

NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY

The historic plunge in gross domestic product in the second quarter was revised down slightly to show a 31.7% annual decline, underscoring the devastation to the economy spawned by the coronavirus pandemic.

Economists polled by MarketWatch had forecast GDP to be rejiggered to show a 32.5% drop. The government last month initially put the decline at a record 32.9%.

GDP is the official scorecard of the U.S. economy, measuring consumer spending, business investment, government outlays and other contributors to growth.



The U.S. is on track for a sizable rebound in the third quarter despite a summer surge in the coronavirus. Growth began to recover in May and it's continued through August, though at a slower pace.

GDP is forecast to expand at a 20% annual clip in the third quarter, according to the latest MarketWatch

forecast.

Even a gain of that size, however, would leave the economy in a shrunken state compared to pre-crisis levels.

Consumer spending, the main engine of the economy, contracted by a slightly revised 34.1% annual clip in the spring. Hotels, restaurants and airlines were particularly hard hit.

The decline in business investment in structures and equipment also shattered previous records. Both fell by a more than 30% rate in the second quarter.

The level of inventories declined by a \$205.5 billion annual rate in the second quarter, compared to the initial \$234.6 billion estimate.

Federal spending soared by 17.4% as the government spent trillions to help households and businesses survive financially during a nationwide economic lockdown. Yet states and localities which face balanced budget constraints pared back spending after tax revenues sank.

International trade, meanwhile, has been devastated by the pandemic. U.S. exports fell a revised 64.1% in the second quarter while imports tumbled 53.4%. Both were little changed from the early estimate.

The rate of inflation fell at a 1.9% pace in the second quarter. Many companies had to cut prices after demand sank and sales dried up.

Previously GDP had never shrunk by more than 10% on an annualized basis in any quarter since the government began keeping track shortly after World War Two.

The economy is expanding again, and third-quarter GDP is likely to show record growth, but GDP is still markedly lower than it was before the crisis. Reduced federal aid the still-spreading coronavirus could weigh on the economy in the months ahead.

The economy has also shown surprising resilience this summer, however, as evidenced by strong retail spending, surging home sales and construction, robust demand for new cars and trucks, and rising industrial production.

The American Legion has always advocated for a robust economy that will provide financial stability to our servicemembers, veterans, their families. The staff will continue to monitor.

[Reported by Ariel De Jesus]

HOUSEHOLD				DATA		
Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted						
[Numbers in thousands]						
Employment status, veteran status, and period of service	Total		Men		Women	
	July 2019	July 2020	July 2019	July 2020	July 2019	July 2020
Unemployed	316	699	262	591	54	108
Unemployment rate	3.4	7.9	3.2	7.5	5.0	10.7

The national unemployment rate is 10.2 percent (July 2020). Gulf War II veterans' unemployment rate is 8.2 percent.ⁱ Currently, the unemployment rate for Gulf War II women veterans is 7.9 percent (Down from 10.1 percent in May).

In July 2020, the veteran unemployment rate is 7.9%, down from 8.6% last month and 9.1% two months ago. The comparable non-veteran unemployment rate was 11.1% in June and 10.2% in July

TOPIC 2: CONFERENCE CALLS

On Monday, August 24 - 28, the National Veterans Employment & Education Division focused on the upcoming career fair in collaboration with the Department of Texas and Texas Veterans Commission. This will be the first of many more virtual career fairs hosted by The American Legion.

On Monday, August 24, the National Veterans Employment & Education Division attended the 2020 NASAA Summer Training & Business Conference - Lumina/RBS Project Update. The meeting reviewed new reforms to State Approving Agency Risk-Based Surveys to consider the probability and the impact of the potential risk, identify predatory recruiting tactics, and demonstrate financial integrity in the handling of taxpayer resources

On Monday, August 24, the National Veterans Employment & Education Division met with the SBA's Office of Advocacy to discuss the processes for the collecting veteran entrepreneurship data to gauge the welfare of the veteran small business industrial base during the COVID-19 economic downturn. An easy way to accomplish this is to add a few question to the Small Business Pulse Survey SBPS which unfortunately is not designed or purposed to capture specific demographic information. An alternative solution has been suggested, to compare BLS data on small business employers with other groups during the last five months.

