

United States Senate

WASHINGTON, DC 20510

January 14, 2021

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd St, SW
Washington DC 20416

Dear Administrator Carranza,

We write to urge you to take precautions so that affiliates of Planned Parenthood, the nation's largest and most notorious abortion provider, do not receive loans under the Paycheck Protection Program (PPP), as they did earlier this year in defiance of the law.

The coronavirus relief package Congress passed on December 21 authorizes a second round of PPP loans for certain small businesses and non-profits that received and fully spent a PPP loan earlier this year. Eligibility requirements for these "second-draw" loans are similar to the requirements for initial loans authorized under the CARES Act. Generally speaking, applicants for the initial waves of PPP loans had to employ no more than 500 employees across all of their affiliates in order to be eligible for a loan; applicants for a second-draw loan must have no more than 300 employees across all of their affiliates. As before, applicants for a second-draw loan must self-certify that they are eligible to receive such a loan; the Small Business Administration has written that "incorrect or false eligibility certifications by borrowers are subject to severe penalties."¹

Planned Parenthood employs about 16,000 people nationwide.² The group's national organization, the Planned Parenthood Federation of America, jealously exercises control over local affiliates, subjecting them to uniform bylaws, accreditation, frequent reviews, and mandates about what services they must provide to remain part of the Federation, such as on-site abortion.³ Planned Parenthood affiliates thus are ineligible to receive PPP loans, as part of an affiliated group that employs far more people than the number allowed for an initial or second-draw PPP loan. This fact was admitted by none other than Planned Parenthood's political-action committee, the Planned Parenthood Action Fund, which wrote that the CARES Act "gives the Small Business Administration broad discretion to exclude Planned Parenthood affiliates and other non-profits serving people with low incomes and deny them benefits under the new small business loan program."⁴

Nonetheless, at least 37 Planned Parenthood affiliates illegally obtained more than \$80 million in taxpayer funds during the initial rounds of PPP by self-certifying their eligibility for the program. In response, the SBA determined that these affiliates were ineligible to receive PPP loans and

¹ <https://assets.documentcloud.org/documents/6922122/SBA-Letter-Planned-Parenthood-DC.pdf>

² https://www.rubio.senate.gov/public/_cache/files/9d64cdbe-b2a1-4fd9-8ad4-9828a72d996e/031942792F352A6A31240F2FC2822FF1.20.05.22-letter-to-administrator-carranza-re-planned-parenthood-investigation.pdf

³ <https://assets.documentcloud.org/documents/6922122/SBA-Letter-Planned-Parenthood-DC.pdf>

⁴ <https://www.cotton.senate.gov/imo/media/doc/200521%20SIGNED%20Cotton%2C%20Colleagues%20ltr%20to%20AG%20Barr%20re%20PPP%20loans.pdf>

issued letters informing them of the consequences of false certifications of eligibility, including repayment of loans, loss of loan forgiveness, and other civil and criminal penalties. Members of this body previously have urged you to investigate these false certifications of eligibility, recover the more than \$80 million in funds, and seek appropriate penalties against Planned Parenthood affiliates that broke the law.

An equally urgent task is to ensure Planned Parenthood affiliates do not receive additional PPP loans intended for struggling small businesses and non-profits. We therefore urge you to inform participating lenders that Planned Parenthood affiliates are ineligible to receive second-draw PPP loans, and encourage them to immediately notify SBA if a Planned Parenthood affiliate applies for such a loan through their institution. Furthermore, we urge you to refer any Planned Parenthood affiliate that applies for such a loan to the Department of Justice for prosecution. Planned Parenthood affiliates are well aware that they are ineligible to receive PPP loans, on the basis of SBA's letters and the frank admission of their political-action committee. Their attempts to apply for PPP loans are naked attempts to defraud the United States government.

Thank you for your tireless efforts to help small businesses and non-profits survive the Covid-19 pandemic. With appropriate precautions, we can ensure that additional relief funds go to those that need it, in accordance with the law, rather than to unscrupulous organizations like Planned Parenthood.

Sincerely,



Tom Cotton
United States Senator



John Barrasso
United States Senator



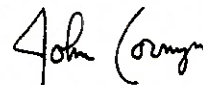
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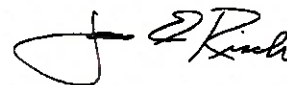
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