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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

January 14, 2026

VIA ELECTRONIC TRANSMISSION

The Honorable Kelly Loeffler
Administrator
Small Business Administration

Dear Administrator Loeffler:

As you are aware, public reporting has emerged regarding deplorable fraud schemes in Minnesota that deliberately targeted federal programs designed to assist children with autism,¹ the elderly,² and small businesses.³ Testimony before Congress on January 7, 2026, has also alleged that the Walz administration retaliated against whistleblowers who tried to expose this fraud on behalf of the American people.⁴ If true, such retaliation cannot go unpunished.

Any attempt to steal taxpayer money is utterly unacceptable; however, these crimes are especially heinous when they target programs which support Americans struggling to care for their children or elderly relatives.

On December 28, 2025, Director Patel announced that the FBI had deployed strategic personnel and resources to Minnesota.⁵ On January 7, 2026, Attorney General Bondi announced that the Department of Justice had sent additional prosecutors to Minnesota.⁶

Allegations of fraud in federal programs have extended far beyond Minnesota and have raised serious questions that this criminal activity has operated on a national scale.⁷ On January 6, 2026, the Trump HHS reportedly froze \$10 billion in federal funding for programs in Minnesota, New York, California, Illinois, and Colorado.⁸

¹ Department of Justice, Press Release, *First Defendant Charged in Autism Fraud Scheme*, (Sept. 24, 2025) <https://www.justice.gov/usao-mn/pr/first-defendant-charged-autism-fraud-scheme-0>.

² Department of Justice, Press Release, *Defendants Charged in First Wave of Housing Stabilization Fraud Cases*, (Sep. 18, 2025) <https://www.justice.gov/usao-mn/pr/defendants-charged-first-wave-housing-stabilization-fraud-cases>.

³ Andrew Mark Miller, FOX NEWS, *Lawmakers probe SBA loans linked to Minnesota's \$9B fraud scandal: 'Reckless decision making'*, (Dec. 23, 2025) <https://www.foxnews.com/politics/lawmakers-probe-sba-loans-linked-to-minnesotas-9b-fraud-scandal-reckless-decision-making>.

⁴ Committee on Oversight and Government Reform, Hearing, *Oversight of Fraud and Misuse of Federal Funds in Minnesota: Part I*, (Jan. 7, 2026) <https://oversight.house.gov/hearing/oversight-of-fraud-and-misuse-of-federal-funds-in-minnesota-part-i/>.

⁵ @FBIDirectorKash, X, (Dec. 28, 2025), <https://x.com/FBIDirectorKash/status/2005305530651189719>.

⁶ Sarah N. Lynch & Jennifer Jacobs, CBS NEWS, *Justice Dept. to surge prosecutors to Minnesota amid fraud allegations*, (Jan. 7, 2026) <https://www.cbsnews.com/news/justice-dept-surge-prosecutors-minnesota-amid-fraud-allegations/>.

⁷ See e.g., Department of Justice, Press Release, *Two Massachusetts Men Charged with Large-Scale SNAP Benefits Trafficking*, (Dec. 17, 2025) <https://www.justice.gov/usao-ma/pr/two-massachusetts-men-charged-large-scale-snap-benefits-trafficking>; Department of Justice, Press Release, *Mississippi Businessman Pleads Guilty to \$19M Health Care Fraud Conspiracy*, (Nov. 20, 2025) <https://www.justice.gov/opa/pr/mississippi-businessman-pleads-guilty-19m-health-care-fraud-conspiracy>.

⁸ Minh Kim, THE NEW YORK TIMES, *Freezes \$10 Billion in Funding to 5 Democratic States*, (Jan. 6, 2026) <https://www.nytimes.com/2026/01/06/us/politics/child-care-funding-cuts-trump.html>.

On January 8, the Trump administration announced the creation of a new division within the Department of Justice for national fraud enforcement, including the appointment of a new Assistant Attorney General responsible for prosecuting these crimes.⁹

As an example of fraud, you have stated that Feeding Our Future, an organization that was indicted in connection with the \$1 billion Minnesota fraud scandal, received Paycheck Protection Program (PPP) loans from the SBA.¹⁰ According to reports, SBA banned approximately 7,000 borrowers suspected of engaging in fraud from receiving SBA loans on January 1, 2026.¹¹

These are important steps to take. I encourage you to facilitate whistleblowers because in widespread fraud schemes like these, whistleblowers will be your greatest assets and allies. Should they come forward, you must protect them.

I have dedicated my career to exposing waste, fraud and abuse within government programs. I appreciate your efforts to root out waste, fraud and abuse. To better understand your agency's efforts to safeguard the American taxpayer and to ensure the integrity of federal programs, provide answers to the following no later than January 28, 2026:

1. Describe the process the SBA uses to determine that borrowers should be banned from receiving federal funds. Provide all records.¹²
2. In a 2023 report, the SBA Office of Inspector General (OIG) stated that in administering pandemic-related loans, "certain lenders added to the fraud risks by prioritizing quickness and potential profit . . . one lender escalated its loan processing volume from 200 loans per year to almost 500,000 loans per year during the pandemic."¹³ Were any of these "certain lenders" associated with loans issued to Minnesota borrowers the SBA banned on January 1, 2026? Provide all records.
3. Has the SBA begun to investigate or ban borrowers associated with the Trump administration's reported decision on January 6 to pause federal funding in Minnesota, New York, California, Illinois, and Colorado?¹⁴ If so, which borrowers have been investigated or banned by the SBA? Provide all records.

⁹ The White House, *Fact Sheet: President Donald J. Trump Establishes New Department of Justice Division for National Fraud Enforcement*, (Jan. 8, 2026) <https://www.whitehouse.gov/fact-sheets/2026/01/fact-sheet-president-donald-j-trump-establishes-new-department-of-justice-division-for-national-fraud-enforcement/>.

¹⁰ @SBA_Kelly, X, (Dec. 2, 2025), https://x.com/SBA_Kelly/status/1995846331202457607.

¹¹ Michael Sinkewicz, FOX NEWS, *SBA suspends nearly 7,000 Minnesota borrowers over suspected \$400M pandemic loan fraud*, (Jan. 1, 2026) <https://www.foxnews.com/politics/sba-suspends-nearly-7000-minnesota-borrowers-over-suspected-400m-pandemic-loan-fraud>.

¹² "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, and any other electronically created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents.); "Communications" includes communications by any means, including, but not limited to communications by encrypted means, letter, facsimile, email, text/sms or messaging apps, phone call and voice mail, whether or not the means of communication used official Amazon-issued devices, servers, or accounts.

¹³ U.S. Small Business Administration, Office of Inspector General, Report 23-09, *COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape*, (Jun. 27, 2023) <https://www.sba.gov/sites/default/files/2023-06/SBA%20OIG%20Report%2023-09.pdf>.

¹⁴ Minho Kim, THE NEW YORK TIMES, *Freezes \$10 Billion in Funding to 5 Democratic States*, (Jan. 6, 2026) <https://www.nytimes.com/2026/01/06/us/politics/child-care-funding-cuts-trump.html>.

4. Provide all records of fraud-related training issued to SBA personnel between January 2020 to the present.
5. Will you commit to aiding Congress in its constitutional duty to conduct oversight by releasing records, on a regular basis, related to fraudulent SBA loans as well as organizations under investigation or those that have been banned? The public has a right to know.

Thank you for your prompt review and response. If you have any questions, please contact Ross Berg or Ethan Barnes with my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary