day. I have more info on this and am happy to talk through when you have a moment.

UST_000145

From: Robert Faturechi <Robert.Faturechi@propublica.org>
Sent: Tuesday, May 19, 2020 12:48 PM
To: Miller, Rebecca <Rebecca.Miller@treasury.gov>
Subject: Re: Following Up

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ******

Just checking in. Thanks again.

Sent from my mobile device.

On May 18, 2020, at 1:58 PM, "Rebecca.Miller@treasury.gov" <Rebecca.Miller@treasury.gov> wrote:

Thanks Robert, really appreciate the update. Let me look into the other item and get back to you. Best, Becky

From: Robert Faturechi <Robert.Faturechi@propublica.org>
Sent: Monday, May 18, 2020 4:55 PM
To: Miller, Rebecca <Rebecca.Miller@treasury.gov>
Subject: Re: Following Up

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ******

Hi Becky,

Thanks again for all the time you've devoted to helping us out on this. Talked to my editor, and we've decided to table it.

I did want to ask you about one other thing though. We noticed that in Deputy Secretary Muzinich's 2017 filing, he noted a trust that included a stake of his family hedge fund valued at over \$50 million. Typically, officials in this kind of situation are told to divest from these kinds of holdings in favor of broad securities like index funds. But it looks like he held onto the family hedge fund stake for around a year, only appearing to divest in December 2017. Wondering why he didn't divest earlier. And more notably, I'm trying to understand the terms of this divestiture, since it looks like the stake was not turned into a cash payout, but rather a "Receivable from Family," also valued at over \$50 million. An ethics expert we talked to said they had never seen anything like this. Is the amount he will be paid out a fixed amount? Or does how much he gets paid out depend on the performance of the family hedge fund? Or something else? Hoping you can help us understand the terms here, considering that Deputy Secretary Muzinich has obviously been involved in Treasury actions that could impact a broad array of companies.

All best,

Robert

Robert Faturechi
[Reporter, ProPublica](#)

UST_000146

Desk: 917-512-0216

Cell/Signal/WhatsApp: (b)(6)

robert.faturechi@propublica.org

UST_000147

CDFI / PPP

From: Secretary Mnuchin [REDACTED]
To: Mark Meadows WHO_EOP [REDACTED]
Cc: Ivanka Trump (b)(6) [REDACTED] (b)(6) [REDACTED]@treasury.gov>
Date: Mon, 25 May 2020 17:08:42 -0400

(b)(5) DP [REDACTED]
(b)(5) DP [REDACTED] Let me know if we can book time wed. Or Thursday ?
(b)(5) DP [REDACTED]

UST_000148

Fwd: Treasury First Read for Tuesday, May 26, 2020

From: Secretary Mnuchin
To: "Dwyer, David" <david.dwyer@treasury.gov>, "Callanan, Brian" <brian.callanan@treasury.gov>
Cc: (b)(6)@treasury.gov
Date: Tue, 26 May 2020 06:36:54 -0400

(b)(5) DP

From: Bulletin Intelligence <Treasury@bulletinintelligence.com>
Date: May 26, 2020 at 5:43:03 AM EDT
To: TreasuryBulletin <Treasury@BulletinIntelligence.com>
Subject: Treasury First Read for Tuesday, May 26, 2020

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

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Secretary Mentions

New PPP Guidelines Prompt Criticism For Failing To Provide Flexibility In Loan Spending. (WSJ, AMBNKR, POLITICO)

The [Wall Street Journal](#) (5/23, Hayashi) reported that while the Treasury Department and the SBA have updated guidelines regarding the forgiveness of Paycheck Protection Program (PPP) loans, the new guidelines fail to address a number of issues affecting lenders and borrowers. Among these issues is a requirement that three-fourths of loan money go toward payroll in order to secure loan forgiveness, as owners of various businesses have expressed desire for greater flexibility with loans.

[American Banker](#) (5/24) reported the Treasury Department and the SBA "quietly issued more guidance for the Paycheck Protection Program as legislators look to make more fixes to the emergency loan program. One of the interim final rules, issued late Friday night, focused on the requirements for having PPP loans forgiven. The other rule provided direction on lenders' duties during the forgiveness period, along with the SBA process for reviewing loans." The SBA "stated that it has the right to review any loan, though it will evaluate them based on the 'rules and guidance available at the time of the borrower's PPP loan application.'" The SBA also "said it is preparing a separate rule to lay out an appeals process for borrowers."

[Politico](#) (5/23, Warmbrodt) reported, "The Trump administration released long-awaited rules on how government-backed small business loans can be forgiven, but they fall far short of what employers and lawmakers are demanding for the popular program." The article adds, "The employers want more time to use the loans while still qualifying for forgiveness – they have only eight weeks now – and more freedom to spend the money as they choose beyond payroll costs. The new rules address neither concern. Still, the process remains uncertain with Congress weighing a major overhaul of the program." Politico adds lawmakers are "considering legislation that would give employers up to 24 weeks to spend the money and the ability to use more of it on non-payroll expenses than the 25 percent allowed today. The Senate adjourned on Thursday for the Memorial Day recess without taking action on the program. The House will vote on legislation next week."

WSJournal: Help Small Businesses – Fix The PPP. In an editorial, the [Wall Street Journal](#) (5/25) urges Congress to fix the

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flaws the PPP. The Journal says Treasury Secretary Steven Mnuchin's 75% payroll usage stipulation for loan forgiveness punishes businesses that have high rents and overhead. The Journal urges both parties to work together to relax overly restrictive requirements in the Paycheck Protection Program.

PPP Loans To Planned Parenthood Affiliates Fuel Political Battle. (WP, HILL)

The [Washington Post](#) (5/23, Gregg) reported a political fight "over \$80 million in subsidized Small Business Administration loans that were awarded to Planned Parenthood nonprofits is escalating, with 127 Republican lawmakers on Friday calling for a federal investigation of the loans and 41 Democratic senators on Saturday defending them." The Post says every Planned Parenthood state and local affiliate "is a separate nonprofit, with its own leadership and funding organization." However, the SBA, "said the local chapters are too closely affiliated with Planned Parenthood's national organization to be considered independent entities." **The 41 Democratic senators, in their letter Saturday, "asked SBA Administrator Jovita Carranza and Treasury Secretary Steven Mnuchin to stop what they called "ideologically-driven action" against Planned Parenthood organizations."**

[The Hill](#) (5/23, Axelrod) reported the Senators said in the letter, "It is critical that the SBA implement the PPP as Congress directed, without ideological efforts to treat certain nonprofit organizations differently from others. The SBA must administer the PPP in a manner that is uniform and that does not target any entity or subset of entities for exclusion, especially if doing so is based on a political ideology, the services provided by that entity, or any other factor unrelated to the criteria established by law in the CARES Act." In contrast, Senate Republicans "are calling on the Justice Department to investigate Planned Parenthood centers, claiming that they were ineligible for the funds due to the PPP's size standards."

