



February 18, 2021

President Joseph R. Biden Jr.  
The White House  
1600 Pennsylvania Ave., NW  
Washington, DC 20500

Dear President Biden:

I am writing on behalf of the Project On Government Oversight (POGO) to express our concern that the available data about the federal government's distribution of coronavirus relief funds shows that those programs are failing to meet the needs of traditionally underserved communities such as rural, poor, and racial and ethnic minority populations. Furthermore, I write to urge your administration to take the necessary steps to improve data collection and reporting, which is critical to understanding the scope of this disparity and addressing it.

POGO is a nonpartisan independent watchdog that investigates and exposes waste, corruption, abuse of power, and when the government fails to serve the public or silences those who report wrongdoing. We champion reforms to achieve a more effective, ethical, and accountable federal government that safeguards constitutional principles.

Transparency and accountability for federal spending have long been key principles that POGO has supported. The unprecedented levels of federal spending in response to the COVID-19 pandemic merit even greater oversight to ensure taxpayer dollars are used wisely. To assist in this oversight, POGO has launched an online COVID-19 Relief Spending Tracker that offers the most comprehensive and detailed view into federal spending related to the pandemic.<sup>1</sup>

Based on this work, POGO is concerned that federal agencies' distribution of COVID-19 relief funds has so far failed to adequately identify and address structural biases in our financial and government systems. As a result, communities and recipients with less connection to financial and government institutions may have been under-assisted during this crisis.

When passing the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Congress recognized the risk of assistance failing to reach underserved and disadvantaged communities with a provision instructing the administration to take steps to avoid such an outcome for one of

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<sup>1</sup> Covidtracker.pogo.org makes publicly searchable in one location more than 15 million federal COVID related transactions including grants, loans, direct payments, contracts, and other awards. The site features interactive maps with tools to explore spending patterns by location and against other data such as population demographics and unemployment data.



the largest aid programs, the Paycheck Protection Program. Congress tasked the administration with issuing guidance to the private lenders processing the government-guaranteed loans to ensure that the program prioritized businesses in underserved and rural markets, as well as veteran-owned, minority-owned, and women-owned businesses.<sup>2</sup>

But this provision seems to have gone unheeded by the Trump administration. POGO can find no public evidence of such guidance to lenders in the weeks and months immediately following passage of the CARES Act, a period in which hundreds of billions of dollars in loans were being approved. A review by the Small Business Administration’s Inspector General found that “SBA guidance was not sufficient to ensure PPP lenders prioritized underserved markets during the initial round of funding.”<sup>3</sup>

Moreover, while Congress limited its stated concerns for underserved communities to the Paycheck Protection Program, the concerns are equally valid for a wide range of coronavirus relief programs. For stimulus checks, there can be increased risks of missing households in lower income areas where federal tax records are more often incomplete.<sup>4</sup> Coronavirus relief programs directing aid to specific sectors such as education, health care, and transportation are also at the risk of following the pattern where funds flow more easily to more affluent communities and their institutions not because of greater need but because those funding channels are more established and familiar.

Using our tracker, POGO traced just over \$1 trillion in federal COVID-19 spending to specific counties around the country. This amount should be higher, but not all of the spending data collected and disclosed includes sufficient location information.<sup>5</sup> The per capita average for that \$1 trillion was \$3,127. However, when we examined the 100 counties with the highest

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<sup>2</sup> Coronavirus Aid, Relief, and Economic Security Act, Section 1102 (a)(P)(iv) <https://www.congress.gov/bill/116th-congress/house-bill/748/text>: “It is the sense of the Senate that the Administrator should issue guidance to lenders and agents to ensure that the processing and disbursement of covered loans prioritizes small business concerns and entities in underserved and rural markets, including veterans and members of the military community, small business concerns owned and controlled by socially and economically disadvantaged individuals (as defined in section 8(d)(3)(C)), women, and businesses in operation for less than 2 years.”