On Monday, August 24, the National Veterans Employment & Education Division prep with RBS Project Director Woodall on Presentation to National Association of State Approving Agencies on RBS model and upcoming presentation with EdCounsel and Lumina. Presentation to the NASAA National Conference on the new RBS model, the pilot program and plans for the future.

On Monday, August 24, the National Veterans Employment & Education Division had conversations with VA Education Service about new formula funding model for SAAs and Compliance Survey standard. Concerns about continued insistence on compliance visits with no plan for RBS for this year. Conversations with VES problem school in GA taking advantage of students in LA. Called SAA director in LA to address.

On Tuesday, August 25, the National Veterans Employment & Education Division teleconference with George Bush Institute on policy group plans for the National Task Force on Higher Education. Teleconference with SVAC staffer on legislative plans after recess and additions to be made to 4625. Plans are to include a whole section on RBS to ensure more robust and rigorous oversight of approved programs.

On Tuesday, August 25, the National Veterans Employment & Education Division Attend NASAA National Conference (Virtual). Discussed plans to support APP/OJT, technology in education and challenges of oversight in the pandemic. Talk with HVAC staff on for profit conversion bill. Conversations with Nevada, Virginia and Mississippi SAA directors on challenges of oversight in their states.

On Wednesday, August 26, the National Veterans Employment & Education Division Attended a third Day of NASAA Conference. Presentation of and approval of Legislative Agenda. Calls for increased approval criteria, more outreach for App/OJT, increased oversight for programs. Plans are to work more closely with state Veterans Affairs Officers and to work more closely with VSOs.

On Wednesday, August 26, the National Veterans Employment & Education Division Call with Kelsey Baron to discuss needed changes in HR 4625, Protect the GI bill. Also presentation to NASAA membership on pending legislation and how it will change the mission and future funding / organization of SAAs.

On Wednesday, August 26, the National Veterans Employment & Education Division attended a meeting hosted by the law firm of PilieroMazza regarding the FAR Council's interim rule on NDAA section 899 prohibitions on using Chinese telecommunications and video surveillance equipment. The new interim rule, effective October 26, 2020, allows federal contractors who already certified in SAM, pursuant to the new FAR 52.204-26, that they "do not" use the prohibited equipment or services to update that certification only once a year instead of in conjunction with every proposal or bid. While the FAR Council has billed this as a change to ease the administrative burden, this rule does NOT change the ongoing reporting requirements during contract performance which are, arguably, the most onerous part of the new Section 889 compliance regime.

On Wednesday, August 26, the National Veterans Employment & Education Division spoke with Politico reporter Eleanor Mueller about recent changes at the United States Postal Service. VE&E staff reiterated American Legion Res. No. 344: *Support Federal Legislation that Protects the Employment of Veterans in the U. S. Postal Service Mail Processing Facilities that are Slated for Closure*, which calls for USPS to preserve current service standards guaranteeing the delivery of First Class mail within 1-3 days, as well as protecting veterans employment within USPS.

On Thursday, August 27, the National Veterans Employment & Education Division attended a webinar hosted by the District of Columbia's Mayors Office. Aims to connect the District's veterans with information, resources, and organizations that may be beneficial to a successful military transition. The event consisted of an informal discussion that revolves around varying topics, including housing, employment, healthcare, and legal services.

On Thursday, August 27, the National Veterans Employment & Education Division conducted a joint call with Lumina Foundation and SOLID, LLC to discuss objectives and benchmarks for the Military Credentialing Advancement Initiative report. Legion HQ has signed off on a contract with SOLID Design to be the lead report writer, with VE&E coordinating content and credentialing recommendations.

On Thursday, August 27, the National Veterans Employment & Education Division had presentation to NASAA Executive Board about need for changes in higher education, including 90/10 and plans for more online training. Conversations on quality and training for good paying jobs. Conversation with accreditors on maintaining quality in higher education and how to look for issues when you are on school visits.

