



Right to Life

ASSOCIATION

From the office of Addia Kathryn Wuchner, Executive Director

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Louisville, KY - “Kentucky Right to Life and our Affiliates throughout the Commonwealth of Kentucky sincerely appreciate Senator Rand Paul’s unwavering stance in defense of life! Thank you for requesting the attention and investigation into the unlawful participation of the Planned Parenthood Federation of America (PPFA) in the Paycheck Protection Program (PPP).” -Addia K. Wuchner, Executive Director

RAND PAUL, M.D. • KENTUCKY
UNITED STATES SENATOR • WWW.PAUL.SENATE.GOV
167 RUSSELL SENATE OFFICE BUILDING, WASHINGTON, DC 20510



Dr. Rand Paul Leads Letters To Investigate Planned Parenthood Affiliates For Violating PPP Eligibility and Not Returning PPP Loans

WASHINGTON, D.C. – Today, U.S. Senator Rand Paul (R-KY), ranking member of the Senate Small Business Committee, along with the Committee’s Republican members sent letters to Attorney General Merrick Garland, U.S. Small Business Administration (SBA) Inspector General Mike Ware and SBA Administrator Isabel Guzman requesting their immediate attention and investigation into the unlawful participation of the Planned Parenthood Federation of America (PPFA) in the Paycheck Protection Program (PPP).

In May of 2020, SBA notified a number of Planned Parenthood affiliates that they had wrongfully applied for 38 PPP loans totaling more than \$80 million. SBA determined that these local affiliates were ineligible for the loans under the applicable affiliation rules, and that the loans they received should be returned.

“On March 23, 2021, SBA provided the Senate Small Business Committee with an updated dataset on all PPP loans as of March 14, 2021,” **the Senators wrote.** “This data revealed that, not only have most of the PPFA affiliates not returned their PPP funds, as requested by SBA, but two have applied for and been approved for a second draw loan, with full knowledge of their ineligibility. Earlier this week SBA released updated data indicating that even more PPFA affiliates have been approved for PPP loans in the last month. According to the most recent SBA data, at least one additional PPFA affiliate was approved for a second draw loan since March 15, 2021. Additionally, another PPFA affiliate recently applied for and was approved for a first draw loan, despite the fact that the entity had previously returned its loan after SBA determined it was ineligible for PPP.”

Dr. Paul is joined on the letter by Senators Marco Rubio (R-FL), James Risch (R-ID), Tim Scott (R-SC), Joni Ernst (R-IA), James Inhofe (R-OK), Todd Young (R-IN), John Kennedy (R-LA), Josh Hawley (R-MO), and Roger Marshall (R- KS).

BACKGROUND:

On May 19, 2020, SBA determined that local affiliates of PPFA were ineligible for PPP loans under the applicable affiliation rules and size standards and that the loans they received should be returned. SBA cited the control PPFA exercised over its local affiliates in a number of different areas, such as medical standards, affiliate patient transfers, and an accreditation review process administered every three years as evidence of an affiliated organizational structure. Given that PPFA has nearly 16,000 employees nationwide, SBA determined that these PPFA affiliates were ineligible for PPP and requested that each of the 38 affiliates return the \$80 million in PPP funds they wrongfully received.

During the partisan Budget Reconciliation process earlier this year, Democrats planned to waive SBA’s affiliation rules for nonprofits, which would have allowed PPFA to be eligible for PPP. Ranking Member Paul forced Democrats to remove the provision. The Paul team strenuously argued to the Senate Parliamentarian that this waiver would only benefit Planned Parenthood and thus violated the so-called Byrd rule. Before the Parliamentarian was able to rule on the arguments presented, the Democrats filed an updated version of the bill that did not include the offending provision – a concession that avoided setting a precedent.

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