SBA Yet To Publish Full Accounting Of PPP Loan Recipients. (CBSNEWS, NSWK)

[CBS News](#) (5/25) reports the Small Business Association, a "small, overlooked federal agency," is now responsible for "shouldering a massive relief effort for the nation's small businesses and their workers left reeling by the novel coronavirus." The SBA "has committed to auditing every sizable emergency loan it approves, yet nearly two months since the \$660 billion Paycheck Protection Program was launched, the agency has yet to make public the recipients of taxpayer aid." CBS says the "need for a detailed public accounting of the small-business relief program is amplified by controversy over how it has unfolded since early April. Experts said it's a way for the public to know whether the program is working as Congress intended." SBA says on its website that it "is becoming more transparent, participatory and collaborative through open government." So far, however, "the agency has only provided general information, such as the total amounts of loans awarded in a given time period."

[Newsweek](#) (5/24, Lemon) reported a new analysis by Reuters "has shown that the overwhelming majority of publicly listed companies that received coronavirus stimulus loans from the federal government, which were intended for struggling small businesses, do not plan on returning the funds." The analysis "found that as of May 22, only 68 out of 424 public companies had returned the funds, with those declining to do so and claiming that they need the funds to maintain operations." The analysis also "found that at least 76 companies who did not return the loans had 'enough cash and cash equivalents to cover operating costs until at least June.'" Numerous outlets have reported since April "that many large companies had received millions in loans through the program, despite the intent being to prop up struggling small businesses." **President Trump and Treasury Secretary Steven Mnuchin "have both been critical of large companies taking advantage of the program and urged them to return the funds."**

Treasury Says COVID-19 Funds For Tribes Are On Schedule. (LAW360, AZCENTRAL)

[Law360](#) (5/22, Westney) reported Treasury Secretary Steven Mnuchin "told a D.C. federal judge Friday that the department is following through on its plan to send out \$3.2 billion in COVID-19-related funding to tribal governments, as tribes spent the week furnishing more data requested by the department." Mnuchin "laid out his timetable on May 15 to deliver the remaining \$3.2 billion owed to tribes to fight the pandemic, after U.S. District Judge Amit P. Mehta had denied a bid by the Agua Caliente Band of Cahuilla Indians and other tribes to force the department to distribute the money immediately but asked how the distribution would be done." The federal government on Friday, in its court-ordered status report, "said it is 'implementing the plan that it previously articulated to the court' and that 'consistent with that plan,' Treasury's online portal for tribes to submit information is open." Tribes "now have until Tuesday, the day after Memorial Day, to finish filing the additional tribal employment and expenditure data Treasury says it needs to divvy up the Coronavirus Aid, Relief and Economic Security Act funding."

The [Arizona Republic](#) (5/22, Utacia Krol) reported Sen. Martha McSally (R-AZ) "said she would continue to fight for more funding to be delivered to tribes rapidly, and called for tribes' hands to be 'untied' so they can better use the funds they already have to address their own community issues." McSally "said the Treasury Department has been more flexible with regard to tribal expenditures, but said she'll talk to the president and to Treasury Secretary Steven Mnuchin to find common ground."

Democrats Plan Push For Highway Funds In New COVID-19 Relief Bill As Senate Adjourns. (LAW360, NYT)

[Law360](#) (5/22, Ota) reports House Democrats "are looking to bundle a five-year renewal of highway funding and a batch of tax-favorable victory savings bonds in an emerging economic recovery package aimed at spurring growth and countering effects of the COVID-19 pandemic." House Ways and Means Chairman Richard Neal (D-MA) "said he and other senior House Democrats will pivot after the Memorial Day break to try to advance a five-year highway reauthorization bill with bond financing options as part of an economic recovery package aimed at creating jobs and spurring growth." Neal "said he was continuing talks with Treasury Secretary Steven Mnuchin in the hope of cutting a deal on potential revenue-raising measures for the highway bill." Neal also "said Democrats had made no

decision on whether to push forward in the absence of an accord with the administration on contentious proposals to lift or index for inflation the gasoline tax of 18.4 cents per gallon."

The [New York Times](#) (5/22) editorializes that the Senate "emptied out again on Friday" following three weeks in session, "as lawmakers fled Washington for the Memorial Day recess" and "left without even pretending to tackle the next round of coronavirus relief." **The Times says many Republicans, "including Treasury Secretary Steven Mnuchin, are reluctant to embrace more government spending," so Senate Majority Leader Mitch McConnell "is taking a wait-and-see approach."** The Times argues it is "time for Mr. McConnell to stop his foot-dragging and get serious about making America work again."

Mnuchin Sends Letter Pushing For Continued Investigation Into African Development Bank President. (BLOOM)

[Bloomberg](#) (5/24, Gebre, Mieu) reported Treasury Secretary Steven Mnuchin "rejected plans by the African Development Bank's board to end an investigation into its president, Akinwumi Adesina, and called for an independent probe into allegations against him." In a letter sent to AfDB's board of governors chairwoman Niale Kabe and dated May 22, Mnuchin "said the Treasury disagrees with findings by the bank's ethics committee that 'totally exonerated' Adesina." Mnuchin said in the letter, "We have deep reservations about the integrity of the committee's process. ... Instead, we urge you to initiate an in-depth investigation of the allegations using the services of an independent outside investigator of high professional standing." Kaba "confirmed receipt of the document and declined further comment."

GOP Senators Ask Mnuchin To Assist Renewable Energy Industry. (HILL)

[The Hill](#) (5/22, Frazin) reported Republicans "are pushing for assistance from the Trump administration for both the renewable energy and fossil fuel industries." Republican Sens. Lisa Murkowski (AK), Susan Collins (ME), and Thom Tillis (NC) "have asked the Treasury Department to help the renewable energy sector by extending the amount of time under which companies can qualify for a specific tax credit." **The senators wrote to Treasury Secretary Steven Mnuchin "asking him to extend the 'safe harbor' period under which companies can start construction on renewable energy projects and qualify for a tax credit."** The group also "wrote...that some developers may not have received equipment in time to qualify for one of the credits 'due to COVID-19 related disruptions,'" saying, "In order to mitigate this uncertainty, we urge you to modify Treasury's guidance to treat COVID-19-related equipment delivery delays as acceptable disruptions."

Reuters Analysis: Increased Alignment Among Trump's China Advisers Becoming Apparent. (REU)

[Reuters](#) (5/25, Spetalnick, Holland) reports in an "Explainer" that President Trump's China advisers, long "divided between those pushing for a hardline stance and others advocating cautious engagement," seem "to have moved closer together on a tougher approach to Beijing" amid the COVID-19 pandemic crisis. Reuters quotes a "former administration official" saying, "Most people are aligned that it's time to be tough on China now." **Among the advisers that "will help shape Trump's decision," Reuters says Treasury Secretary Steven Mnuchin "has long been a voice of moderation on China."** However, "as pressure has mounted over China's handling of the coronavirus, Mnuchin has shown signs of being less hesitant about stronger measures, including restricting Chinese tech company Huawei Technologies." Mnuchin "could still advise caution" on Hong Kong, "to avoid upsetting markets." The Secretary "has often been allied with Trump's son-in-law and adviser, Jared Kushner."

Trump Lays Wreath At Memorial Day Ceremony. (NYPOST)

The [New York Post](#) (5/25, Nelson) reports President Trump "presented a wreath at the Tomb of the Unknown Soldier to commemorate Memorial Day." **The Post mentions Trump was accompanied by several Cabinet members, including Secretary of State Mike Pompeo, Treasury Secretary Steven Mnuchin, and Transportation Secretary Elaine Chao.**

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Fwd: Treasury First Read for Monday, June 1, 2020

From: Secretary Mnuchin

To: "Callanan, Brian" <brian.callanan@treasury.gov>

Date: Mon, 01 Jun 2020 08:04:27 -0400

(b)(5) DP

From: Bulletin Intelligence <Treasury@bulletinintelligence.com>

Date: June 1, 2020 at 5:43:54 AM EDT

To: TreasuryBulletin <Treasury@BulletinIntelligence.com>

Subject: Treasury First Read for Monday, June 1, 2020

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Secretary Mentions

Lawsuit Accuses Administration Of Illegally Confiscating Tax Refunds Of Student Loan Borrowers. (WP, BLOOM, HILL, YAHFIN, MRKWTWCH, LAW360)

The [Washington \(DC\) Post](#) (5/29, Douglas-Gabriel) reported a class-action lawsuit filed Friday accuses the Trump Administration of illegally withholding \$19 million from 11,049 student loan borrowers since the beginning of April, "despite a federal order halting the seizure of tax refunds for past-due student loans during the pandemic." **The lawsuit against the Treasury Secretary Steven Mnuchin and Education Secretary Betsy DeVos "accuses the pair of flouting the Trump administration's own 60-day moratorium on tax offsets, which Congress codified in the stimulus package and extended through Sept. 30."**

[Bloomberg](#) (5/29, Larson) reported consumer groups Student Defense and Democracy Forward said the collections are part of the Trump Administration's "botched" roll-out of the \$2 trillion coronavirus relief bill. One of the plaintiffs, Kori Cole, "said she received a Treasury notice in April saying her and her husband's entire \$7,000 federal tax refund was seized." She needs the refund because "her husband's woodworking business, their only source of income, was shuttered during the pandemic." The plaintiffs "seek a court order halting the practice and a return of the allegedly seized checks."

[The Hill](#) (5/29, Neidig) reported Alice Yao, a lawyer with Student Defense, said in a statement, "In the middle of this devastating pandemic, Secretary Mnuchin and Secretary DeVos have been illegally offsetting tax refunds of student borrowers despite clear instructions from Congress and the President to stop."

In response to the lawsuit, [Yahoo! Finance](#) (5/29, Swaminathan) reported ED Press Secretary Angela Morabito said that as of May 28, the department has returned more than \$2.2 billion in offsets to more than one million borrowers. Plus, following the national emergency declaration on March 13, "the Department proactively worked with Treasury to pause all offsets in process on March 20," Morabito stated. "On March 25, 2020, Education Secretary Betsy DeVos announced her directive to stop all wage garnishments and collections actions, as well as refund offsets already in process to more than 800,000 borrowers."

Also reporting are [MarketWatch](#) (5/29, Keshner) and [Law360](#) (5/29, Moroses).

Fox Business Profiles Mnuchin. (FOX)

[Fox Business](#) (5/30, Fordham) reported in a profile on Treasury Secretary Steven Mnuchin that he "is overseeing the U.S. Treasury's response to one of the most unprecedented economic downturns in history caused by the coronavirus." President

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Trump chose Mnuchin, “a former Goldman Sachs executive,” to be the Treasury Secretary “after he served as the national finance chairman for Trump’s 2016 campaign. The pick surprised some, who saw Mnuchin as the Wall Street elite that Trump had criticized on the campaign trail.” Mnuchin “spent 17 years at Goldman Sachs, where his father had also worked, according to Forbes. He got a job there right after graduating from Yale University with a degree in economics.” Mnuchin “is worth \$400 million, according to a 2019 analysis from Forbes, and was running his own investment business called Dune Capital Management before jumping on board the Trump train.”

Major Department Mentions

Retailers Ask Treasury Department, Federal Reserve For Financial Support. (WP)

The [Washington Post](#) (5/31, Lynch, Bhattarai) reports after five major retailers filed for bankruptcy in May, “some of the industry’s survivors can’t get financial backing for their holiday season orders – prompting an urgent appeal to the Treasury Department and Federal Reserve for help.” Economists say continued weakness in the retail sector could undermine an overall economic recovery. Retailers are asking the government for help with its “routine financing” to avoid further credit crises in the sector.

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FW: Aid to Hospitals and Private Equity

From: Secretary Mnuchin

To: "Mark Meadows - The White House" Mark Meadows

Date: Tue, 02 Jun 2020 11:20:58 -0400

From: Lerrick, Adam <Adam.Lerrick@treasury.gov>

Sent: Tuesday, June 2, 2020 7:47 AM

To: Secretary Mnuchin

Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov> (b)(6) treasury.gov

Subject: Aid to Hospitals and Private Equity

BLOOMBERG

Private Equity Lands Billion-Dollar Backdoor Hospital Bailout

KKR, Apollo, Cerberus own medical-services companies that received no-interest loans from HHS

By

David Kocieniewski

and

Caleb Melby

June 2, 2020, 4:00 AM EDT

[SHARE THIS ARTICLE](#)

As the coronavirus pandemic upended the U.S. health-care system, EmCare IAH Emergency Physicians, a Houston staffing company owned by private equity firm KKR, made a little-noticed request of the government: It applied for a \$317,379 interest-free loan.

KKR had for years paid lobbyists to fend off efforts to ban a practice known as surprise billing used by EmCare and other providers that has driven up the cost of health care. But that didn't stop the U.S. Health and Human Services Department from approving the loan and almost 300 others totaling more than \$60 million to subsidiaries of KKR-owned companies.

Shut out from many coronavirus relief programs, private equity companies have found a back door at HHS, where they have borrowed at least \$1.5 billion, according to a Bloomberg News analysis of more than 40,000 loans disclosed by the department.

That money, from two programs intended to provide emergency funding to financially strapped health-care companies, went instead to hospitals, clinics and treatment centers controlled by the richest investment firms as they seek to take advantage of an economic downturn caused by the pandemic to buy ailing businesses.

UST_000154

KKR has more than \$58 billion of cash to invest. Health-care facilities owned by Apollo Global Management, which started the year with about \$46 billion, received at least \$500 million in HHS loans. And Cerberus Capital Management's Steward Health Care System LLC, which threatened to close a hard-hit Pennsylvania hospital, received at least \$400 million in loans. Last month Cerberus was working to quadruple the size of a fund to invest in distressed loans to \$750 million.

The paradox of private equity funds, which profit from tax breaks the U.S. offers on debt, is that even when they're brimming with cash, there is little incentive to use it to prop up their struggling investments. In bad times, the funds can set themselves up for future windfalls by buying new distressed companies and using debt to multiply their profits, even if their current holdings suffer. The pandemic is "a time to shine," two Apollo executives said on a call with investors in late March.

"The GAO report on how HHS got the money out the door is going to be just brutal when it's published in a couple of years," said Rodney Whitlock, a former policy aide for Republican Senator Chuck Grassley on the Senate Finance Committee who now represents health-care clients at McDermottPlus Consulting.

The loans were made through two existing HHS programs administered by the Centers for Medicare & Medicaid Services — the Advance Payments Program and the Accelerated Payments Program — that were expanded under the CARES Act to help health-care companies cope with the pandemic. It included providers that lost business as a result of restrictions on elective surgery and other profitable procedures, as well as those directly treating coronavirus patients. HHS has distributed \$100 billion through the programs since late March. The loans are structured as advances on future payments the companies expect to receive from the government. Borrowers have from seven months to a year to repay them without interest, depending on their classification. The rate jumps to 10.25% afterward.

CMS Administrator Seema Verma said the purpose of the program was to get cash into the system quickly. She said the agency didn't know whether money was paid to companies owned by private equity firms because the applications didn't ask about the beneficial ownership of the entities seeking loans. "We don't look into ownership, what we look into is are they Medicare-enrolled providers," Verma said in a phone interview. "That is not information that the agency has historically looked into in a situation where there is a disaster or an emergency."

Although there's nothing in the law that prohibits such companies from getting coronavirus aid, businesses with more than 500 employees were excluded from the Paycheck Protection Program, which has disbursed more than \$500 billion in forgivable loans to employers of small businesses. Lawmakers and government officials resisted industry efforts to relax those rules, which count affiliated companies as one business. Some feared that lending money to private equity firms would only encourage their penchant for buying more companies and loading them up with high-interest debt.

Even some lobbyists who represent health-care companies were stunned to learn that HHS doled out billions of dollars in coronavirus aid without distinguishing between hospitals struggling for survival and those wealthy enough to view the no-interest loans as a free federal contribution to their cash hoards.

Private equity funds have acquired hundreds of health-care companies in recent years, including large hospitals, dermatology clinics and dental practices. Often their ownership is obscured by layers of limited liability corporations. EmCare is part of Nashville, Tennessee-based Envision Healthcare Corp., which was bought by KKR in 2018 for \$9.9 billion with \$7 billion of debt financing. That company is an amalgam of firms providing health-care services such as ambulatory surgery and anesthesiology.

Almost 300 entities affiliated with KKR-owned Envision received HHS loans, according to the Bloomberg analysis, which cross-referenced transactions against lists of known subsidiaries of health-care companies owned by private equity firms. The loans included \$1,963,697 for the River Drive Surgery Center in Elmwood Park, New Jersey; \$1,049,804 to the Bend Surgery Center in Oregon; and \$610,850 to the Surgery Center of Allentown in Pennsylvania.

The loans were made even though KKR was at the center of a congressional inquiry last year into surprise billing, the practice of staffing in-network emergency rooms and surgical centers with out-of-

network doctors, then sending unwitting patients big bills. Envision's profit margins depend on its ability to collect on those expensive claims, and the company has funded a lobbying effort against attempts to ban the practice.

Sandeep Kaur filed a lawsuit against Envision in federal court in Houston in July claiming she was billed \$2,844.97 in 2016 after going to the emergency room at Cypress Fairbanks Medical Center, a facility in her insurance plan's network. The EmCare doctor who treated her head wound wasn't covered by her plan, it turned out. Lawyers for the company acknowledged in court papers that Kaur had been billed and had made payments before the unpaid balance was sent to a collection agency. They denied other allegations, and the case is scheduled for trial next year.

Despite getting the HHS loans, Envision's credit rating was downgraded deeper into junk territory in April by Moody's Investors Service, which said the company had deployed an "aggressive financial strategy characterized by high financial leverage, shareholder-friendly policies and the pursuit of acquisitive growth. This is largely due to its private equity ownership by KKR since its leveraged buyout in 2018."

Envision said last month that it was considering bankruptcy as it sought to restructure its existing debt. A spokesman for the company said that the loans were intended "to support front-line providers, including Envision," and that it intended to start paying back the money within 120 days of issuance.

"We support any assistance for Envision's 27,000 medical workers making sacrifices every day," said Kristi Huller, a spokeswoman for KKR, "including those whose practices were shuttered as a result of the pandemic."