<sup>3</sup> “Inspection of SBA’s Implementation of the Paycheck Protection Program,” SBA Inspector General, January 14, 2021. <https://www.sba.gov/sites/default/files/2021-01/SBA%20OIG%20Report-21-07.pdf>

<sup>4</sup> Chuck Mar et al., “Aggressive State Outreach Can Help Reach the 12 Million Non-Filers Eligible for Stimulus Payments,” October 14, 2020, Center on Budget and Policy Priorities. <https://www.cbpp.org/research/federal-tax/aggressive-state-outreach-can-help-reach-the-12-million-non-filers-eligible>

<sup>5</sup> POGO’s tracker includes a total of about \$1.6 trillion in coronavirus spending. Only about \$1 trillion of it includes county location information, so for about \$600 billion POGO was not able to determine what county it was distributed to.



percentages of racial and ethnic minority populations, we found that 71 had per capita COVID-19 spending rates below the average, many with significantly lower rates.

The full list of these counties and their data are attached. We would also like to highlight a few examples to demonstrate that these are counties from various states with a large range of total populations:

- Robeson County, North Carolina, is just south of Fayetteville and has an estimated total population of 133,442. Approximately 75% of the population are racial and ethnic minorities. The county received just \$863 per capita in COVID-19 funds.
- Bronx County, New York, just north of Manhattan, is home to approximately 1.4 million residents, 91% of whom are racial and ethnic minorities. Coronavirus relief funds tracked to the location averaged \$1,419 per capita, less than half the national average.
- Hidalgo County, in southeast Texas, has an estimated population of 850,000 with a minority population percentage of 94%. Similar to Bronx County, the per capita average of COVID-19 relief funds was below half the national average at \$1,473.

These figures do not conclusively prove a disparity in the distribution of COVID-19 relief funds based on race. Data limitations prevent us from tracking all the coronavirus funds to the counties and zip codes where the money was finally distributed. But the county-specific results our tracker did produce are troubling markers that certainly raise the real possibility that minority communities have been underserved by federal COVID-19 relief efforts so far.

We applaud your executive order instructing agencies to address the health and social inequities that the pandemic and the government's response to it have exacerbated.<sup>6</sup> While addressing this disparity should continue to be your administration's top priority, we strongly urge you to simultaneously prioritize improving the quality of the data being collected and disclosed to allow for further independent evaluation of the federal government's coronavirus relief programs.

The first problem we would encourage the administration to address is the lack of location information presented for COVID-19 program awards. Most notably, no data on the county, city or zip code level distribution of stimulus checks have ever been disclosed.<sup>7</sup> Additionally, several major COVID-19 programs overseen by the Department of Health and Human Services (HHS) including the Provider Relief Fund program supporting hospitals and healthcare providers have

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<sup>6</sup> Executive Order No. 13,995, 86 Fed. Reg. 7,193 (January 21, 2021).

<https://www.federalregister.gov/documents/2021/01/26/2021-01852/ensuring-an-equitable-pandemic-response-and-recovery>

<sup>7</sup> The Internal Revenue Service has only released state totals for stimulus checks, the latest of which can be found at <https://www.irs.gov/newsroom/irs-statement-on-economic-impact-payments-by-state-as-of-aug-28-2020>, but the office has not issued any data on sub-state distribution of these payments.



significant location problems. The award data disclosed for these programs on USASpending.gov show all funds going to a company in Utah that is assisting the agency in distributing the funds.<sup>8</sup> Health and Human Services has released additional information about the identities and location of recipients, but the location information is limited to state and city names—it does not include street address, zip code, county, or congressional district.<sup>9</sup> Improved location information for the distribution of funds under these major programs should be released immediately.

A second data problem is the absence of reliable and consistent data on subawards. Hundreds of billions of dollars were provided to state and county governments, transportation agencies, education departments, and major programs that support households and individuals, but we have little to no information on how those recipients then distributed the funds. Without details on how much went to specific counties, cities, and zip codes, it remains impossible to fully determine if the assistance resulted in inequities. We need data not just on where the coronavirus relief funds went first, but also where they were finally put to use in communities.

