
PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL



Pennsylvania Auditor General



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News for Immediate Release

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Auditor General DeFoor Calls for State-Level Safeguards to Prevent Fraud or Abuse of Federal COVID Relief Funding

HARRISBURG – Auditor General Timothy L. DeFoor today urged the Pennsylvania General Assembly to enact state-level safeguards to prevent billions of dollars in federal pandemic recovery aid from being misused through fraud or waste.

Pennsylvania will receive a total of about \$55 billion in federal COVID relief aid, according to the state’s Independent Fiscal Office. Approximately \$7.3 billion in direct aid to the state and \$6.2 billion to local governments will come from the recently enacted American Rescue Plan Act (ARPA).

“Pennsylvania did not win the lottery – these relief funds are our tax dollars,” DeFoor said. “If the money is misused, it will be nearly impossible to get it back. Even if we could get it back, it would likely only be pennies on the dollar.”

Joined by Sen. Kristin Phillips-Hill of York County, Auditor General DeFoor called for safeguards at the state level to make sure all ARPA funds that flow through state government are used only as the law allows.

“Pennsylvanians are relying on us to make sure their money is being spent to help communities recover from the economic disaster caused by COVID,” DeFoor said. “We need transparency, oversight and accountability for this massive amount of funding – up front, not after the fact.”

DeFoor noted that a lack of such safeguards in a previous federal loan program designed to help employers, the Paycheck Protection Program, led to hundreds of millions of dollars being lost to potential fraud, according to federal prosecutors.

“There were not enough anti-fraud safeguards in place prior to the loans being awarded,” DeFoor said. “With billions of dollars in new federal funds now on the way, we cannot afford to lose a single nickel to waste or abuse.”

DeFoor said ARPA did provide dedicated funding for Inspectors General and other fraud fighters working at the federal level, but their work is focused on funds that have already been disbursed.

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