Subsidiaries of Apollo-owned LifePoint Health Inc. received more than 90 loans, ranging from \$439 for a small hospital in Paris, Kentucky, to \$39.7 million for a bigger one in Marquette, Michigan, that it manages in partnership with Duke University. The New York-based private equity firm has aggressively pursued distressed companies in past crises. "We've actually made our most money during recessions," Apollo founder Leon Black told Bloomberg Businessweek earlier this year, before the pandemic struck. "Everybody else is running for the doors, and we're backing up the trucks."

Joanna Rose, a spokeswoman for Apollo, didn't provide comment about the HHS loans, and Michelle Augusty, a spokeswoman for LifePoint, didn't respond to calls or emails.

The private equity playbook, with its focus on profit, has sometimes proved an odd fit with health-care companies dedicated to saving lives. One such conflict played out as Covid-19 ravaged a hospital in eastern Pennsylvania owned by private equity firm Cerberus, run by Stephen Feinberg, often mentioned as a potential appointee to an intelligence role at the White House. In March, Michael Callum, executive vice president of Steward, which operates 37 community hospitals and has 42,000 employees, issued an ultimatum to Governor Tom Wolf: Cover all operating costs and liabilities for the company's hospital in Easton, or he would close it.

Steward had been trying to sell Easton since acquiring it along with a group of hospitals in 2017, according to Darren Grubb, a spokesman for the company. In February, after several potential deals fell through, he said, Steward informed the state that it planned to close the facility in May. After the ultimatum, Pennsylvania offered \$8 million to keep the hospital open through April. But in May, Steward informed the state that it would shut Easton if a sale expected to close this month falls through. Grubb said in an emailed statement that Steward "only requested support to maintain operations at the facility" and promised to return any excess funds to the state.

Steward received more than two dozen loans from HHS for a total of at least \$400 million, department data show. Grubb said that the money was placed in a segregated account, that only Steward can access the funds, and that would only happen in case of an emergency. "We are the largest private, tax-paying hospital system in the country," Grubb said, adding that many of its hospitals are in underserved areas and care for a high proportion of Medicare and Medicaid patients. David Millar, a spokesman for Cerberus, didn't provide comment.

The loans to companies owned by private equity firms came in addition to hundreds of millions of dollars in Covid relief grants that HHS automatically sent the health facilities when it disbursed funds to

providers that have treated Medicare patients in the past two years. That money, which was allocated according to billings, doesn't have to be repaid.

Verma, the CMS administrator, said that the grants provided under the CARES Act, many of which were set aside for rural hospitals, safety net hospitals and hot-spot facilities swamped by Covid patients, were intended to work in tandem with the loans. "Arguably the CARES Act funding is easier for them because they don't have to return those funds," she said.

In a normal year, HHS receives about 20 applications through the advanced and accelerated payments programs and distributes less than \$8 million, but the department was deluged with more than 40,000 loan requests after the virus outbreak. Overwhelmed, it shut down both programs in late April and is now evaluating whether to limit the amount of aid each provider can get.

The providers that moved quickly include thousands of medical facilities, nonprofits and university teaching hospitals. Buried amid the flood of applicants are also hundreds of private equity owned limited liability corporations or other subsidiaries.

One entity in Arkansas, KAH Development 4 LLC, received almost \$7.5 million in loans spread out over 17 transactions, Bloomberg found. Those funds were among about \$250 million of loans issued to entities associated with Kindred Healthcare LLC, a Louisville, Kentucky, services provider owned by private equity firms TPG Capital and Welsh, Carson, Anderson & Stowe in a consortium with Humana Inc. Andrew Siegel, a spokesman for Kindred, declined to comment, and representatives of the two private equity firms didn't respond to emails and phone calls.

Although private equity companies have the cash reserves to repay the HHS if Congress doesn't forgive the loans, some struggling hospitals worry that they won't be able to. Because the loans include steep interest rates that kick in after a year, the safety-net hospitals hit hardest by the pandemic could face financial ruin. They have asked Congress to consider extending the grace period, lowering the interest rate or forgiving the loans completely — changes that would also benefit private equity owned providers.

"Our focus now is on loan forgiveness for our hospitals, because we believe severe financial challenges will remain when these loans come due," said Beth Feldpush, senior vice president of policy and advocacy at America's Essential Hospitals, which represents more than 300 health-care providers. "We also continue our call for targeting more funding to hospitals with many Medicaid and low-income patients. So far, the allocation formulas have put these hospitals at a disadvantage."

— With assistance by Gillian Tan, David Ingold, Brandon Kochkodin, and Ryan Pitcavage

FW: Sri Lanka

From: Secretary Mnuchin

To: "O'Brien, Robert C. EOP/WHO" WHO_EOP

Date: Tue, 02 Jun 2020 11:37:45 -0400

(b)(5) DP

From: McIntosh, Brent <Brent.McIntosh@treasury.gov>

Sent: Friday, May 29, 2020 2:28 PM

To: Secretary Mnuchin

Cc: McEntee, Zachary <Zachary.McEntee@treasury.gov>

Subject: Sri Lanka

(b)(5) DP

(b)(5) DP

Happy to discuss further.

Deliberative and predecisional

UST_000158

Fwd: FOR REVIEW/EDITS STM STATEMENT TO WORKFORCE

From: Secretary Mnuchin
To: "Crowley, Monica" <monica.crowley@treasury.gov>
Cc: Secretary Mnuchin
Date: Wed, 03 Jun 2020 06:50:30 -0400

(b)(5) DP

Date: June 2, 2020

Subject: Message from Secretary Steven T. Mnuchin

Dear Colleagues:

(b)(5) DP



All the best,

Steven T. Mnuchin

UST_000159

CAREs

From: Secretary Mnuchin [REDACTED]
To: "Vought, Russell T. EOP/OMB" EOP_OMB [REDACTED]
Cc: (b)(6) [REDACTED]@treasury.gov>, "Kowalski, Daniel" <daniel.kowalski@treasury.gov>
Date: Wed, 10 Jun 2020 06:33:41 -0400

Very helpful!

