

House Ways and Means Committee

January 22, 2024

Member Day Hearing on Matters Within the Committee's Tax Jurisdiction

Remarks of Congressman William R. Timmons, IV [R-SC-04]

Thank you, Mr. Chairman. And thank you to the members of the Ways and Means Committee for hosting this Member Meeting today.

Today, I'd would like to raise the committee's attention to the H.R. 324, the PPP Shell Company Discovery Act. This bill represents a decisive step in cracking down on the unprecedented fraud that plagued the Paycheck Protection Program (PPP) during the pandemic.

Let's be clear—PPP was a lifeline during one of the darkest periods in recent history. It was designed to save jobs, support struggling businesses, and ensure hardworking Americans could weather the storm. But while millions of small businesses used this program to stay afloat, some unscrupulous individuals saw it as an opportunity to steal. With estimates of PPP loan fraud reaching as high as \$100 billion, it's evident that action must be taken to ensure accountability.

The PPP Shell Company Discovery Act does just that. The bill creates a simple yet effective report to identify potential fraudulent activity by targeting two critical discrepancies: recipients who had no tax withholdings in 2019 and those who received loans far exceeding their actual payroll expenses. These red flags provide a clear roadmap for the Department of Justice (DOJ) to investigate and prosecute those who defrauded this vital program.

This legislation is not about adding more red tape. It's about cutting through the existing bureaucratic hurdles that are holding us back from bringing these criminals to justice. As Congressman Timmons rightfully pointed out, the tools to identify fraud already exist. What we need is the political will and the operational efficiency to act on them.

The scale of this fraud is staggering—it represents one of the largest thefts in American history. For every dollar stolen, a legitimate small business was left hanging. For every fraudulent loan approved, an honest employer struggled to make payroll. This isn't just theft from the federal government; it's theft from the American people.

The urgency of this legislation cannot be overstated. By leveraging existing data, H.R. 324 will save taxpayers hundreds of millions of dollars while delivering the accountability our nation demands.

At the onset of this historic Congress, we must keep our promises to the American people and root out waste and fraud throughout our government. We will not stand idly by while criminals exploit taxpayer dollars. It's a commitment to the small businesses that relied on PPP to survive. And it's a message to those who stole from this program: you will be found, you will be prosecuted, and you will be held accountable.

Again, I would like to thank Chairman Smith and the members of this Committee for having me today. I look forward to working with each of you to better protect taxpayer dollars and restore faith in our institutions.

Thank you.