

Congress of the United States
House of Representatives
Washington, DC 20515

November 2, 2022

Mr. Hannibal “Mike” Ware
Inspector General
Office of Inspector General
U.S. Small Business Administration
409 3rd Street SE, Suite 7150
Washington, DC 20416

Dear Inspector General Ware:

We are writing in response to your September 26, 2022, report titled “Paycheck Protection Program Eligibility for Nonprofit Organizations.” Throughout the coronavirus pandemic, the Paycheck Protection Program (PPP) provided a vital lifeline to small businesses so they could continue paying their staff and fixed expenses. Yet in violation of the guidelines set by Congress, the Small Business Administration (SBA) decided to forgive 38 PPP loans given to Planned Parenthood affiliates totaling approximately \$67 million in taxpayer dollars. Then perplexingly, your office found in its September 2022 report that Planned Parenthood affiliates are not actually affiliates of Planned Parenthood Federation of America (PPFA). In response, we ask you to clarify how you came to this conclusion and explain to Congress how, despite PPFA’s clear methods of exerting control on their member organizations, these organizations do not qualify as affiliates.

As you are aware, when the PPP was created by Congress in the CARES Act and then reauthorized in the December 2020 omnibus bill, Congress applied affiliation rules prohibiting the SBA from issuing PPP loans to and forgiving these loans for entities with more than 500 employees across their affiliates, excluding only hotels and restaurants. The purpose of this restriction was to ensure PPP aid only went to smaller companies and organizations that were truly independent of larger national companies. These smaller businesses and organizations have historically had much more difficulty in receiving financing and absorbing shocks. The provision also prevented larger companies from organizing themselves as a network of affiliates in order to access these limited funds.

As you likely know and as the SBA during the Trump Administration pointed out, Planned Parenthood’s Corporate office is known to have and exercise control over its affiliates. Some of the methods PPFA use to control and govern its local affiliates include:

- The PPFA corporate board certifies an organization before it becomes a PPFA affiliate;¹

¹ Amended and Restated Bylaws of the Planned Parenthood Federation of America, Inc., As Amended by the Membership at its Meeting on March 29, 2008 [hereinafter PPFA Bylaws], Art. XI, § 1 (ii), https://projects.propublica.org/nonprofits/display_990/131644147/2009_05_EO%2F13-1644147_990_200806

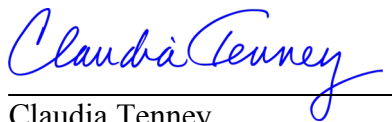
- Each Planned Parenthood affiliate is governed by written bylaws, which must conform to PPFA's corporate policies;²
- PPFA's corporate headquarters imposes 'affiliation mandates' on local affiliates.³

Considering PPFA affiliation can result in considerable funds and support for the affiliate,⁴ the powers held by the PPFA are an effective way for the central office to control its affiliates. This should have disqualified PPFA affiliates from receiving PPP loans and having them forgiven. These PPFA affiliates are not members of a trade association but a component of the largest abortion provider in the United States.

We look forward to your explanation of how these methods of PPFA control over its affiliates do not disqualify PPFA affiliates from the PPP. Through incorrectly awarding loans to Planned Parenthood affiliates, the SBA used up limited funds that could have gone to the many truly independent small businesses, which did not have their applications approved before the program concluded.

We thank you in advance for your time and attention to this matter.

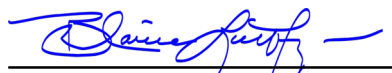
Sincerely,



Claudia Tenney
Member of Congress



Elise M. Stefanik
Member of Congress



Blaine Luetkemeyer
Member of Congress



Christopher H. Smith
Member of Congress

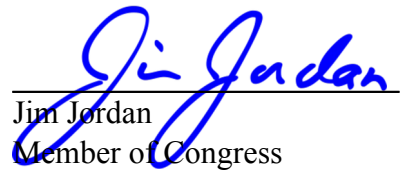
² Ibid., Art. XI, § 4.

³ Ibid., Art. XI, § 2.

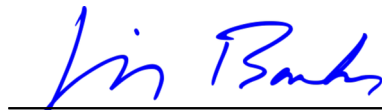
⁴ Ibid., Art. XI, § 12 (b)(iii).



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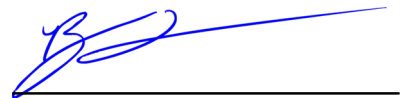
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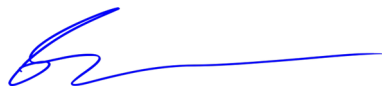
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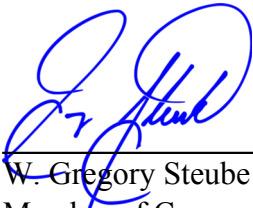
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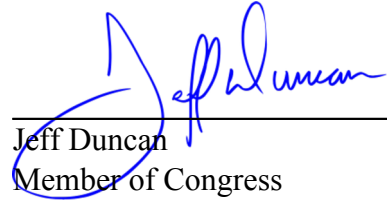
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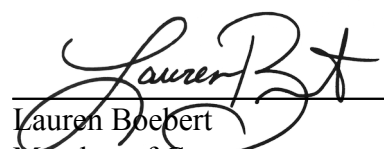
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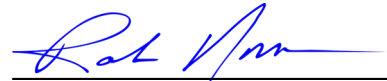
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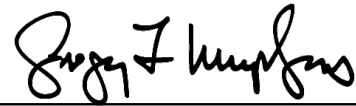
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