(b)(5) DP [REDACTED]

From: Vought, Russell T. EOP/OMB EOP_OMB [REDACTED]
Date: June 9, 2020 at 7:23:58 PM EDT
To: Secretary Mnuchin [REDACTED]
Subject: (No subject)

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

(b)(5) DP [REDACTED]

UST_000160

Fw:

From: Secretary Mnuchin

To: "Kowalski, Daniel" <daniel.kowalski@treasury.gov>

Date: Wed, 10 Jun 2020 06:33:49 -0400

From: Vought, Russell T. EOP/OMB EOP OMB

Date: June 9, 2020 at 7:23:58 PM EDT

To: Secretary Mnuchin

Subject: (No subject)

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Here is the updated obligation tracker, coupled with another list of costs from the previous bills that do not get tracked (revenue provisions). Take a look. Some context from our team below. I am going to send this to a few key committees who have been asking for it and Leadership tomorrow so let me know if you have any feedback.

Because full government-wide data for COVID spending through May will not be available until the week of June 22, we collected obligation and outlay data for agencies on major accounts (i.e., accounts over \$1 billion or of other high-profile accounts) to provide information on an interim basis. The attached file named, "COVID-19-Related Obligations and OLS Tracking" includes obligation and outlay data for major accounts. I will share the more comprehensive government-wide data once it is available.

In addition, when the more comprehensive GTAS data is available, it still will not reflect all costs associated with the COVID-19 response supplementals. Some provisions in the supplementals are excluded from standard tracking because they are certain changes to entitlements; certain changes to entitlements (matching funds); certain changes to receipts; or not related to COVID-19. OMB is working with agencies to develop other methods of tracking these provisions. A list of these provisions is attached in the file named, "Provisions excluded from obligationsoutlays reporting."

A couple key highlights:

- Of the \$2.6 trillion we're tracking in the major accounts, roughly \$1.3 trillion has been obligated, or about 50 percent. Approximately \$684 billion has actually been outlayed.
- The vast majority of unobligated balances are concentrated in a handful of accounts – two accounts represent almost 60 percent of the unobligated balances, but arguably do not reflect the level of activity in those programs:
 - **Treasury's Economic Stabilization Program:** Total obligations of budget authority are recorded on a net present value basis for Treasury programs per Section 4003 of the CARES Act, and are much lower than total financing commitments from Treasury to support Federal Reserve 13(3) emergency lending programs. This is roughly \$195 billion, including obligations of \$75 billion for the Corporate Credit Facilities, \$75 billion for the Main Street Lending Program, and \$35 billion for the Municipal Liquidity Facility, as well as a commitment of \$10 billion for Term Asset Backed Loan Facilities.
 - **Unemployment Trust Fund** (various programs): As you know the supplementals largely provided "such sums" as needed to pay benefits for most of the accounts paid out of the UTF. The amount shown in the "total available" columns is largely an estimate based on projected costs through fiscal year 2020. The "total obligations" column represents the amount requested by states through May 29th. As States work through backlogs, obligations could increase over the coming weeks.



UST_000161

Fwd: Washington Times - CBO Lauds Trump Admin for Rapid Stimulus Delivery

From: Secretary [REDACTED]
To: Mark Meadows [REDACTED], "Michael, Molly A. EOP/WHO" [REDACTED], "Hicks, Hope C. EOP/WHO" [REDACTED], Jared Kushner [REDACTED], "Kudlow, Lawrence" [REDACTED]
Date: Wed, 10 Jun 2020 06:37:00 -0400

Nice compliment for the Administration!!

Mr Secretary, for awareness: the CBO with praise!

The Washington Times: Trump team should get 'a lot of credit' for fast coronavirus stimulus: CBO (Stephen Dinan, 6.9.20)

Congress' chief scorekeeper had high praise for the Trump administration Tuesday, saying its agencies managed to speed out coronavirus aid "incredibly quickly," helping moderate the worst economic effects of the COVID-19 downturn.

Phillip L. Swagel, director of the Congressional Budget Office, said Capitol Hill moved speedily to approve aid, and then the Treasury Department moved "quickly and effectively" to process the stimulus payments to Americans.

Same with the Small Business Administration, he said, which has pumped out assistance for firms.

Mr. Swagel was working in the administration during the 2008 financial crisis, when Congress also approved several rounds of stimulus. He said that money went out quickly, but this year's response has been even faster.

"The IRS and those other agencies deserve a lot of credit," he said in a virtual forum sponsored by the Peter G. Peterson Foundation.

The glowing words from Congress' nonpartisan budget watchdog could undercut some news stories that said the agencies were overwhelmed, and complaints from Democrats on Capitol Hill, who had accused the Treasury Department of delays in getting payments out the door.

One specific allegation was that stimulus checks were held up in order to get President Trump's signature on them. The Treasury Department said there was no delay.

Mr. Swagel's agency, the CBO, this week detailed the stunning rise of the 2020 federal budget deficit as cash has poured out the door, and as revenue dips.

He said that's not in and of itself a major long-term budget problem, particularly with interest rates so low right now, but it could become one if the costs of servicing the debt suddenly rise.

"The fiscal steps taken so far have not greatly increased the burden on the Treasury of funding our debt," he said.

But he said there's "tremendous uncertainty" about the trajectory of the disease — and how the economy will respond.

The recovery from the financial collapse was markedly slow, though prolonged — indeed, it was still going up until the virus slammed into the economy.

UST_000162

Mr. [Swagel](#) said those on the lower economic rungs had finally begun to see their wages and incomes rise “reasonably strongly,” but that’s been undercut by the pandemic.

“That was a success, that the bottom of the distribution was feeling gains,” he said. “The question is, will it take another decade of upswing” to get back to that sort of growth.

UST_000163

Fwd: Secretary Mnuchin: "My job will not be done until we get every single person back to work"

From: Secretary Mnuchin
To: Secretary Mnuchin
Date: Wed, 24 Jun 2020 07:16:30 -0400

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Date: June 23, 2020 at 5:10:37 PM EDT
To: Secretary Mnuchin
Cc: (b)(6)@treasury.gov, Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: Secretary Mnuchin: "My job will not be done until we get every single person back to work"

Mr Secretary: for awareness: our amplification of your terrific interview for the TIME100 Talks series, which we've blasted to our master list.



Secretary Mnuchin:

"My Job Will Not Be Done Until We Get Every Single Person Back to Work"



Today, Secretary Steven T. Mnuchin joined TIME to discuss the Administration's unprecedented economic response to the COVID-19 Pandemic.

- **On Providing Direct Support to the Economy:** "I think that the unprecedented response that the Administration had working with the Senate and the House has had just a major impact on on the economy. And us

UST_000164

being able to put over three trillion dollars in fiscal response and working with the Fed is really, really having a meaningful impact."