Recipient reporting could be a big part of the needed solution. In the CARES Act, Congress mandated that all recipients of large amounts of COVID relief funds, which was defined as \$150,000 or more, had to report quarterly what those funds were used for, including jobs supported by the funds and any subawards that were made. Unfortunately, recipient reporting never began because the Office of Management and Budget quickly issued guidance to agencies instructing them not to pursue any new data collection.<sup>10</sup> Properly structured data from recipients could provide significant insights into what these funds were used for and where they wound up.

The third major data barrier we would urge the administration to tackle is the much more limited data fields tracked in federal spending databases for assistance awards compared to contract awards. Data normally collected and disclosed for assistance awards lack several important fields that are reported for contract awards, including industry sector of recipients, and characteristics of recipients such as if they are small businesses or are minority-owned, women-owned, or veteran-owned. Additionally, there are assistance-specific data fields that are also clearly needed, such as identity and location of private lenders processing government-guaranteed loans, and loan repayment status. Expanding the data reporting requirements for assistance spending would

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<sup>8</sup> “COVID-19 Spending: Known Data Limitations.” Last updated January 8, 2021.

<https://www.usaspending.gov/data/data-limitations.pdf>

<sup>9</sup> “HHS COVID-19 Funding,” Department of Health and Human Services.

<https://taggs.hhs.gov/Coronavirus/Providers>

<sup>10</sup> Sean Moulton, “Administration Seeks to Minimize Transparency of Coronavirus Relief Funds,” Project On Government Oversight, May 13, 2020. <https://www.pogo.org/analysis/2020/05/administration-seeks-to-minimize-transparency-of-coronavirus-relief-funds/>



require significant time and effort to plan and implement, but including these additional fields would establish a new level of accountability for all assistance awards in the future.

In addition to improving the publicly disclosed data, we also urge the administration to initiate a review of agency guidance and audit the spending distribution from key agencies. A guidance review could help determine how much each agency is doing to address social and structural barriers that could result in unfair and uneven assistance. Agencies overseeing major coronavirus programs should be proactively identifying hurdles that could block members of underserved communities from participating equally in federal assistance programs and developing policies to counter these problems and ensure fuller participation. Such policies will be critically important as agencies move forward with additional rounds of COVID-19 relief funds in 2021.

Audits of the distribution of actual COVID-19 awards would allow us to better understand how well agencies are performing in achieving equitable assistance during this crisis. Such audits would also have the added benefit of being able to review non-public data, such as denied applications for Paycheck Protection Program and other relief loans, for indications of possible bias or inequity.

POGO remains convinced that the federal agencies can and should address these issues as COVID-19 relief funds are being distributed. We hope that our recommendations will help the administration chart a path forward with both immediate improvements and longer-term solutions. While the process may be difficult and even uncomfortable, the benefits of improved accountability for the trillions of tax dollars being used and the hope of improving performance are far too important.

If you have any questions or need additional information, please contact me at [danielle@pogo.org](mailto:danielle@pogo.org).

Sincerely,

Danielle Brian  
Executive Director



**Out of 100 Counties with the Highest Minority Population Percentage, the Following 71 Counties Received Per Capita COVID Funds below the National Average**

