119TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
119–677

COVID FRAUD TRANSPARENCY ACT OF 2026

JUNE 3, 2026.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WILLIAMS of Texas, from the Committee on Small Business, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 826]

The Committee on Small Business, to whom was referred the bill (H.R. 826) to require the Inspector General of the Small Business Administration to submit a quarterly report on fraud relating to certain COVID–19 loans, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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69–006

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "COVID Fraud Transparency Act of 2026".

SEC. 2. REPORT ON FRAUD RELATING TO CERTAIN COVID–19 LOANS.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, and every 3 months thereafter, the Inspector General of the Small Business Administration shall submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate a report on the number of borrowers engaged in fraud with respect to a covered loan.

(b) ELEMENTS.—The report required under subsection (a) shall include, with respect to the period covered by such report—

(1) the number and total dollar amount of all covered loans made;
(2) the number of new cases of fraud and suspected fraud;
(3) the number of fraud cases resolved; and
(4) the types of fraud cases described in paragraphs (2) and (3).

(c) COVERED LOAN DEFINED.—In this section, the term "covered loan" means—

(1) a loan made under paragraph (36) or (37) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)); or
(2) a loan made under section 7(b) of such Act (15 U.S.C. 636(b)) in response to COVID–19 during the covered period (as defined in section 1110(a) of the CARES Act (15 U.S.C. 9009)).

(d) TERMINATION.—This Act and the requirements of this Act shall terminate on the date that is two years after the date of the enactment of this Act.

SEC. 3. COMPLIANCE WITH CUTGO.

No additional amounts are authorized to carry out this Act.

I. PURPOSE AND BILL SUMMARY

On January 28, 2025, Chairman Roger Williams (R–TX), Rep. George Latimer (D–NY), Rep. Aaron Bean (R–FL), and Rep. Kweisi Mfume (D–MD), introduced H.R. 826, the *COVID Fraud Transparency Act of 2025*. H.R. 826 requires the U.S. Small Business Administration (SBA) Office of Inspector General (OIG) to regularly report to Congress on fraud relating to COVID-era SBA loans such as Paycheck Protection Program loans and COVID–19 Economic Injury Disaster Loans (EIDL).

II. NEED FOR LEGISLATION

H.R. 826 requires the SBA OIG to submit quarterly reports to Congress on fraud relating to PPP loans and COVID-EIDL. The report must include number of loans made, the amount of money involved, and the number of fraud cases identified and resolved. It establishes a recurring quarterly reporting schedule and limits the requirements to a two-year period, using existing government resources rather than new funding.

According to the SBA OIG White Paper Report 23–09, *COVID–19 Pandemic EIDL and PPP Loan Fraud Landscape*, an estimated $200 billion in potentially fraudulent COVID–19 EIDLs and PPP loans were disbursed by the SBA. As the OIG continues to work on the tens of thousands of investigative leads into alleged fraud, waste, and abuse of taxpayer resources, Congress needs to be kept apprised of the extent of the fraud and the progress in resolving ongoing cases.

III. HEARINGS

The Committee on Small Business held the following hearings examining matters related to H.R. 826:

- On February 5, 2025, the Committee held a hearing titled "Hope on the Horizon: Prioritizing Small Business Growth in the 119th Congress."
- On December 16, 2025, the Committee held a hearing titled "American Resilience: Examining the SBA Disaster Assistance Program."

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on May 20, 2026, and ordered H.R. 826, as amended, to be reported favorably to the House of Representatives by a roll call vote of 23 ayes to 0 nos.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted to favorably report H.R. 826, as amended, to the House of Representatives at 4:12 PM.

The Committee considered the follow amendments to H.R. 826:

- Chairman Williams offered an amendment in the nature of a substitute to H.R. 826. This amendment was adopted by voice vote.

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)		
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)		
	Mr. Patronis (FL-01)	X	
	Mr. Fuller (GA-14)	X	
		12	
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Ms. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Ms. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)	X	
	Ms. Simon (CA-12)	X	
	Mr. Olszewski (MD-02)	X	
	Ms. Goodlander (NH-02)	X	
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	Chairman Williams (TX-25)	X	
	TOTALS	23	0

COMMITTEE ON SMALL BUSINESS
119th Congress (*Second Session*)

Date: 5/20/2026

Time: 4:12 PM ET

Measure: **H.R. 826** – COVID Fraud Transparency Act of 2025 (As Amended)

Offered By:

Amendment #:

Result?	Agreed To: [X] Not Agreed To: [ ] Withdrawn: [ ]		
Voice Vote	*Ayes*	*Nays*	*Present*
	23	*0*	

FC Vote #	5

VI. SECTION-BY-SECTION OF H.R. 826

Section 1—Short title

This Act may be cited as the "COVID Fraud Transparency Act 2026."