- **On Possible CARES 4:** "We do anticipate there'll be a need for more fiscal response and we'll be doing that in July."
- **On Positive Economic Numbers:** "People were expecting we'd lose another eight million jobs. We gained over two and a half million jobs. But the President's job and my job will not be done until we get every single person back to work that lost their job because of this."

[Watch the full interview here.](#)

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"The President's job and my job will not be done until we get every single person back to work"

—Secretary of the Treasury Steven T. Mnuchin



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UST_000165

Fwd: YRC : Company press release

From: Secretary Mnuchin [REDACTED]

To: Mark Meadows [REDACTED], "Michael, Molly A. EOP/WHO" [REDACTED] WHO EOP [REDACTED]

Cc: "Kudlow, Lawrence" [REDACTED] WHO EOP [REDACTED] (b)(6) [REDACTED]@treasury.gov>

Date: Wed, 01 Jul 2020 08:00:10 -0400

(b)(5) DP [REDACTED]

From: Lerrick, Adam <Adam.Lerrick@treasury.gov>

Date: July 1, 2020 at 6:55:53 AM EDT

To: Secretary Mnuchin [REDACTED]

Cc: (b)(6) [REDACTED]@treasury.gov>, Crowley, Monica <Monica.Crowley@treasury.gov>, Miller, Rebecca <Rebecca.Miller@treasury.gov>, Dwyer, David <David.Dwyer@treasury.gov>

Subject: YRC : Company press release

Mr. Secretary,
Attached is the press release of the Company on the YRC recapitalization.
Adam



UST_000166

Fwd: Treasury First Read for Wednesday, July 1, 2020

From: Secretary Mnuchin

To: "Callanan, Brian" <brian.callanan@treasury.gov>

Date: Wed, 01 Jul 2020 08:04:10 -0400

(b)(5) DP

From: Bulletin Intelligence <Treasury@bulletinintelligence.com>

Date: July 1, 2020 at 5:45:56 AM EDT

To: TreasuryBulletin <Treasury@BulletinIntelligence.com>

Subject: Treasury First Read for Wednesday, July 1, 2020

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

iPhone optimized version and searchable archives available at treasuryfr.bulletinintelligence.com.

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- Mnuchin Open To Releasing Additional Guidance On PPP Agent Fees To Clear Up "Confusion." (LAW360)
- Mnuchin: China Abiding By "Phase 1" Trade Deal Provisions. (WASHEX)
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Secretary Mentions

Mnuchin Sees Speedy Economic Recovery While Powell Strikes Cautious Tone. (NYT, BLOOM, WP, HILL, CQRC)

The [New York Times](#) (6/30, Rappeport, Smialek) reports that in appearances before the House Financial Services Committee on Tuesday, Treasury Secretary Steven Mnuchin and Fed Chair Jerome Powell "presented a mixed picture of the U.S. economy...as lawmakers prepare for negotiations over another round of stimulus." The Times says Mnuchin "offered a more optimistic forecast of the economy, saying he expects a rebound in the second half of the year," while Powell "acknowledged the recovery has begun sooner than expected but shared a less sanguine forecast amid ongoing uncertainty about the virus." Mnuchin is quoted as saying, "We are in a strong position to recover because the Trump Administration worked with Congress on a bipartisan basis to pass legislation and provide liquidity to workers and markets in record time."

In contrast, [Bloomberg](#) (6/30, Saraiva, Matthews, Mohsin) reports Powell said, "A full recovery is unlikely until people are confident that it is safe to re-engage in a broad range of activities." The [Washington Post](#) (6/30, Siegel, Stein) reports Powell "said the economy may be showing signs of progress as hiring resumes and consumer spending rebounded last month." However, Powell said that "while this bounce-back in economic activity is welcome, it also presents new challenges – notably, the need to keep the virus in check." **The Post says** Powell "pivoted to Mnuchin" after he was asked "by lawmakers Tuesday about whether Congress should pass additional assistance." Powell said, "For the specifics of what you need to be doing we have the Treasury Secretary. ... I would defer to the Treasury Secretary on fiscal matters here."

[The Hill](#) (6/30, Lane) and [CQ Roll Call](#) (6/30, Saks) also report.

Mnuchin Says Hardest-Hit Businesses Should Be Focus Of Next Round Of Aid. (AP,

UST_000167

WP, NYT, LAT, CBSNEWS, USAT, BLOOM, AXIOS, FOXB)

The [AP](#) (6/30, Crutsinger) reports Treasury Secretary Steven Mnuchin “told Congress on Tuesday that the administration wants the next round of economic aid to focus supporting businesses like restaurants that have been hardest hit by the coronavirus crisis.” Mnuchin, in testimony to the House Financial Services Committee, “said he is already discussing with lawmakers about getting another round of relief approved by the end of July.” Mnuchin also “said those discussions included ways to use leftover funds from the \$2.2 trillion coronavirus relief bill signed by President Donald Trump in late March.”

Mnuchin: Administration Supports Legislation To Repurpose Unspent PPP Funds. The [Washington Post](#) (6/30, O’Connell, Werner, Gregg) reports Mnuchin, in his testimony, “said the Trump Administration supports legislation to repurpose the more than \$130 billion left in the small-business fund.” Mnuchin said he has “already had conversations with the [Small Business Administration] committee in the Senate about repurposing that \$135 billion and think that should be done, and look forward to working with both the House and the Senate so we can pass legislation by the end of July.” Mnuchin added that the aim of repurposing the unspent funds should be “extending it to businesses that are most hard-hit, that have requirements that their revenue have dropped significantly – things like restaurants and hotels and others where it is critical to get people back to work.”

The [New York Times](#) (6/30, Cochrane), The [Los Angeles \(CA\) Times](#) (6/30), [CBS News](#) (6/29, Cerullo), [USA Today](#) (6/30, Behrmann), [Bloomberg](#) (6/30, Niquette, Litvan), [Axios](#) (6/30, Brown), and [Fox Business](#) (6/30, Henney) also report.