County	State	Total Population	Minority Population Percentage	COVID Funds Per Capita
Kalawao	Hawaii	75	79%	\$0.00
Jim Hogg	Texas	5,282	93%	\$204.15
Brooks	Texas	7,180	94%	\$283.71
Hancock	Georgia	8,535	76%	\$422.62
Kenedy	Texas	595	88%	\$423.06
Willacy	Texas	21,754	89%	\$482.48
Zavala	Texas	12,131	95%	\$530.61
Bullock	Alabama	10,352	78%	\$537.15
Starr	Texas	63,894	99%	\$545.68
Mora	New Mexico	4,563	84%	\$576.47
Frio	Texas	19,394	84%	\$620.59
Zapata	Texas	14,369	96%	\$687.10
Dallas	Alabama	40,029	72%	\$702.21
Lowndes	Alabama	10,236	76%	\$715.87
Humphreys	Mississippi	8,539	79%	\$740.06
Holmes	Mississippi	18,075	84%	\$844.60
Robeson	North Carolina	133,442	75%	\$863.37
Val Verde	Texas	49,027	84%	\$888.28
San Miguel	New Mexico	28,034	82%	\$919.38
Maverick	Texas	57,970	98%	\$1,036.76
Presidio	Texas	7,123	86%	\$1,037.61
Stewart	Georgia	6,042	75%	\$1,072.04
Dougherty	Georgia	91,049	74%	\$1,075.36
Allendale	South Carolina	9,214	78%	\$1,136.43
La Salle	Texas	7,409	85%	\$1,160.01
Noxubee	Mississippi	10,828	74%	\$1,172.69
Cameron	Texas	421,750	91%	\$1,174.33
Wilkinson	Mississippi	8,990	72%	\$1,230.77
Pecos	Texas	15,797	74%	\$1,252.62





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Dona Ana	New Mexico	215,338	72%	\$1,268.15
Greene	Alabama	8,426	83%	\$1,272.80
Imperial	California	180,216	89%	\$1,297.84
McKinley	New Mexico	72,849	91%	\$1,350.69
Kleberg	Texas	31,425	80%	\$1,360.25
Duval	Texas	11,355	91%	\$1,369.34
Bronx	New York	1,437,872	91%	\$1,418.69
Guadalupe	New Mexico	4,382	81%	\$1,421.19
Hidalgo	Texas	849,389	94%	\$1,473.40
Dimmit	Texas	10,663	91%	\$1,499.55
Merced	California	269,075	72%	\$1,502.20
Aleutians West	Alaska	5,750	76%	\$1,514.51
Santa Cruz	Arizona	46,584	85%	\$1,535.52
El Paso	Texas	837,654	88%	\$1,547.00
Sharkey	Mississippi	4,511	75%	\$1,684.16
Webb	Texas	272,053	97%	\$1,720.75
Cibola	New Mexico	26,978	80%	\$1,723.51
Corson	South Dakota	4,168	71%	\$1,730.60
Aleutians East	Alaska	3,425	85%	\$1,778.47
Tunica	Mississippi	10,170	81%	\$1,783.73
Washington	Mississippi	47,086	75%	\$1,842.49
Rio Arriba	New Mexico	39,307	88%	\$1,850.78
Sumter	Alabama	12,985	75%	\$1,856.32
Uvalde	Texas	27,009	73%	\$1,865.29
Coahoma	Mississippi	23,802	79%	\$1,915.12
Petersburg	Virginia	31,827	85%	\$1,930.42
Tulare	California	460,477	71%	\$1,971.63
DeKalb	Georgia	743,187	71%	\$2,059.28
East Carroll	Louisiana	7,225	71%	\$2,068.00
Bexar	Texas	1,925,865	72%	\$2,094.97
Clayton	Georgia	278,666	89%	\$2,166.34
San Bernardino	California	2,135,413	71%	\$2,173.74



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Jim Wells	Texas	41,192	82%	\$2,179.77
Leflore	Mississippi	29,804	77%	\$2,355.99
Hudson	New Jersey	668,631	71%	\$2,432.39
Claiborne	Mississippi	9,120	88%	\$2,555.08
Deaf Smith	Texas	18,899	75%	\$2,564.21
Sunflower	Mississippi	26,532	76%	\$2,648.06
Ziebach	South Dakota	2,814	76%	\$2,808.72
Queens	New York	2,298,513	75%	\$2,827.82
Prince George's	Maryland	906,202	87%	\$2,846.81
Wilcox	Alabama	10,809	73%	\$2,865.22