DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 18, 2022

Re: 20-cv-1169 (EGS) D.D.C.
FOIA 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 eleventh 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 eleventh production in this case for January 2022. Treasury reviewed 75 documents (143 pages). Fifteen documents were responsive (33 pages, attached hereto) and redactions were made pursuant to exemptions (b)(5) (deliberative process and Confidential Presidential Communications) and (b)(6) (protection of personal privacy). Sixty documents (110 pages) were non-responsive.

Treasury will continue to review and process documents and will provide another production not later than February 18, 2022.

If you have any questions, please contact Liam Holland in the Department of Justice at Liam.C.Holland@usdoj.gov.

Sincerely,

Richard S. Dodson

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

RE: Stimulus Checks Sent to Dead Relatives Should Be Returned, Mnuchin Says

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: Rettig Charles P <charles.p.rettig@irs.gov>
Date: Tue, 28 Apr 2020 18:08:55 -0400

Thanks

From: Rettig Charles P <Charles.P.Rettig@irs.gov>
Sent: Tuesday, April 28, 2020 4:49 PM
To: Kautter, David <David.Kautter@treasury.gov>; Eisner, David <David.Eisner@treasury.gov>
Subject: WSJ: Stimulus Checks Sent to Dead Relatives Should Be Returned, Mnuchin Says

Wall Street Journal

April 28, 2020

Stimulus Checks Sent to Dead Relatives Should Be Returned, Mnuchin Says
Treasury secretary says deceased people aren't eligible for the $1,200 payments some have been getting
By Kate Davidson and Richard Rubin

WASHINGTON—Deceased people aren't eligible for the $1,200 stimulus payments some of them have been getting, and their relatives and estates should pay the money back to the government, Treasury Secretary Steven Mnuchin said Tuesday.

"You're not supposed to keep that payment," Mr. Mnuchin said in an interview with The Wall Street Journal. "We're checking the databases, but there could be a scenario where we missed something, and yes, the heirs should be returning that money."

Mr. Mnuchin's comments mark the government's clearest guidance to date on the issue. It isn't known how many payments the Treasury Department has sent to dead people or what efforts the Internal Revenue Service will take to claw back any payments it deems erroneous.

The economic-relief law passed by Congress last month created a $292 billion program of payments to Americans to cushion the economic blow from the coronavirus outbreak. Already, the government has made more than 89 million payments totaling over $160 billion, with another wave hitting bank accounts and mailboxes this week.

Tax experts have been puzzling over the payments to dead people since they started appearing in bank accounts earlier this month.

Technically, the payment is a new tax credit for tax year 2020 of $1,200 per adult and $500 per child, and the payments now are based on 2018 or 2019 tax filings. Estates are clearly ineligible under the law.

But because the payment is based on those past tax returns, some people who died in 2018 or 2019 have received money, either by direct deposit or by mail. Their survivors haven't been sure about what to do with it.

"My husband was a wonderful money manager, and I think he would be happy to know he was still getting a stimulus payment," said Heather Frazier of Wilmington, N.C., who received a $1,200 direct-deposit payment for her husband, Rob, who died in June 2018. "If they want the money back or whatever, I'll pay it back."

Other parts of the law contemplate a situation in which someone gets a payment now that's larger than what they would ultimately be able to claim on their 2020 tax return. That can happen if the person's income goes up into the range where the benefit is reduced.

In those cases, the government won't reclaim any of the money. But the dead are different because they would have been ineligible for any money to start with.

In the interview, Mr. Mnuchin didn't differentiate between people who died in 2018 and 2019 and those who passed away or will die in 2020. People who die this year still may have a tax-filing obligation for 2020, so a case could be made that they are eligible even if those who died before this year weren't.

The IRS, which is part of the Treasury Department, has yet to offer written guidance to taxpayers on this issue. In practice it may prove difficult for the government to get the money back. It may be easier for some paper checks; the envelope for some payments includes a box to check and return if the recipient is deceased.

President Trump said April 17 that the U.S. would get the money back.

"Everything we're going to get back. But it's a tiny amount," the president said then.

FW: Comments on Specific Substantive and Procedural Provisions Impacted by the COVID-19

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Date: Wed, 29 Apr 2020 14:07:30 -0400

For your list.........and I think they have your wrong email address

From: ABA Taxation Section <Taxlserve@americanbar.org>
Sent: Wednesday, April 29, 2020 1:13 PM
To: 'charles.rettig@irs.gov' <charles.rettig@irs.gov>
Cc: Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>; Sunita.B.Lough@irs.gov; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Van Hove, JeffreyDisabled <Jeffrey.VanHove@treasury.gov>
Subject: Comments on Specific Substantive and Procedural Provisions Impacted by the COVID-19

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

The attached letter , regarding specific substantive and procedural provisions impacted by the COVID-19 crisis and the response as authorized under section 7508 A , are sent on behalf of the ABA Section of Taxation.

American Bar Association
Section of Taxation
1050 Connecticut Avenue, NW, Suite 400
Washington, DC 20036
202.662.8670
202.662.8682 - fax
tax@americanbar.org
https://hyperlink.services.treasury.gov/agency.do?origin=www.americanbar.org/groups/taxation

RE: Treasury Vows to Recoup Virus Relief Aid Claimed by Big Companies

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: William Arnone (b)(6) [redacted]
Date: Wed, 29 Apr 2020 14:14:18 -0400

I am not involved in this other than to the extent the program touches on tax issues, like whether amounts paid for with the borrowed funds are deductible by a taxable employer.

My understanding is that the program is being administered on a first come first served basis so with plenty of money left I would think you are in good shape.

From: William Arnone (b)(6) [redacted]
Sent: Wednesday, April 29, 2020 2:08 PM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: [Sender_Unverified] Treasury Vows to Recoup Virus Relief Aid Claimed by Big Companies

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

Will you be involved in this review, Dave?

As of today, we still have no word from either Capital One or the SBA on the status of our PPP application.

Alan Rappeport

,

The New York Times • April 29, 2020

WASHINGTON — The Los Angeles Lakers are not what most people think of as a small business. Yet the basketball franchise is the latest example of a large company that managed to qualify for small-business loans from a hastily devised government program intended to help barbershops, restaurants, dry cleaners and other mom-and-pop shops. Now, the Treasury Department is frantically trying to figure out how to recoup hundreds of millions of dollars from big companies that applied for loans and received them under the program's initial terms.

On Tuesday, Treasury Secretary Steven Mnuchin made another attempt to deal with problems largely of his own making, as he tried to quickly funnel billions of dollars to businesses with vague guidelines. Threatening to hold big companies criminally liable if they did not meet the program's revised criteria for accepting loans, he said the administration would audit any company that received more than $2 million. "I never expected in a million years that the Los Angeles Lakers, which I'm a big fan of the team, but I'm not a big fan of the fact that they took a $4.6 million loan," Mnuchin said on CNBC. "I think that's outrageous."

Congress created the Paycheck Protection Program as part of last month's $2 trillion economic relief package, intending it as a lifeline for small shops so they could keep paying workers even if they had no customers. The money, which ultimately grew to $660 billion, came with strings attached, requiring businesses to keep their workers on the payroll for eight weeks if they wanted the loans forgiven, but the eligibility requirements were vague.

It was left up to the Treasury Department to figure out how to get the money out fast and how to structure the program. Mnuchin put banks in charge, relying on them — rather than the government — to make the actual loans. To facilitate the program, the Treasury Department issued guidance that required businesses to merely certify, or promise, that they faced "economic uncertainty" and that the loans were "necessary" to support current operations.