Mnuchin Open To Releasing Additional Guidance On PPP Agent Fees To Clear Up “Confusion.” (LAW360)

[Law360](#) (6/30, Hill) reports Treasury Secretary Steven Mnuchin “told House lawmakers on Tuesday he’s open to releasing more guidance to clear up ‘any confusion’ about agent fees sought by accountants and others who’ve helped small businesses apply for federal coronavirus relief loans, an issue that’s spawned a wave of class action litigation against banks.” Mnuchin, testifying before the House Financial Services Committee, “said he’s aware that a number of banks participating in the Paycheck Protection Program have been sued for allegedly withholding agent fees, which the government has already said are supposed to come out of the loan processing fees that it pays to PPP lenders.” Mnuchin said, “What our guidance did say is that banks could pay agent fees out of the fees that they received. That was intended to be based upon a contractual relationship between the agent and the bank, and to the extent there’s any confusion on that, we’ll look at clarifying that.”

Mnuchin: China Abiding By “Phase 1” Trade Deal Provisions. (WASHEX)

The [Washington Examiner](#) (6/30, Krishan) reports Treasury Secretary Steven Mnuchin “said Tuesday that China was following through on its trade deal promises despite fears that the coronavirus pandemic could change China’s spending behavior.” Mnuchin told a House hearing, “We have every expectation that they will support and live up to the ‘Phase 1’ agreement, and they are well on their way for those commitments.”

Commentary: Xinjiang Sanctions Bill Came “About A Year Too Late.” (NTRW)

In a column for [National Review](#) (6/30), Jimmy Quinn writes that the “situation in Xinjiang represents one of the most egregious human-rights abuses in the world today.” However, Quinn argues, “in the face of disturbing evidence, the international response has lagged.” Quinn quotes scholar and Victims of Communism Memorial Foundation senior fellow Adrian Zenz saying the Uyghur Human Rights Policy Act “comes about a year too late. It would’ve been really good in spring or summer last year. It would have been much more effective.” Zenz “notes that the legislation, which was initially introduced in January 2019, faced delays at three stages: reconciliation of the different versions of the bill in the House and Senate, an intervention by Treasury Secretary Steven Mnuchin to put the bill on hold during the administration’s trade-deal negotiations with Beijing, and, finally, impeachment earlier this year.”

Major Department Mentions

Treasury Sent Out Record-High Unemployment Payments In June. (BLOOM)

[Bloomberg](#) (6/30, Rockeman) reports the Treasury Department “has paid out more than \$100 billion in unemployment benefits in June, the most for a single month since the pandemic started and underscoring the importance of federal relief efforts to shore up a battered job market.” The Treasury “paid out \$108.5 billion in unemployment benefits in June – the most on record dating back to 2005 – according to the department’s latest daily statement Tuesday.” That figure “exceeded the \$93.6 billion in May and \$48.4 billion in April as the government continues to play catch up with the backlog in processing claims due to an overwhelming number of people applying for benefits.”

Broadcast Links

Crowley: Administration Is “Optimistic” About June Jobs Report. (FOXB)

Assistant Treasury Secretary for Public Affairs Monica Crowley said on [Fox Business’ Varney & Co.](#) (6/30), “We had a very strong jobs report in May. We are optimistic about the June one as well. If you take a look...at continuing unemployment claims, they have been steadily declining and new claims have also been coming down. So we are seeing a rebound. We will continue to see a rebound. And I think that’s a function of the unprecedented fiscal and monetary response this Administration and Federal Reserve have delivered throughout this crisis and also as you are seeing the safe reopening of the economy. People are coming back to work. So we think we are in a very strong

position for a very robust recovery, particularly in the job market.”

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UST_000169

FW: CNN - The Trump administration just lent \$700 million to a trucking company

From: Secretary Mnuchin

To: "Mark Meadows - The White House" Mark Meadows

molly.a.michael@WHO_EO

Date: Wed, 01 Jul 2020 11:39:41 -0400

SEE COMMENT FROM JAMES HOFFA

The company has 30,000 employees, of whom 24,000 are represented by the Teamsters union. About half the loan money will be used to cover short-term contractual obligations, including pension and healthcare benefits. The loan will be due in 2024.

The Teamster-represented companies once dominated the trucking industry, especially the LTL sector. But with higher labor costs they have lost market share continually over the course of recent decades. It has posted a profit in only three of the last 13 years, and it lost more than \$3 billion in total during that period.

YRC was formed through the merger of several of those unionized carriers, including Yellow Freight and Roadway, in 2003. It operates under the brands Holland, New Penn, Reddaway, and YRC Freight.

"Our 30,000 employees have continued to serve hundreds of quarantined communities across the country during the pandemic and this financial assistance will enable us to bridge this pandemic-related crisis and continue to provide essential shipping services for the nation's supply chain," said CEO Darren Hawkins in a statement about the loan.

The loan was also praised by James Hoffa, general president of the Teamsters union, who thanked President Donald Trump, Treasury Secretary Steven Mnuchin and Congress for the assistance.

"They recognized the urgency and acted swiftly to avoid our members' health benefits from being cut and, in the long term, to protect 24,000 Teamster jobs," he said in his statement.

UST_000170

covid spending

From: Secretary Mnuchin
To: "Vought, Russell T. EOP/OMB" EOP_OMB
Cc: "Kowalski, Daniel" <daniel.kowalski@treasury.gov>
Date: Tue, 07 Jul 2020 11:33:14 -0400

Can we get this updated for June

From: Vought, Russell T. EOP/OMB EOP_OMB
Sent: Tuesday, June 9, 2020 7:22 PM
To: Secretary Mnuchin
Subject:

**** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ****

Here is the updated obligation tracker, coupled with another list of costs from the previous bills that do not get tracked (revenue provisions). Take a look. Some context from our team below. I am going to send this to a few key committees who have been asking for it and Leadership tomorrow so let me know if you have any feedback.

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UST_000171

Fwd: Bloomberg: PPP data errors raise questions about relief effectiveness

From: Secretary Mnuchin

To: "Callanan, Brian" <brian.callanan@treasury.gov>

Date: Tue, 14 Jul 2020 12:23:07 -0400

From: Secretary Mnuchin

Date: July 14, 2020 at 5:55:43 AM EDT

To: Secretary Mnuchin

Subject: Bloomberg: PPP data errors raise questions about relief effectiveness

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PPP data errors raise questions about relief effectiveness

Herb Miller was baffled when he learned that the Trump administration reported that his one-man business in Hixson, Tennessee, was approved for a coronavirus relief loan of as much as \$5 million. The amount was \$3,700, he said.

Read in Bloomberg: <https://hyperlink.services.treasury.gov/agency.do?origin=https://apple.news/AcLWtSN48TPC6nPHrPxeXgw>

Shared from [Apple News](#)

UST_000172