

House Committee on Financial Services
“Oversight of the Treasury Department's and Federal Reserve's Pandemic Response”

Questions for the Record
December 1, 2021

Questions for the Honorable Janet L. Yellen, Secretary, U.S. Department of the Treasury
from Congressman Ted Budd:

1. On October 26, the Charlotte City Council approved a plan to spend \$60 million of the roughly \$71 million it received from the American Rescue Plan Act (ARP).¹ The \$71 million federal distribution comes on the heels of the approximately \$154 million² the city of Charlotte received from the federal government under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The City of Charlotte’s Council published a graphic that shows \$15 million from ARP funds will be spent on “Digital Inclusion” and “Grassroots Non-Profit Support.”³ The federal support offered by the CARES Act and the ARP Act was conditioned on Congress’s intent that federal funds pay specifically for pandemic-related endeavors. In light of these concerns, and in the interest of good governance and responsible oversight of federal taxpayer dollars, is the Treasury Department working on guidance to clearly specify how states and localities may spend these funds to ensure they are used to best address the public health emergency?
2. A signature policy in President Biden’s Build Back Better (BBB) Act is the dramatic expansion of the IRS and the agency’s ability to monitor transactions to crack down on tax evaders. Reports show that President Biden has abused tax loopholes since as early as 2017 by routing income through S-Corps and could potentially owe up to \$500,000 in payroll taxes all while taking out a lease on a mansion in Virginia during that same period. With your agency’s presumed enhanced authority to go after tax evaders, following passage of the BBB, will you commit to audit the President’s financial discrepancies before you use any new authority and resources in the Treasury Department to keep tabs on the financial activities of everyday Americans?

¹ *COVID-19 Federal Stimulus American Rescue Plan Act of 2021*, City of Charlotte, October 26, 2021, available at https://budd.house.gov/UploadedFiles/ARPA_Update.pdf

² *CARES Act Fund Distributions for Small Business Recovery and Housing Relief*, City of Charlotte Internal Audit Department, September 29, 2021, available at <https://charlottenc.gov/audit/FY2017%20Reports/22-05%20CARES%20Act%20Fund%20Distributions.pdf>

³ Danielle Chemtob, *Here’s how the city will spend \$60 million in pandemic relief*, Axios Charlotte (Oct. 27, 2021), <https://charlotte.axios.com/277669/heres-how-the-city-will-spend-60-million-in-pandemic-relief/>.