While some states are slowly reopening, economic uncertainty remains incredibly high, with the United States surpassing 1 million known coronavirus cases Tuesday. More than 50,000 people have died, showing how an outbreak that began with a small trickle of cases in January has exploded into a national crisis.

The bleak milestone was yet another sign of how the virus has upended life in America, taking lives, destroying families, spreading through meat plants, prisons and nursing homes, forcing businesses and schools to close, and causing more than 26 million people to lose their jobs in the past five weeks.

On April 2, Mnuchin encouraged "all small businesses that have 500 or fewer people, please contact your lenders," saying they could get a loan in a single day. By last week, as it became clear that companies like Shake Shack, Potbelly and AutoNation had received loans while others struggled to get approved, the tone shifted drastically, with Mnuchin saying the program was not meant for certain companies and moving to tighten eligibility requirements. Companies with "substantial market value and access to capital markets" should be ready to demonstrate why they need the money, the Treasury Department said.

As of Tuesday afternoon, the Small Business Administration had approved a total of nearly 2 million loans. President Donald Trump, eager to portray the program as a success, convened an event at the White House with recipients of the small-business loans. "We're processing loans at a pace never achieved before," he said, adding that he was pleased that more loans appeared to be reaching smaller companies in the second round of the program. The president brought forward everyone from an owner of a seafood restaurant in Virginia to a coffee shop owner in North Carolina to say how grateful they were for the money.

More than 100 companies have disclosed loans of more than $2 million, yet most have chosen to keep the money. So far, only 22 private and public companies have disclosed returning their funds, including the Los Angeles Lakers. Most of the companies returning money insist they qualified under the Treasury Department's initial terms, but opted to return the loans once it changed its guidance to avoid bad publicity.

The Lakers, which has about 300 employees, most likely qualified for the loan because the law made eligible businesses with 500 or fewer employees residing in the United States. Like the rest of the National Basketball Association, the team has taken a financial hit because games have been suspended for more than a month. The management of the Lakers believed the team was in compliance with the terms of the program when it applied, according to a person with knowledge of the team's thinking. "The Lakers qualified for and received a loan under the Payroll Protection Program," the franchise said in a statement, adding that it decided to return the money "once we found out the funds from the program had been depleted."

DMC Global, an energy and industrial company based in Colorado, also said it believed it qualified for its $6.7 million loan, but chose to repay it "to avoid any further disputes at a time when the business environment is the most difficult."

Other companies have made clear they have no intention of returning the money. Hotels, luxury resorts and management companies that funnel money back to Ashford Inc., an asset management firm based in Dallas, have received about $53 million in federal virus aid. Ashford said in a statement that it was keeping the money to "protect jobs, as the legislation intended." Fiesta Restaurant Group, which has received $15 million, said in a regulatory filing that it was reviewing the new guidance.

Mnuchin has continued to defend the design of the program, saying it had helped 30 million workers, and blaming a handful of big businesses that for violating the spirit of the program and potentially breaking the law. "I really fault the borrowers," Mnuchin said. "It's the borrowers who have criminal liability if they made this certification and it's not true."

Yet pursuing criminal claims against those who were approved for funds based on the government's own rules at the time will be a heavy lift. "The problem for businesses applying for PPP loans was there was no specific guidance on how exactly the loan applicant should determine — and certify — that a loan was 'necessary.' " said Peter S. Hyun, a lawyer at Wiley who represents companies facing government enforcement actions.

Mnuchin's threat of legal action is likely to further complicate a program that has been marred by confusion and errors since it was first rolled out over a week in early April. Bank industry groups said Tuesday that the SBA's systems remained balky and that many lenders were getting locked out after 10 minutes of submitting applications. The Treasury Department's effort to claw back some of the money has only compounded the problems, adding another layer of confusion for financial institutions that were encouraged by the government to get out loans fast.

"The No. 1 thing Treasury wanted us to do was to get money out the door," said Richard Hunt, president of the Consumer Bankers Association, noting that money was not always going where Congress intended because banks were instructed to honor the certifications made by borrowers. "It's not like you can just open up the vault and say, 'Here you go, America.' " In retrospect, he said, the government should have given money directly to businesses or offered even more generous economic stimulus payments or unemployment insurance.

Megan Jeschke, a defense lawyer at Holland & Knight, said it was not clear that large companies or the banks were at fault for applying for loans. "I do think there is some ambiguity in the certification requirement to show necessity to maintain ongoing operations," she said. "It doesn't say the company has to be facing furloughed employees, it doesn't require that they be facing imminent closure and it didn't require them to seek capital from other locations."

Adding to the pressure on Mnuchin is that the program is quickly running out of funds again and it is not clear whether Congress will refill the pot like the last time.

Lawmakers have already expressed concern about the program, with House Democrats notifying bank executives this month that they will be requesting documents and are worried "megabanks" are favoring certain customers and shutting out others.

Sen. Marco Rubio, R-Fla., the chairman of the Senate Committee on Small Business and Entrepreneurship, said last week that he would use subpoena power to oversee the program and determine if companies made false certifications to the federal government to receive loans.

On Tuesday, Sen. Josh Hawley, R-Mo., criticized the Small Business Administration for failing to fix its technology problems and appearing to give preference to big banks. "My patience has run out with the mismanagement of the PPP," Hawley said on Twitter. "Small banks AGAIN locked out for hours at a time while their small customers wait."

On a conference call with the Senate Democratic Caucus on Tuesday, Sen. Chuck Schumer of New York, the minority leader, said that Democrats must demand oversight hearings about the small-business program with Mnuchin as a witness. "We must hold the administration accountable for the mistakes they are making on the Small Business program, hospitals, testing, and more," Schumer said, according to a person who was on the call. Democrats had pushed for more money to be allocated to the program at the start and they sought to bolster the SBA's disaster grant fund so the agency would be less reliant on banks as intermediaries.

"Treasury was wrong," Sen. Ben Cardin of Maryland, the top Democrat on the Senate Committee on Small Banking and Entrepreneurship, said in an interview. "They misjudged the cost of the program from the beginning."

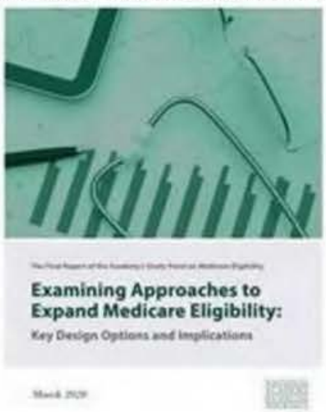
This article originally appeared in The New York Times.

–Bill

Cell: (b)(6) [redacted]

William J. Arnone
Chief Executive Officer
National Academy of Social Insurance
Direct: 202-243-7007
1200 New Hampshire Avenue, NW - Suite 830
Washington, DC 20036
https://hyperlink.services.treasury.gov/agency.do?origin=www.nasi.org @socialinsurance

Learn more about the Academy's new report on Examining Approaches to Expand Medicare Eligibility.



Fwd: Paycheck Protection Program 501(c) organization eligibility

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: "Clark, Joseph" <joseph.clark2@treasury.gov>
Cc: "Callanan, Brian" <brian.callanan@treasury.gov>
Date: Fri, 01 May 2020 13:59:20 -0400

Not sure if a related c3 issue.

From: Brendan Flinn (b)(6) [redacted]
Date: May 1, 2020 at 1:17:14 PM EDT
To: jovita.carranza@sba.gov <jovita.carranza@sba.gov>, Secretary Mnuchin [redacted]
Cc: Ruth Katz (b)(6) [redacted] Katie Sloan (b)(6) [redacted]
Subject: Paycheck Protection Program 501(c) organ[redacted]

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

Dear Secretary Mnuchin and Administrator Carranza:

On behalf of LeadingAge President and CEO Katie Smith Sloan, please see the letter below and attached requesting that the Department of Treasury and the Small Business Administration confirm the eligibility of certain 501(c)(3) not-for-profit organizations for the Paycheck Protection Program:

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your leadership and efforts to address the coronavirus crisis, which poses a grave and growing threat to millions of older adults and the people who care for them. I write today on behalf of LeadingAge members to request that the Department of the Treasury (Treasury) and the Small Business Administration (SBA) confirm the eligibility of 501(c)(3) not-for-profit organizations that provide affordable senior housing for the Paycheck Protection Program.

LeadingAge represents more than 5,000 not-for-profit providers of aging services, including nursing homes, assisted living, providers of HUD-assisted senior housing, life plan communities, community-based services providers, home health and hospice – the entire continuum of care for older adults. Our membership includes about 2,000 501(c)(3) not-for-profit organizations that provide affordable housing to older adults.

Under the leadership of Treasury and SBA, the Paycheck Protection Program has provided a crucial lifeline to millions of small entities across the country as the COVID-19 pandemic continues, including several 501(c)(3) not-for-profit aging services providers within the LeadingAge membership.

We understand Paycheck Protection Program eligibility for small business concerns (e.g., for-profit organizations) conforms to eligibility for SBA 7(a) loans and as such, for-profit housing companies are not eligible for the Paycheck Protection Program. In addition to small business concerns, the CARES Act extends Paycheck Protection Program eligibility to 501(c)(3) not-for-profit organizations and does not apply 7(a) eligibility criteria to these entities.

While 501(c)(3) not-for-profit organizations are held to the size limitations of the Paycheck Protection Program (e.g., the 500 employee limit), entities such as not-for-profit affordable housing organizations are **not**, by virtue of their 501(c)(3) status, small business concerns and therefore should not be excluded from this vital program for this reason.

Approximately 1.6 million older adults reside in HUD-assisted communities. LeadingAge estimates that more than half of HUD-assisted seniors live in communities owned by not-for-profit organizations, many of whom are LeadingAge members. These not-for-profit organizations are, like other aging services providers, on the front lines of battling COVID-19 and require Paycheck Protection Program loans to meet their residents' needs through this crisis. Ensuring the survival of not-for-profit senior housing providers is critical. LeadingAge members often have waiting lists of two to five years and only one of every three older adults eligible for housing assistance receives it because the programs are too small to meet the need. We cannot afford to lose any not-for-profit senior housing provider because of this pandemic.

LeadingAge understands that several of our 501(c)(3) not-for-profit affordable housing organization members have received Paycheck Protection Program loans. In addition, guidance from the Department of Housing and Urban Development (HUD)[1] suggests that the department is taking steps to remove any HUD regulatory barriers for affordable housing communities seeking Paycheck Protection Program loans. At the same time, our members have also heard mixed feedback from federal agencies and from public discussion of the program as to whether they are actually eligible for these loans.

We seek clarity on this issue and confirmation from Treasury and SBA that these particular 501(c)(3) not-for-profit organizations are eligible for the Paycheck Protection Program.

Guidance from Treasury [2] suggests that May 7 is the last day that Paycheck Protection Program participants may return their loan funds and be deemed by SBA to have acted "in good faith." Because of this deadline, we seek clarity on this matter by May 5 so that our members can plan to act accordingly.

Please contact me or have your staff contact Ruth Katz, SVP for Policy, at (b)(6) [redacted] or 202-508-9470 with any follow up or questions.

Sincerely,

Katie Smith Sloan
President and CEO

LeadingAge
(b)(6) [redacted]

cc:
Ben Carson, Secretary, U.S. Department of Housing and Urban Development

Brendan Flinn | Director of Medicaid and Home and Community-Based Services Policy | LeadingAge | LeadingAge.org
202-508-1205 | (b)(6) [redacted]

---

[1] Page 9, Questions and Answers for Office of Multifamily Housing Stakeholders, *"HUD is reviewing its subordinate financing requirements for compatibility with the SBA PPP program and has given Multifamily field staff guidance to approve SBA PPP loans without limiting repayment to surplus cash for borrowers with market rate properties."* https://www.hud.gov/sites/dfiles/Housing/documents/HUD_Multifamily_Corona_QA_FINAL.pdf

[2] Page 11, Paycheck Protection Program Loans Frequently Asked Questions, *"Any borrower that applied for a PPP loan prior to the issuance of this guidance and repays the loan in full by May 7, 2020 will be deemed by SBA to have made the required certification in good faith."*
https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf

RE: Democrats aim to squeeze Republicans on next coronavirus relief package

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Pinter, Kimberly" <kimberly.pinter@treasury.gov>
Date: Tue, 05 May 2020 13:55:45 -0400

(b)(5) DP (b)(6) [redacted]

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Sent: Tuesday, May 5, 2020 1:40 PM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: FW: Democrats aim to squeeze Republicans on next coronavirus relief package

(b)(5) DP [redacted]

Kimberly

From: POLITICO Pro
Sent: Monday, May 4, 2020 7:06:35 PM (UTC-05:00) Eastern Time (US & Canada)
To: (b)(6) [redacted]
Subject: [redacted] aim to squeeze Republicans on next coronavirus relief package

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

Democrats aim to squeeze Republicans on next coronavirus relief package

By Heather Caygle, Sarah Ferris

05/04/2020 07:05 PM EDT

Top House Democrats on Monday signaled they are forging ahead with the next sweeping coronavirus relief package, aiming to up the pressure on GOP leaders who have rejected Democratic priorities in previous aid bills.

On a private call with members Monday afternoon, Speaker Nancy Pelosi and her deputies sketched the outline of a trillion-dollar-plus package that would deliver aid to state and local governments — some on the brink of public service cuts — while shoring up safety net programs for the nation's most vulnerable.

"We have to think big," Pelosi told her members several times on the call.

Pelosi is pushing committee chairs to finalize their portions by close of business Monday with hopes of pulling together a final package by week's end, according to multiple Democratic lawmakers and aides. The bill could reach the floor for a vote as soon as next week, although several top Democrats are skeptical of that timeline given the scope of the legislation and uncertainty over when the House will come back to Washington.

Pelosi has said she wants to bring the House back as soon as next week but coronavirus cases in the area continue to tick up in the Washington metro area. House Majority Leader Steny Hoyer told Democrats on the call Monday that he did not have a specific return date but stressed members would be given plenty of notice given the limited flight schedules.

Many lawmakers are still wary of returning to Washington, noting that Pelosi told them that the Capitol physician recommended they not return this week even as the Senate came back. But many say they are willing to return for a crucial vote on coronavirus aid, as they've done on two other occasions.

Democrats privately admit the expansive legislation is more of a policy wishlist than anything — much like a draft proposal Pelosi released in March — but say they hope to move before the Senate crafts legislation, laying down the starting point for bipartisan negotiations.

"Whether it's access to credit or access to care, we want to be sure that — as sad as this all is —that we make progress," Pelosi said on CNN Monday night, stressing the need to direct help to the neediest families and to alleviate economic disparities.

But they're already running into a wall of resistance from the GOP. Republicans are pushing for liability protections for businesses in the next round of talks, a "red line" for them that Democrats have already rejected. President Donald Trump on Sunday also demanded a payroll tax cut in the next bill, something that has previously been rejected by lawmakers in both parties.

And some Republicans won't even commit to supporting another coronavirus relief package, with House Minority Leader Kevin McCarthy pushing a wait-and-see approach on Monday.

"I'm not saying there's not going to be another bill ... You just passed $3 trillion. You want to make sure that's implemented and implemented correctly," McCarthy said in a POLITICO Playbook interview Monday morning.

There are some moderate Democrats, too, who are anxious about voting on a sharply partisan package in the middle of a national crisis that has killed nearly 70,000 people and infected 1.2 million in the U.S. Several were hit by fierce GOP attacks in a previous round of negotiations, after Pelosi sought policies like stricter carbon emissions rules for airlines that Republicans falsely dubbed "the Green New Deal."

Republicans also criticized Democrats for holding up passage of the $484 billion relief package in April as Democrats fought for hundreds of millions of dollars in aid to hospitals.

In the call on Monday, Pelosi stressed the "ethics" of the next relief package, saying Democrats were focusing on an "ethical approach to saving lives ... to how this money is distributed ... and to how drugs are administered," according to sources on the call.

House Democrats are eager to shape the next round of relief after Senate Majority Leader Mitch McConnell largely dictated the terms of the last bill, which replenished a small business relief program that had run dry.

Some lawmakers fear that fund, the Paycheck Protection Program, could run out again in the coming days — which Democrats hope will force Republicans back to the negotiating table, even as McConnell and McCarthy have said they preferred to wait to approve another massive rescue package.

The legislative battle over the fifth tranche of coronavirus relief has taken place with nearly every member of the House remaining homebound in their districts with little power to influence the negotiations. But that is expected to change next week.

The Capitol physician sent lawmakers a lengthy document on Friday for when the House does return. The guidance included limiting in-person office staff as much as possible, installing plexiglass shields, consulting with the Capitol architect on whether each office receives proper air circulation and encouraging aides and visitors to wear masks.

Lawmakers and staff are also encouraged to take their temperatures regularly in addition to completing a "yes or no" self-assessment that lists common coronavirus symptoms.

But Pelosi and McConnell turned down the administration's offer to supply the two chambers with rapid coronavirus testing over the weekend, even as the Capitol physician has said he lacks enough tests to proactively check lawmakers for the coronavirus. In rejecting the offer, the congressional leaders cited the need for those tests to be sent to "front-line" facilities that need them more.

The Senate, meanwhile, has returned to Washington on Monday to resume consideration of a string of President Donald Trump's nominees and to begin holding hearings on the federal coronavirus response.

House members watched anxiously as the Senate returned, with senators in masks, large signs posted in the basement outlining social distancing recommendations and yellow stickers on the floor noting where reporters should stand. But not everyone was following the recommended protocol — several Capitol police officers were seen on duty without wearing masks, even in tight quarters where social distancing was nearly impossible.

Among members of the House, there is a fierce internal debate about exactly when and how to return to business.

A group of vocal Democrats and Republicans have been adamant that the House return as quickly as possible to normal businesses. That includes some of the most endangered lawmakers heading into the November election, eager to show voters back home that they're actively engaged in the response.

"We are really glad that Congress is getting back to work in Washington, and we hope that this will be a return to regular order," said Rep. Stephanie Murphy (D-Fla.), a co-chair of the Blue Dogs Coalition, in a call with reporters Monday.

But a broader group — described by one lawmaker as the "silent majority" — has real concerns about returning to the Capitol as the public health crisis rages on. Washington, D.C. is under strict social distancing guidelines until at least May 15, and likely longer. The number of coronavirus cases across D.C., Maryland and Virginia continues to rise, with more than 2,200 deaths reported.

The level of alarm across both parties has been so sharp that last week it prompted House Democratic leaders to reverse their initial plan to bring lawmakers back by Monday.

John Bresnahan and Melanie Zanona contributed to this report.

To view online:
https://hyperlink.services.treasury.gov/agency.do?origin=https://subscriber.politicopro.com/education/article/2020/05/democrats-aim-to-squeeze-republicans-on-next-coronavirus-relief-package-1931734

You received this POLITICO Pro content because your customized settings include: Elections. To change your alert settings, please go to https://hyperlink.services.treasury.gov/agency.do?origin=https://subscriber.politicopro.com/settings.

This email was sent to (b)(6) [redacted]@treasury.gov by:
POLITICO, LLC
1000 Wilson Blvd.
Arlington, VA 22209
USA

(b)(5) DP

[redacted]

UST_001101

Re: White House Coronavirus Task Force

From: [redacted]"/o=ustreasury/ou=exchange administrative group [redacted]/cn=recipients/cn=1218b249aa8a43f9b69b29005eabf6fc[redacted]
To: [redacted] <bradley.wendt@treasury.gov>
Cc: "Myers, Baylor" <baylor.myers@treasury.gov>
Date: Wed, 06 May 2020 18:04:02 -0400

Brad, you are right! I have already sent your info to the White House as someone who would be a good fit at DPC. I will make sure they know you are interested in the position!

From: Wendt, Bradley <Bradley.Wendt@treasury.gov>
Date: May 6, 2020 at 11:01:57 AM EDT
To: [redacted]@treasury.gov>
Cc: Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: White House Coronavirus Task Force

Hi [redacted]

[redacted]

Best regards, Brad

[redacted] teleworking
Email [redacted]Treasury.gov
Cell: [redacted]

[redacted]
Senior Advisor to the Under Secretary
U.S. Department of the Treasury
Cell: [redacted]
Office: (202) 622-0873
[redacted]treasury.gov

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Thursday, April 30, 2020 1:26 PM
To: [redacted]@treasury.gov>; [redacted]@treasury.gov>
Subject: RE: Checking In

Good to know. [redacted]ubmitted your information to PPO. I'll let him follow up when we have feedback.

From [redacted]treasury.gov>
Sent: Thursday, April 30, 2020 11:59 AM
To: Myers, Baylor <Baylor.Myers@treasury.gov>; [redacted]@treasury.gov>
Subject: RE: Checking In

Hi Baylor,

[redacted]

Thank you!

Best regards, Brad

[redacted] is teleworking

Email: [redacted]@Treasury.gov
Cell: [redacted]

[redacted]
Senior Advisor to the Under Secretary
U.S. Department of the Treasury
Cell: [redacted]
Office: (202) 622-0873
[redacted]@treasury.gov

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Thursday, April 30, 2020 8:41 AM
To: [redacted]@treasury.gov>; [redacted]@treasury.gov>
Subject: RE: Checking In

Thanks for the update. What exact date is that?

From: [redacted]@treasury.gov>
Sent: Thursday, April 30, 2020 7:30 AM
To: [redacted]@treasury.gov>; Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: Checking In

Hi [redacted]nd Baylor,

Following up on last week's conversation,

[redacted]

I remain highly enthusiastic regarding the potential opportunities we discussed.
Pease let me know if I can assist in expediting the review.

Stay safe and health.
Thank you!

Best regards, Brad

[redacted] **is teleworking**
Email: [redacted]@Treasury.gov
Cell [redacted]

[redacted]
Senior Advisor to the Under Secretary
Office of Domestic Finance
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington D.C. 20220
Cell: [redacted]
Office: (202) 622-0873
[redacted]@treasury.gov

UST_001103

RELEASE: Bennet, Young Announce Major New Proposals to Support Hardest-Hit Small and Mid-Sized Businesses

From:	Press (Bennet) <press_@bennet.senate.gov>
To:	Press (Bennet) <press_@bennet.senate.gov>
Date:	Tue, 05 May 2020 16:17:28 -0400

FOR IMMEDIATE RELEASE
Tuesday, May 5, 2020

Courtney Gidner / Kate Oehl (Bennet) – 202-224-5852
Amy Grappone (Young) – 202-228-0223

Bennet, Young Announce Major New Proposals to Support Hardest-Hit Small and Mid-Sized Businesses

Proposals Include Key Fixes to PPP and Bold New RESTART Program to Support Businesses in Second Half of 2020

Washington, D.C. – Today, U.S. Senators Michael Bennet (D-Colo.) and Todd Young (R-Ind.) announced bold new proposals to support the small- and mid-sized businesses most affected by the Coronavirus Disease 2019 (COVID-19) crisis. The Bennet-Young plan includes a new RESTART loan program to provide funding to jump-start the hardest-hit businesses for the remainder of 2020 and provide loan forgiveness as a backstop against ongoing difficulties. It would also make enhancements to the Paycheck Protection Program (PPP) to support restaurants and other deeply affected businesses.

"With a simple change to the Paycheck Protection Program – doubling the amount of time hard-hit businesses have to deploy their funds – we can help restaurants, gyms, mom-and-pops, and other Main Street businesses weather these difficult times," **said Bennet**. "At the same time, we need a long-term strategy to help businesses ramp back up in the second half of the year and provide some assurance they'll be able to survive the uncertainty they face. Our new RESTART Program will provide flexible funding with a longer repayment period to Main Street businesses that took a big financial hit, so they can relaunch and rehire their workers when it's safe to do so."

"The Paycheck Protection Program is working for many small businesses, but we know more needs to be done. The RESTART Act will go a step further by helping to provide longer-term loans to businesses and non-profits that are experiencing economic hardship due to the coronavirus pandemic. Millions of Americans have lost their jobs, and our goal is to revitalize the economy and get them back to work as quickly as possible," **said Young.**

Summary of New Proposals:

Near-Term Fix to PPP for Hardest-Hit Businesses

Background : PPP has an 8-week "covered period" that begins immediately following the origination of a PPP loan. As funds were limited and there was much uncertainty, businesses rushed to apply and were unable to adjust the timing of their application to a point when they were actually prepared to relaunch their business. Payroll during this 8-week period is used to determine what amount of loan forgiveness a business receives. Businesses are also required to rehire their full headcount by June 30, 2020, regardless of whether their business is back up to anything near full capacity. Businesses that have already laid-off employees are having difficulty rehiring. Some businesses may be shuttered for most or even all of the 8-week period and may even be prohibited from operating at anything near full capacity by June 30, making the decision the rehire employees for a short timeframe even more difficult.

Proposal : Bennet and Young propose a simple fix to address a shortcoming of the PPP for many of the most-affected businesses: extend the 8-week covered period to deploy PPP funds and earn loan forgiveness to 16 weeks after the loan is disbursed for the hardest-hit businesses that have seen revenues decline by at least 25%.

Longer-Term Strategy: The RESTART Program

Background : The PPP has worked well for some businesses, but is often less effective for the businesses that should be receiving the most assistance – the smallest businesses or those who have seen revenues decline the most. Its limited duration will also leave many of the most-affected businesses without support in the difficult months ahead.

Proposal : Bennet and Young propose a new RESTART Program, to provide funding to cover the next 6 months of payroll, benefits, and fixed operating expenses for businesses that have taken a substantial revenue hit during the COVID-19 pandemic. A share of that loan will be forgiven based on the revenue losses suffered by the business in 2020, and the remainder can be repaid over 7 years, with no interest payments due in the first year and no principal due for the first two years. This program is designed to provide small- and medium-sized businesses with loans to get their businesses going again, and ensure that they receive loan forgiveness to help fill in a loss in revenues.

Following are the basic terms of the program:

Loan Terms/Amount/Eligibility:
- 7-year loan, capped at 45% of 2019 gross receipts up to $10 million
- 100% federal guarantee for life of the loan
- Employment cap of 5,000, with streamlined procedures for <500 employee firms
- No cap on loan size based on multiple of payrolls
- Self-certify a revenue loss (25% year-over-year, for at least three-month period)
- Interest Rates/Payment Schedule:
    - No principal payments required for 2 years
    - Fixed interest rate for first 2 years with a maximum rate of 4%
        - No interest payments due for first 12 months
        - Payments of interest only for next 12 months
            - Interest rate for years 3 to 7 is the Applicable Federal Rate (AFR) plus a spread of 250 – 450 bps, based on revenue decline
            - Restrictions on dividends/share buybacks/executive compensation for duration of loan with special rules for pass-thru entities.

Use of Funds:
- Businesses can borrow to pay costs for next 6 months, based on half of 2019 levels of:
    - Total payroll (up to $100k per employee)
    - Employee benefits (for both current and furloughed employees)
    - Rent
    - Utilities
    - Mortgage payments on existing mortgages as of February 15, 2020
    - Other scheduled debt service, as of February 15, 2020

Loan Forgiveness:
- Level of forgiveness based on loss in revenues and may be applied for within 2 years of loan origination
- No requirement to increase staffing beyond what business conditions dictate
- Smaller business forgiveness (<500 employees) more generous than larger businesses
    - Small Business Forgiveness based on a formula including percentage decline in revenues for Payroll + Benefits + Operating Costs.
    - Larger businesses follow same forgiveness, except for payroll (i.e. benefits and operating costs fully included but not payroll).
    - Nonprofits would have access to a loan, but would not be eligible for forgiveness. Instead, the loan terms would have a longer duration (e.g. up to 10 years) and/or a lower interest rate.

A more detailed summary of the Bennet-Young proposal and examples can be found HERE .

###

RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Pinter, Kimberly" <kimberly.pinter@treasury.gov>
Date: Fri, 08 May 2020 10:42:37 -0400

Thanks

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Date: May 8, 2020 at 10:38:32 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted]

From: Kautter, David <David.Kautter@treasury.gov>
Date: May 8, 2020 at 10:28:11 AM EDT
To: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

Thanks

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Date: May 8, 2020 at 10:27:01 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

I don't have Mike's cell, but I reached out by email and am awaiting either a call or his phone number.

From: Kautter, David <David.Kautter@treasury.gov>
Date: May 8, 2020 at 10:11:33 AM EDT
To: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted] (b)(6) [redacted]

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Sent: Friday, May 8, 2020 10:11 AM
To: Weiser, Carol <Carol.Weiser@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>; Vaughan, Frederick <Frederick.Vaughan@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Cc: Morrison, Helen <Helen.Morrison2@treasury.gov>
Subject: Re: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

Thank you!

From: Weiser, Carol <Carol.Weiser@treasury.gov>
Date: May 8, 2020 at 10:07:14 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>, Pinter, Kimberly <Kimberly.Pinter@treasury.gov>, (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>, Vaughan, Frederick <Frederick.Vaughan@treasury.gov>, Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Cc: (b)(6) [redacted]@treasury.gov>
Subject: FW: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

Three revised FAQs re the employee retention credit have been posted. They address the ability of an employer to claim the credit if the only qualified wages paid are health plan expenses, as well as the ability to claim the credit if a PPP loan is repaid by the extended safe harbor date of May 14, 2020.

Please let us know if you have any questions.

From: Guidewire <irs@service.govdelivery.com>
Sent: Friday, May 8, 2020 10:00 AM
To: Weiser, Carol <Carol.Weiser@treasury.gov>
Subject: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

IRS GuideWire May 8, 2020

News Essentials

What's Hot
News Releases
IRS - The Basics
IRS Guidance
Media Contacts
Facts & Figures
Around The Nation
e-News Subscriptions

IRS Resources

Compliance & Enforcement
Contact My Local Office
Filing Options
Forms & Instructions
Frequently Asked Questions
News
Taxpayer Advocate
Where to File

Issue Number: IRS FAQs 64, 65 and 79

Inside This Issue

The Internal Revenue Service updated FAQs #64 and #65 regarding the COVID-19 Employee Retention Credit for how eligible employers treat health care expenses.

