

MARY GAY SCANLON  
5TH DISTRICT, PENNSYLVANIA

COMMITTEE ON  
JUDICIARY, VICE CHAIR  
- SUBCOMMITTEE ON THE CONSTITUTION,  
CIVIL RIGHTS, AND CIVIL LIBERTIES  
- SUBCOMMITTEE ON IMMIGRATION  
AND CITIZENSHIP  
- SUBCOMMITTEE ON ANTITRUST,  
COMMERCIAL, AND ADMINISTRATIVE  
LAW

Congress of the United States  
House of Representatives  
Washington, DC 20515

COMMITTEE ON RULES  
SELECT COMMITTEE ON  
THE MODERNIZATION OF CONGRESS

August 12, 2020

The Honorable Jovita Carranza  
Administrator  
Small Business Administration  
409 3<sup>rd</sup> Street, SW  
Washington, DC 20416

Dear Administrator Carranza,

I write to you regarding inaccuracies with the disclosed Paycheck Protection Program (PPP) loan information for a loan approved by the PNC Financial Services Group (PNC) for Buca Restaurants Inc. As Congress negotiates additional financial aid for companies across the country, it is important that we conduct thorough oversight of the funds that have already been dispersed so that future funds can be fairly and effectively distributed.

I am particularly concerned that the loan for Buca Restaurants Inc. lists an address in my district that is neither its registered business address nor its headquarters, and was the site of a Buca di Beppo restaurant that has been closed for seven years. I understand that the immense demand for PPP loans in April and May made it difficult for lenders and the Small Business Administration (SBA) to process applications in a timely manner. I also understand that this inaccuracy may be due to the rushed nature of the process. The PPP channeled over \$500 billion to small businesses across the country in a short of amount of time, and I thank the SBA for its efforts to bring federal relief to Main Street businesses.

However, it is important that the loan information provided to or disclosed by the SBA be accurate. American taxpayers deserve to know that PPP funds are being used for the intended purpose of saving businesses in their communities. It was only after repeated bipartisan Congressional requests and Freedom of Information Act requests by journalists that the SBA agreed to disclose PPP loan information—only to reveal a litany of concerning discrepancies in the data provided. According to the SBA's data, a PPP loan saved 500 Buca di Beppo jobs in my district that do not exist, in addition to the SBA not providing information to correctly place jobs saved by retail or restaurant chains. I reiterate Congressional requests for the SBA to correct any inaccuracies and provide withheld information in order to prevent misrepresentations of the Paycheck Protection Program's effects.

I request that the SBA work with Buca Restaurants Inc. and PNC to correct the aforementioned inaccuracy, work with lenders to correct additional inaccuracies, and investigate any instances of loans that list addresses unrelated to the borrowers' places of business. Further, I call on the SBA to affirm its commitment to transparency and integrity in order to safeguard the more than \$500 billion in taxpayer funds distributed through the Paycheck Protection Program. Thank you for your efforts to release this information, and I hope you continue to provide Congress and American taxpayers with accurate, relevant data on the use of public funds.

Sincerely,

A handwritten signature in blue ink that reads "Mary Gay Scanlon". The signature is written in a cursive, flowing style.

Mary Gay Scanlon  
Member of Congress

Congress of the United States  
House of Representatives  
Washington, DC 20515

August 12, 2020

Jeffrey Sirolly  
General Counsel  
Earl Enterprises  
4700 Millenia Boulevard Suite 400  
Orlando, FL 32839

Dear Mr. Sirolly,

I write to you regarding inaccuracies with the disclosed Paycheck Protection Program (PPP) loan information for a loan approved by the PNC Financial Services Group (PNC) for Buca Restaurants Inc. As Congress negotiates additional financial aid for companies across the country, it is important that we conduct thorough oversight of the funds that have already been dispersed so that future funds can be fairly and effectively distributed.

I am particularly concerned that the loan for Buca Restaurants Inc. lists an address in my district that is neither its registered business address nor its headquarters, and was the site of a Buca di Beppo restaurant that has been closed for seven years. I understand that the design of the PPP and the limited funds originally provided created a rush to apply for a PPP loan, and I understand that this inaccuracy may be due to the rushed nature of the application process.

However, it is necessary that the information used to receive a government-backed loan be accurate. All PPP borrowers had to provide a business address and certify the following in their application:

I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Congress created the Paycheck Protection Program to provide aid for struggling small businesses and support continued employment through the COVID-19 pandemic. It is expected that Buca Restaurants Inc., and all PPP beneficiaries, remedy any inaccuracies in the information used to secure a PPP loan. The Small Business Administration is working with borrowers and lenders to correct PPP loan information. I strongly encourage Buca Restaurants Inc. to work with both the

SBA and PNC to correct this inaccuracy, and I request that you supply my office with information to identify who provided the Wynnewood, PA address for the application, and how it came to be included in the application. I look forward to your timely attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Mary Gay Scanlon". The signature is written in a cursive, flowing style.

Mary Gay Scanlon  
Member of Congress

Congress of the United States  
House of Representatives  
Washington, DC 20515

August 12, 2020

Gregory B. Jordan  
General Counsel and Chief Administrative Officer  
PNC Financial Services Group  
300 Fifth Avenue  
Pittsburgh, PA 15222

Dear Mr. Jordan,

I write to you regarding inaccuracies with the disclosed Paycheck Protection Program (PPP) loan information for a loan approved by the PNC Financial Services Group (PNC) for Buca Restaurants Inc. As Congress negotiates additional financial aid for companies across the country, it is important that we conduct thorough oversight of the funds that have already been dispersed so that future funds can be fairly and effectively distributed.

I am particularly concerned that the loan for Buca Restaurants Inc. lists an address in my district that is neither its registered business address nor its headquarters, and was the site of a Buca di Beppo restaurant that has been closed for seven years. I understand that the immense demand for PPP loans in April and May made it difficult for lenders, including PNC, to process applications in a timely manner. Further, I understand that this inaccuracy may be due to the rushed nature of the process. The PPP channeled over \$500 billion to small businesses across the country in a short of amount of time, and I thank PNC for its efforts to bring federal relief to its clients.

However, it is necessary that the information used to calculate PPP loans be accurate, both for public transparency and to safeguard against potential fraud and abuse. As recent reporting revealed, there are multiple discrepancies with the PPP loan information disclosed by the SBA, some of which may be due to errors by SBA and some which are attributable to inaccurate information reported by borrowers and/or lenders.

The SBA is inviting borrowers and lenders that participated in the Paycheck Protection Program to work with the administration to correct and update PPP loan data. I strongly urge you to work with the SBA to correct the information for Buca Restaurants Inc, and to correct inaccurate information for any other clients for which PNC approved a PPP loan. Further I request that you supply my office with information to identify who provided the Wynnewood, PA address that was submitted through E-Tran, and if anyone attempted to verify this address when approving the loan.

Financial institutions have been entrusted by the federal government to assist in allocating taxpayer money to small businesses in need of aid. Congress expects these institutions to do everything in their power to remedy any inaccuracies that have occurred, and work diligently to prevent future discrepancies. I hope that as a financial institution in good standing, you are fully compliant with all Know Your Customer laws and regulations. This information should help in quickly correcting any inaccurate loan information with SBA and your clients. I look forward to your timely attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Mary Gay Scanlon". The signature is written in a cursive, flowing style.

Mary Gay Scanlon  
Member of Congress