Section 2—Report on fraud relating to certain COVID–19 loans

This section requires the SBA Inspector General to submit a report within 60 days of enactment and every three months afterward on fraud involving COVID-related SBA loans.

This section also specifies that the report must include the total number and dollar amount of covered loans, new and resolved fraud cases, and the types of fraud identified. This section defines "covered loans" as certain Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL).

This section also ends the reporting requirement two years after the law is enacted.

Section 3—Compliance with CUTGO

This section states that no additional federal funding is authorized to implement the Act and that the requirements must be carried out using existing resources.

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(I) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any new or increased costs attributable to this legislation.

IX. OVERSIGHT FINDINGS & RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 826, as amended, are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 826, as amended, is to improve transparency and congressional oversight of fraud involving COVID-era SBA loans.

XI. STATEMENT OF DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 826, as amended, is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee will adopt as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of rule XII of the Rules of the House, the Committee finds that the authority for this legislation in Art. I, § 8, cl.1 of the Constitution of the United States.

XVII. MINORITY VIEWS

Over the course of the COVID–19 pandemic, the U.S. Small Business Administration (SBA) disbursed approximately $1.2 trillion of COVID–19 Economic Injury Disaster Loan (EIDL) and Paycheck Protection Program (PPP) funds to help small businesses adversely impacted by the crisis.[1] In an effort to disburse PPP and COVID–19 EIDL funds swiftly, the SBA weakened and removed internal controls. Beginning in early 2021, long-standing anti-fraud controls were reinstituted and new safeguards were put into place by the Biden-Harris Administration to reduce the potential for fraud.[2] On June 27, 2023, the SBA Office of Inspector General (OIG) issued a white paper reporting that the SBA disbursed more than $200 billion in *potentially* fraudulent pandemic relief.[3] The SBA also issued a report, entitled "Protecting the Integrity of the Pandemic Relief Programs," which estimates that $36 billion of the $1.2 trillion in pandemic relief was obtained fraudulently.[4] The SBA report asserted that 86% of the *likely* fraud occurred in the first nine months of the pandemic,[5] under the Trump Administration.

As fraudsters increasingly exploited the weakened controls at the SBA and the complexity of the schemes grew, the OIG coordinated with multiple agencies. The OIG participated in the U.S. Department of Justice (DOJ)'s COVID–19 Fraud Strike Force Teams and has 494 open investigations, as of February 28, 2026. Their work has resulted in 1,860 indictments, 1,404 arrests, and 1,209 convictions, with $1.3 billion in restitution ordered, and $1.2 billion in assets seized or forfeited.[6]

The OIG's ability to further combat fraud is highly dependent on the availability of budgetary resources. The Administration's FY 2027 budget provided $33.3 million, a reduction of $3.7 million for the OIG. It is important that the OIG have a sufficient operating budget to capitalize on two laws (P.L. 117–165 and P.L. 117–166), which extended the statute of limitations for fraud in the PPP and EIDL programs to 10 years, as well as H.R. 4495, the *SBA Fraud Enforcement Extension Act*, which would extend the statute of limitations for the Shuttered Venues Operating Grants and the Res-

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[1] OFF. OF INSPECTOR GEN., U.S. SMALL BUS. ADMIN., REPORT 25–10, COVID–19 PANDEMIC EIDL AND PPP LOAN FRAUD LANDSCAPE, RECOMMENDATIONS UPDATE (Mar. 31, 2025).

[2] OFF. OF INSPECTOR GEN., U.S. SMALL BUS. ADMIN., REPORT 23–09, COVID–19 PANDEMIC EIDL AND PPP LOAN FRAUD LANDSCAPE (2023).

[3] *Id.*

[4] U.S. SMALL BUS. ADMIN., PROTECTING THE INTEGRITY OF THE PANDEMIC RELIEF EMERGENCY PROGRAMS: SBA'S ACTIONS TO PREVENT, DETECT, AND ADDRESS FRAUD (Jun. 27, 2023).

[5] *Id.*

[6] Off. of Inspector Gen., U.S. Small Bus. Admin., *SBA OIG Congressional Newsletter* (Feb. 2025).

taurant Revitalization Fund. The legislation to require quarterly reporting will provide the Committee with additional data.

NYDIA M. VELÁZQUEZ,
Ranking Member.

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