

WASHINGTON, DC 20510

August 9, 2022

Isabel Guzman Administrator Small Business Administration 409 3rd St SW Washington, DC 20416

Dear Administrator Guzman:

We write to ask that the Small Business Administration (SBA) award unobligated Restaurant Revitalization Fund (RRF) funding immediately to eligible applicants and that it specifically prioritize any of the approximately seven thousand applicants that were awarded grants in 2021, but were not able to receive funding.

Last month, the Government Accountability Office (GAO) released a report titled *Restaurant Revitalization Fund: Opportunities Exist to Improve Oversight* that stated that as of as of June 2022, \$180 million of RRF funding was unobligated. As you know, about 177,000 restaurants that applied to the program did not receive awards. While we understand the remainder of the funding will not reach every business that applied, it is imperative that the SBA distribute every dollar to help as many struggling restaurants as is feasible.

In addition to these actions, we are also urging that SBA take action to recover funds that have been awarded to ineligible applicants, were found to be accepted fraudulently, or could otherwise be returned. For example, the aforementioned GAO report states that SBA does not require recipients to report their operating status, despite the statute requiring that businesses that permanently close to return the unused funds to SBA.² SBA has itself identified potentially ineligible recipients, such as clubs and hotels that failed to meet statutory eligibility criteria. Money recovered from fraudulent and ineligible businesses can subsequently be used to help fund the many businesses who were unable to receive grants. We urge you to take action on this matter and provide us with detailed information on the amount of funding that may be recovered as well as SBA's progress in doing so.

Thank you for your attention on this matter. We appreciate the SBA's work in helping our nation's small businesses during the COVID-19 pandemic, and look forward to working with you to ensure every dollar can go towards an eligible food service business.

Sincerely,

¹ GAO-22-105442: https://www.gao.gov/assets/gao-22-105442.pdf

² Ibid

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Sherrod Brown
United States Senator

Edward J. Markey United States Senator

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Earl Blumenauer Member of Congress

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