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## **Louisiana State Treasurer John M. Schroder comments on Louisiana Legislative Audit Report on Main Street Recovery Grant Program**

Several recently published articles highlighted the impact and effectiveness of the 2020 Louisiana Main Street Recovery Grant Program (MSRP). This program quickly provided \$262 million in federal pandemic relief dollars to more than 20,000 struggling Louisiana business owners. I appreciate the continued focus on this program and its success over a year after our team and the Legislative Auditor first published its results. Louisiana citizens can take pride in our office's continuous fight to provide for legitimate businesses while reducing fraudulent applications.

At the program's inception, the industry standard for governmental programs was a 7% fraud and waste rate. When selecting a vendor, we were adamant that the program's fraud and waste rate would be no more than 3%. By design, we worked with Legislative Auditor's office, embedding them in the program and thereby enabling us to respond promptly as fraud was detected. This collaboration contributed to our reduced overall fraud rate of 1.32%.

We continue to aggressively pursue the fraudsters. Industry averages told us to expect expected thefts of \$8 million. Instead, we minimized fraud to \$1.1 million and have recovered

more than \$400,000 to date. We did not compromise speed or efficiency. I refuse to punish the 98.7% with unnecessary of bureaucratic red tape to stop the 1.32%.

Many of the businesses assisted through the MSRP Program should never have been shut down in the first place, and many others should never have been shut down as long as they were. Unfortunately, despite the MSRP's program successes, Louisiana businesses are still suffering. Most recently, it is due to a rise in inflation, worker shortages, increased gas prices, and a lack of access to supplies.

We must do better for our state and our citizens. While no level of fraud, waste, and abuse is acceptable, I hope all Louisiana governmental programs are able to achieve fraud rates as low as the 1.32%. Due to the hard work and dedication of our team, we were able to deliver hundreds of millions of dollars in aid at speeds rarely seen in state government programs. The MSRP Program-should be a model for other recovery efforts, and I am ready and eager to assist.