Also, the IRS has added a new FAQ #79 regarding businesses that repay their Paycheck Protection Program loan by May 14, 2020.

Back to Top

Thank you for subscribing to IRS GuideWire, an IRS e-mail service. If you are a Tax Professional and have a specific concern about your tax situation, call the IRS Practitioner Priority Service 1-866-860-4259.

This message was distributed automatically from the IRS GuideWire mailing list. **Please Do Not Reply To This Message.**

RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: [redacted]@treasury.gov>
Date: Fri, 08 May 2020 13:05:12 -0400

(b)(5) DP [redacted] (b)(6) [redacted] I have calls from 1:30 to 2:00 PM and 2:30 to 3:00

From: (b)(6) [redacted]@treasury.gov>
Sent: [redacted]
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted]

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Friday, May 8, 2020 12:42 PM
To: (b)(6) [redacted]@treasury.gov>
Subject: FW: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted]

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Sent: Friday, May 8, 2020 11:19 AM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted]

Kimberly

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Friday, May 8, 2020 10:43 AM
To: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

Thanks

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Date: May 8, 2020 at 10:38:32 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted]

From: Kautter, David <David.Kautter@treasury.gov>
Date: May 8, 2020 at 10:28:11 AM EDT
To: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

Thanks

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>

Date: May 8, 2020 at 10:27:01 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted]

From: Kautter, David <David.Kautter@treasury.gov>
Date: May 8, 2020 at 10:11:33 AM EDT
To: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Subject: RE: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

(b)(5) DP [redacted] (b)(6) [redacted]

From: Pinter, Kimberly <Kimberly.Pinter@treasury.gov>
Sent: Friday, May 8, 2020 10:11 AM
To: Weiser, Carol <Carol.Weiser@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Prus, Julia (b)(6) [redacted]@treasury.gov>; Vaughan, Frederick <Frederick.Vaughan@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Cc: (b)(6) [redacted]@treasury.gov>
Subject: Re: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

Thank you!

From: Weiser, Carol <Carol.Weiser@treasury.gov>
Date: May 8, 2020 at 10:07:14 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>, Pinter, Kimberly <Kimberly.Pinter@treasury.gov> (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>, Vaughan, Frederick <Frederick.Vaughan@treasury.gov>, Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Cc: Morrison, Helen <Helen.Morrison2@treasury.gov>
Subject: FW: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

Three revised FAQs re the employee retention credit have been posted. They address the ability of an employer to claim the credit if the only qualified wages paid are health plan expenses, as well as the ability to claim the credit if a PPP loan is repaid by the extended safe harbor date of May 14, 2020.

Please let us know if you have any questions.

From: Guidewire <irs@service.govdelivery.com>
Sent: Friday, May 8, 2020 10:00 AM
To: Weiser, Carol <Carol.Weiser@treasury.gov>
Subject: IRS FAQs -- Employee Retention Credit & Businesses that Repay PPP loans by May 14

IRS GuideWire May 8, 2020

News Essentials

What's Hot

News Releases

IRS - The Basics

IRS Guidance

Media Contacts

Issue Number: IRS FAQs 64, 65 and 79

Inside This Issue

The Internal Revenue Service updated FAQs #64 and #65 regarding the COVID-19 Employee Retention Credit for how eligible employers treat health care expenses.

Also, the IRS has added a new FAQ #79 regarding businesses

Facts & Figures

Around The Nation

e-News Subscriptions

IRS Resources

Compliance & Enforcement

Contact My Local Office

Filing Options

Forms & Instructions

Frequently Asked Questions

News

Taxpayer Advocate

Where to File

that repay their Paycheck Protection Program loan by May 14, 2020.

Back to Top

Thank you for subscribing to IRS GuideWire, an IRS e-mail service. If you are a Tax Professional and have a specific concern about your tax situation, call the IRS Practitioner Priority Service 1-866-860-4259.

This message was distributed automatically from the IRS GuideWire mailing list. **Please Do Not Reply To This Message.**

FW: Community Health Needs Assessment (CHNA) Deadlines

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>, "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Date: Fri, 08 May 2020 14:29:22 -0400

(b)(5) DP [redacted]

From: Warren, Mark (Finance) Senate email [redacted]
Sent: Friday, May 8, 2020 2:25 PM
To: Kautter, David <David.Kautter@treasury.gov>; Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>
Subject: FW: Community Health Needs Assessment (CHNA) Deadlines

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

Gentlemen – We received the attached from various hospital groups regarding the filing deadlines related to the community health needs assessment (CHNA). This does not appear to have been covered in the prior extensions. If you could see about aligning this filing deadline with the others on July 15th, that would be important relief for these healthcare providers who have a few other things going on right now.

Many thanks, as always, for everything you are doing.

Mark

From: Kuntz, Sherry (Grassley) Senate email [redacted]>
Sent: Friday, May 8, 2020 1:29 [redacted]
To: Warren, Mark (Finance) Senate email [redacted]
Cc: Baker, Brett (Finance) Senate email [redacted]
Subject: FW: Community Health Needs Assessment (CHNA) Deadlines

Mark,

I don't know who on the tax staff would handle this issue so am forwarding to you and copying Brett for his awareness as he is work with them on many other issues. I have told them that I had forwarded to Senator Grassley's tax team and someone would get back to them.

Thanks,
Sherry

From: Nadipuram,Abhay <NadipuramA@ihaonline.org>
Sent: Friday, May 8, 2020 1:25 PM
To: Kuntz, Sherry (Grassley) Senate email [redacted]; Brown, Tyler (Ernst) Senate email [redacted]
Cc: Cubit,Erin <cubite@ihaonline.org>; Keehnle, Maureen <keehnlem@ihaonline.org>
Subject: Community Health Needs Assessment (CHNA) Deadlines

Sherry and Tyler:

Hope you're having a good week. Thanks for your continued assistance with all things related to the public health emergency.

Since we have a couple of hospitals that have reached out about this issue, I wanted to bring this to your attention and see if Senators Grassley and Ernst can help. On March 31, AHA, AAMC, and CHA sent this letter (also attached) to Secretary Mnuchin and IRS Commissioner Rettig requesting an extension of certain tax form filings that our non-profit, tax exempt hospitals must file on an annual basis. While the IRS has extended many deadlines through IRS notices, it appears that none of the notices contain extensions for deadlines related to the community health needs assessment (CHNA). The Patient Protection and Affordable Care Act of 2010 (ACA) requires tax-exempt hospitals to conduct a CHNA every 3 years. As you can imagine, our hospitals are short on resources right now to meet the CHNA deadlines that are coming up (some as early as May 15). Would the Senators or members of your staffs be able to help us advocate for AHA's proposal outlined in its letter to have IRS extend those deadlines and/or use its enforcement discretion to not penalize hospitals if they are unable to meet the deadlines? It would certainly assist our hospitals by allowing them to focus their resources on responding to the COVID-19-related needs of their communities at this time.

Please don't hesitate to reach out if you have any questions. Thanks, as always, for your time and consideration. I hope you both have a good weekend.

