



COVID-19 AND CORRUPTION

The International Monetary Fund (IMF) recently posted a blog about corruption and COVID-19 (see link: <https://blogs.imf.org/2020/07/28/corruption-and-covid-19/>). So far, the IMF has provided US \$25 billion to 70 countries to help them prevent the spread of COVID-19. As part of this funding, the IMF has required improved governance and accountability of their funds. Although corruption is typically seen as an issue that developing nations face, COVID-19 has shown that it is alive and well in developed nations as well. Despite Canadian and US governments setting up toll free “snitch lines” asking people to report abuse of government emergency funding aid programs, many companies and individuals have still inappropriately taken advantage of these programs.

For example, in the US, companies have returned US\$30 billion in loans that were meant to help small businesses, not public companies that have access to public markets

- (<https://www.cnbc.com/2020/07/06/companies-returned-30-billion-in-small-business-loans-from-ppp.html>)
- (<https://www.nbcnews.com/business/business-news/which-companies-are-returning-their-ppp-loan-here-s-list-n1194566>)
- (<https://www.usatoday.com/story/entertainment/tv/2020/06/24/reality-star-maurice-fayne-charged-misusing-covid-19-relief-funds/3254645001/>).

So far in Canada, there has not been any public disclosure of the misuse of government aid.

It seems that some individuals and companies have mistaken government emergency aid as “free money” and have failed to realize that today’s government debt is tomorrow’s taxes – which we all pay for through higher individual and corporate taxes.

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