September 25, 2020

Sean O’Donnell  
Acting Inspector General  
Office of Inspector General  
United States Department of Defense  
4800 Mark Center Drive  
Alexandria, VA 22350-1500

Dear Mr. O’Donnell:

We write to request that the Inspector General for the Department of Defense (DoD, or the Department) review the potential misuse of funds by the Department that were meant “to prevent, prepare for, and respond to coronavirus, domestically or internationally.”

The Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) provided $1 billion to fund Department efforts pursuant to the Defense Production Act (DPA) to manufacture personal protective equipment (PPE) and other supplies to protect Americans from COVID-19. But according to press reports, DoD redirected the vast majority of these funds - $688 million of $1 billion - “to defense contractors and used to make things such as jet engine parts, body armor and dress uniforms.” However, the Department “decided to give defense contractors hundreds of millions of dollars from the fund, mostly for projects that have little to

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2 Id.
do with the coronavirus response.” In addition, it appears that some defense firms effectively received a double bailout because “government data shows that at least 10 of the approximately 30 companies known to have received the Defense Department DPA funds also received loans through the Paycheck Protection Program, another relief package created by the CARES Act.”

And some of these companies may have benefitted from a third bailout through DoD’s expanded issuance of “progress payments,” most of which went to the Department’s five largest contractors. In its review, the DoD Inspector General should include a determination of whether these expenditures were needlessly duplicative.

Instead of addressing the urgent needs of a pandemic that has killed over 200,000 Americans, it appears DoD used taxpayer money meant to protect lives from COVID-19 to pad the pockets of defense contractors. A New York Times review of the Trump Administration’s use of the DPA found that “all but six of” 80 examples of DPA use touted by the White House “were either executive orders unrelated to the production of medical equipment or Defense Department expenditures that do not address the nation’s supply shortages.”

States need $6 billion to distribute COVID-19 vaccines to Americans and hospitals continue to endure a shortage of N95 masks. While the Department already enjoys the largest discretionary budget of any federal agency, estimated at $723 billion for Fiscal Year 2020, the Pentagon’s troubling redistribution of COVID-19 relief funds has not deterred it from requesting

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8 Id.
an additional $11 billion in a subsequent stimulus bill passed by Congress.\(^\text{15}\) The reported misuse by DoD of federal funds meant for the response to the deadly pandemic plaguing our country is inconsistent with the will of Congress and may be illegal. Accordingly, we request that the Inspector General investigate DoD’s redistribution of CARES Act funds that were intended by Congress to respond to COVID-19 via the *Defense Production Act*. 

Thank you for your consideration of our request.

Sincerely,

\[/S/\]

Elizabeth Warren  
United States Senator

\[/S/\]

Ro Khanna  
Member of Congress