Abhay

Abhay M. Nadipuram

Vice President, Government Relations and Legal Counsel
515-288-1955 | [redacted] www.ihaonline.org

Email Signature_COVID-19

RE: Community Health Needs Assessment (CHNA) Deadlines

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>
Date: Fri, 08 May 2020 16:15:35 -0400

Okay, thanks

From: Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Sent: Friday, May 8, 2020 4:12 PM
To: Kautter, David <David.Kautter@treasury.gov>; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Subject: RE: Community Health Needs Assessment (CHNA) Deadlines

Dave,

(b)(5) DP [redacted]

Thanks, Jeff

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Friday, May 8, 2020 2:29 PM
To: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Subject: FW: Community Health Needs Assessment (CHNA) Deadlines

(b)(5) DP [redacted]

From: Warren, Mark (Finance) Senate email [redacted]
Sent: Friday, May 8, 2020 2:25 PM
To: Kautter, David <David.Kautter@treasury.gov>; Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>
Subject: FW: Community Health Needs Assessment (CHNA) Deadlines

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

Gentlemen – We received the attached from various hospital groups regarding the filing deadlines related to the community health needs assessment (CHNA). This does not appear to have been covered in the prior extensions. If you could see about aligning this filing deadline with the others on July 15th, that would be important relief for these healthcare providers who have a few other things going on right now.

Many thanks, as always, for everything you are doing.

Mark

From: Kuntz, Sherry (Grassley) Senate email [redacted]
Sent: Friday, May 8, 2020 1:29 PM
To: Warren, Mark (Finance) Senate email [redacted]
Cc: Baker, Brett (Finance) Senate email [redacted]
Subject: FW: Community Health Needs Assessment (CHNA) Deadlines

Mark,

I don't know who on the tax staff would handle this issue so am forwarding to you and copying Brett for his awareness as he is work with them on many other issues. I have told them that I had forwarded to Senator Grassley's tax team and someone would get back to them.

Thanks,
Sherry

From: Nadipuram,Abhay <NadipuramA@ihaonline.org>
Sent: Friday, May 8, 2020 1:25 PM
To: Kuntz, Sherry (Grassley) Senate email [redacted]; Brown, Tyler (Ernst) Senate email [redacted]

Cc: Cubit,Erin <cubite@ihaonline.org>; Keehnle, Maureen <keehnlem@ihaonline.org>
Subject: Community Health Needs Assessment (CHNA) Deadlines

Sherry and Tyler:

Hope you're having a good week. Thanks for your continued assistance with all things related to the public health emergency.

Since we have a couple of hospitals that have reached out about this issue, I wanted to bring this to your attention and see if Senators Grassley and Ernst can help. On March 31, AHA, AAMC, and CHA sent this letter (also attached) to Secretary Mnuchin and IRS Commissioner Rettig requesting an extension of certain tax form filings that our non-profit, tax exempt hospitals must file on an annual basis. While the IRS has extended many deadlines through IRS notices, it appears that none of the notices contain extensions for deadlines related to the community health needs assessment (CHNA). The Patient Protection and Affordable Care Act of 2010 (ACA) requires tax-exempt hospitals to conduct a CHNA every 3 years. As you can imagine, our hospitals are short on resources right now to meet the CHNA deadlines that are coming up (some as early as May 15). Would the Senators or members of your staffs be able to help us advocate for AHA's proposal outlined in its letter to have IRS extend those deadlines and/or use its enforcement discretion to not penalize hospitals if they are unable to meet the deadlines? It would certainly assist our hospitals by allowing them to focus their resources on responding to the COVID-19-related needs of their communities at this time.

Please don't hesitate to reach out if you have any questions. Thanks, as always, for your time and consideration. I hope you both have a good weekend.

Abhay

Abhay M. Nadipuram
Vice President, Government Relations and Legal Counsel
515-288-1955 | Cell: (b)(6) [redacted] www.ihaonline.org

Email Signature_COVID-19

Re: PPP Ideas

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: Secretary Mnuchin "Callanan, Brian" <brian.callanan@treasury.gov>
Date: Sun, 10 May 2020 16:38:27 -0400

(b)(5) DP

From: Secretary Mnuchin
Date: May 10, 2020 at 4:24:37 PM EDT
To: Callanan, Brian <Brian.Callanan@treasury.gov>, Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: FW: PPP Ideas

From: Lankford, James (Lankford) Senate email
Sent: Sunday, May 10, 2020 4:16 PM
To: Secretary Mnuchin
Subject: PPP Ideas

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

Stephen,

After our conversation yesterday, I contacted several businesses and non-profits in my state to get a perspective of how the proposed safe harbors would work for them. They are all truly small and all have legitimate need in this time. What I heard over and over was, I could have shut down, laid off all our workers and saved cash to try to re-open when the COVID19 storm passed, but the Paycheck Protection Program gave me the confidence to keep my workers paid and to plan for re-opening.

Specifically, I would ask:

A. Give the non-profits the same safe harbors as the for-profit businesses, especially the safe harbor that if they took a PPP loan of $2 million or less, they have reduced revenue, average employee payroll or $75,000 or less and fewer than 250 employees they should have safe harbor.

B. Many in the non-profit sector will have problems with "75% of their revenue derived from contributions"; that percentage should go down to 60%. The reason for that is participant fees and endowments. An example might be an institution that has a 10% endowment (which has collapsed in the new market reality), but they host summer camps, day camps, child care, gym fees, etc. All of those would be participant fees. They may get 60% of their money from contributions, but it would not be uncommon for most non-profits to also charge something (even if it greatly reduced) for participant fees. Their participant fees could easily be 20% of budget, which, if they had an endowment of 10% would make them exceed the safe harbor.

C. I understand that you have a concern that wealthy / well endowed educational institutions will take out the PPP; a special carve out / notation could be done for education institutions, so that the only safe harbor that applies to them is the education safe harbor. That would maintain the pressure on those intuitions, but it would not limit other non-profits who have small endowments and small participant fees, but are predominantly contribution financed.

D. The exemption for healthcare related non-profits will need clarification. Many non-profits in the inner city have dental care, mental health care and / or medical screening as part of their mission. They may be predominately a neighborhood services organization that specializes in job training, housing or meal service, but at least a portion of their task is healthcare related or health referrals. They will need clarity on how the healthcare safe harbor will that be evaluated. Is it all healthcare, 50% healthcare, physical health only, mental health, dental, counseling, etc.?

E. Manufacturers in my state made two suggestions. (1) Raise the safe harbor to $2.5 million, from $2 million; they saw a real difference in the size and complexity of manufacturing companies that are over $2.5 million - (2). they also asked if only companies that are in the top 10% of PPP fund recipients for their category are open to audit, that leaves the very small companies in safe harbor. You could even put a revenue reduction requirement on the bottom 90% so that they had to have reduced revenue and be in the bottom 90% of companies in their PPP category.

I understand the goal you are trying to accomplish with the safe harbors, but I would like to make sure as many entities as possible do not reject / return this loan because they fall close to the lines of safe harbor. The safe harbors will be perceived as the only groups that qualify, rather than the only groups that do not need to be concerned about an audit, so the path has to be wide to meet the original congressional intent. If an entity took out the PPP, paid their staff and then feel forced to return it, just to be safe; they are in a worse position at the end than they were at the beginning.

Companies are already very upset about the tax treatment and that they cannot write off their personnel expenses during this time, this could make the program even more toxic in the media and general public.

Thank you for allowing me to add specific recommendations / ideas.

James Lankford

RE: White House Coronavirus Task Force

From: (b)(6) [redacted] "/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=1218b249aa8a43f9b69b29005eabf6fc-(b)(6) [redacted]>
To: "Morgan, Annie E. EOP/WHO" WHO_EOP [redacted] "McLean, Sean L. EOP/WHO" <WHO_EOP [redacted]
Date: Tue, 12 May 2020 16:34:26 -0400

(b)(5) DP [redacted]

From: (b)(6) [redacted]@treasury.gov>
Sent: Wednesday, May 6, 2020 6:05 PM
To: Morgan, Annie E. EOP/WHO WHO_EOP [redacted] McLean, Sean L. EOP/WHO <WHO_EOP [redacted]
Subject: Fwd: White House Coronavirus Task Force

(b)(5) DP [redacted]

From: (b)(6) [redacted]@treasury.gov>
Date: May 6, 2020 at 11:01:57 AM EDT
To: (b)(6) [redacted]@treasury.gov>
Cc: Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: White House Coronavirus Task Force

Hi Alex,

(b)(5) DP [redacted]

Best regards, Brad

(b)(6) [redacted] is teleworking
Email: (b)(6) [redacted]t@Treasury.gov
Cell (b)(6) [redacted]

(b)(6) [redacted]
Senior Advisor to the Under Secretary
U.S. Department of the Treasury
Cell: (b)(6) [redacted]
Office: (202) 622-0873
(b)(6) [redacted]@treasury.gov

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Thursday, April 30, 2020 1:26 PM
To: (b)(6) [redacted]@treasury.gov>; (b)(6) [redacted]@treasury.gov>
Subject: RE: Checking In

Good to know. (b)(6) [redacted] submitted your information to PPO. I'll let him follow up when we have feedback.

From: (b)(6) [redacted]@treasury.gov>
Sent: Thursday, April 30, 2020 11:59 AM
To: Myers, Baylor <Baylor.Myers@treasury.gov>; (b)(6) [redacted]@treasury.gov>
Subject: RE: Checking In

Hi Baylor,

(b)(6) [redacted]

- [redacted]

Thank you!

Best regards, Brad

[redacted] is teleworking
Email: [redacted]@Treasury.gov
Cell: [redacted]

[redacted]
Senior Advisor to the Under Secretary
U.S. Department of the Treasury
Cell: [redacted]
Office: (202) 622-0873
bradley.wendt@treasury.gov

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Thursday, April 30, 2020 8:41 AM
To: [redacted]@treasury.gov>; [redacted]@treasury.gov>
Subject: RE: Checking In

Thanks for the update. What exact date is that?

From: [redacted]@treasury.gov>
Sent: Thursday, April 30, 2020 7:30 AM
To: [redacted]@treasury.gov>; Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: Checking In

Hi Alex and Baylor,

Following up on last week's conversation,

[redacted]

Stay safe and health.
Thank you!

Best regards, Brad

[redacted] is teleworking
Email: [redacted]@Treasury.gov
Cell: [redacted]

[redacted]
Senior Advisor to the Under Secretary
Office of Domestic Finance

U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington D.C. 20220
Cell: [redacted]
Office: (202) 622-0873
[redacted]t@treasury.gov

Fwd: FYSA- WAPO Editorial- It's time to take off the gloves against Chinese cybercrime

From:	justin.muzinich@treasury.gov
To:	Secretary [redacted]@treasury.gov>
Date:	Wed, 13 May 2020 13:12:46 -0400

Icymi

FYSA- Calls for Sanctions on Chinese Cybercrimes related to COVID-19

It's time to take off the gloves against Chinese cybercrime

By **Josh Rogin**

The U.S. government is reportedly set to accuse China's state-run hacking groups of attacking U.S. research institutions and pharmaceutical companies to steal novel coronavirus data, treatments and vaccines. This ought to be a wake-up call. The truth is that the United States has yet to use its strongest tools to punish and deter China from its widespread and continuing use of state-sponsored cybercrime.

The mere fact the Chinese government is attempting to steal coronavirus information should make clear that the blame for the lack of U.S.-China cooperation on the pandemic lies primarily on the Chinese side. China has restricted its own researchers from sharing coronavirus research and has refused to hand over early virus samples. Chinese research institutions have even tried to copy and patent leading U.S. drugs sent to China for trials.

Now, China is trying to steal coronavirus data from inside U.S. institutions through hacking and "nontraditional actors," according to a draft notice prepared by the FBI and the Department of Homeland Security (and seen by the New York Times). Assistant Attorney General for National Security John C. Demers didn't confirm the report, but he talked about the threat Monday on CNBC.

"It would be crazy to think that right now the Chinese were not behind some of the cyber activity that we're seeing targeting U.S. pharmaceutical companies and targeting research institutes around the country that are doing coronavirus research, treatments and vaccines," he said. "This is the holy grail of biomedical research right now, [and has] tremendous value both commercially and geopolitically."

Some argue science should be open and shared — especially during a worldwide pandemic — but Beijing clearly doesn't see it that way. The Chinese leadership knows that stealing research can net huge gains. China isn't the only country playing this game, but it is by far the worst offender.

That's why officials and experts are wondering why the U.S. government won't deploy its most powerful weapon for fighting cybercrime — U.S. Treasury Department sanctions — against Chinese entities the way it does for criminals in Russia, North Korea and Iran.

The Justice Department has indicted 38 Chinese companies or individuals for cyber-related economic or political espionage — but only two of them have faced Treasury Department sanctions, and those were for money laundering related to North Korea, according to new research published by the Foundation for the Defense of Democracies (FDD), a Washington-based conservative think tank. Compare that to 77 Russian, 30 Iranian and six North Korean entities sanctioned for the same crimes.

"The greatest disparity in Washington's use of sanctions and indictments against different adversaries is the infrequency with which the United States employs sanctions to combat Chinese hackers," the report states.

Treasury already has the authority to go after other Chinese criminals. President Barack Obama issued an executive order on this very topic in April 2015. Obama and Chinese President Xi Jinping signed an agreement at their September 2015 summit to cease all cyberespionage related to intellectual property theft, but Beijing has largely ignored its commitments.

The Justice Department under President Trump has ramped up prosecutions of Chinese cybercrimes and attempts to steal biomedical research. In January, the department arrested the head of Harvard's chemistry department for hiding his financial relationship with the Chinese government's Thousand Talents recruitment program; and a Chinese researcher was arrested at Boston Logan International Airport after he was caught with 21 vials of biomedical research samples stuffed in a sock in his luggage.

But the Justice Department can only get at the thieves who are actually in the United States. Their corporate or government bosses are going unpunished. In an April online event hosted by Future in Review, a consulting and research firm, Demers suggested that sanctions were needed to really stop the abuses.

"The goal here has to be to provide economic pain for economic pain," he said. "We have to use different tools across the government to really make sure we are denying the thief the benefit of his theft.

The problem goes well beyond biomedical research. The Justice Department has indicted Huawei, four of its subsidiaries and its chief financial officer for a long list of crimes, including evading U.S. sanctions on Iran, but there are no U.S. Treasury sanctions on Huawei. Comac, the Chinese state-owned airliner manufacturer, stole egregiously to build the plane it now sells to compete with Airbus and Boeing. But yet, no sanctions.

Trevor Logan, the co-author of the FDD report, said sanctions are effectively the only way we can deter many Chinese entities that are outside the reach of U.S. law enforcement. By holding back on sanctions, we are signaling to Beijing that it need not uphold the agreements it signs.
"Either we don't take a stand at all and those agreements are not worth the paper they are written on. Or we actually enforce our agreements in cyberspace," Logan said.

To be sure, sanctions carry costs and risks and should not be used flippantly. The U.S.-China economic relationship is complex, and our trade agreement with Beijing is still being tested. But China's attempts to hack our coronavirus research bring urgency to the need to show Beijing that it can't steal its way to economic dominance. As of now, China is clearly not getting the message.