On Thursday, August 27, the National Veterans Employment & Education Division had a conversation with Wake Forest University Leadership on challenges for student veterans in the COVID environment. Many colleges are closing and sending students home, but Wake is not. (only 11 cases so far).

On Thursday, August 27, the National Veterans Employment & Education Division attended a webinar hosted by the US Chamber of Commerce regarding the pandemic's effect on interstate commerce and small businesses as the nation's travel and tourism industry shuts down. Prominent panelist included Mike Delaney of Boeing and Jeff Knittel of Airbus, Jennie Blumenthal, the travel lead at Price Waterhouse Cooper and travel writer, Rick Steves. The discussion included an explanation on how the industry and government is working toward opening interstate travel and tourism in hopes of jumpstarting the small business economy and the latest research into consumer attitudes about travel.

On Friday, August 28, the National Veterans Employment & Education Division had conversations with HVAC and SVAC staffers on pending legislation. Finish redrafting 4625. Education Counsel, Lumina and NASAA Weekly Meeting on pilot programs and coordination with VA on RB S.

TOPIC 3: TRACKING LEGISLATION

GI Bill of Rights Equity Commission Act: Establish the independent National Commission on GI Bill Equity to identify veterans of World War II who were denied the full effect of their GI Bill benefits because of contemporaneous local, State, and Federal Government policies that discriminated against African Americans.

(Tracked by John Kamin)

Resolution: None on file, presenting for review at Fall NEC.

Status: Currently on hold, has not been introduced

HR 6800, the Heroes Act: Allows VA to provide transport and purchase food, shelter, phones, clothing, blankets and toiletry items for homeless veterans; Authorizes VA to set up temporary encampments on the grounds of VA Medical Centers to allow homeless veterans to shelter on VA parking lots temporarily; Allows VA to provide reimbursements to social service providers receiving grants for the costs of services for minor children.

(Tracked by Davy Leghorn)

[Resolution No. 324: Support Funding for Homeless Veterans](#)

HR 7445: To amend title 38, United States Code, to expand eligibility for home loans from the Secretary of Veterans Affairs to certain members of the reserve components of the Armed Forces. **This bill was submitted for the July 23, 2020 testimony.**

[Resolution No. 329: Support Home Loan Guaranty Program](#)

HR 1615: The American Legion supports legislation that would streamline and improve the verification process for veteran-owned small businesses and veteran-owned small businesses.

[Resolution No. 155: Support Verification Improvements for Veterans' Business](#)

Passed at the 2016 National Convention.

(Tracked by Davy Leghorn)

HR 2224: To direct the Secretary of Labor to prioritize services to homeless veterans with dependent children in carrying out homeless veterans' reintegration programs and for other purposes.

(Tracked by Ariel De Jesus/John Kamin)

[Resolution No. 326: Support Funding for Additional Housing for Homeless Veterans with Families](#)

S. 2594: To amend title 5, United States Code, to modify specific requirements concerning service and retirement for veterans' Preference for federal hiring.

(Tracked by Ariel De Jesus)

[Resolution No. 317: Enforcing Veterans' Preference Hiring Practices in Federal Civil Service](#)

HR 1196, Jobs for Veterans Act of 2019: This bill allows an increased work opportunity tax credit for employers who hire veterans who have been certified as discharged or released from active duty in the Armed Forces after September 11, 2001, and who begin working for the employer after

December 31, 2019, and before January 1, 2024. This increased credit is in addition to any work opportunity tax credit allowed to a veteran with a service-connected disability.

(Tracked by Ariel De Jesus/John Kamin)

[Resolution No. 354: Work Opportunity Tax Credit Program](#)

HR 7010, Paycheck Protection Program Flexibility Act of 2020: This bill significantly changes the terms of the PPP loans to be more advantageous to small businesses. Including more flexibility in applying the loan to other expenses besides payroll and benefits and extending the time frame for expending the loan.

(Tracked by Davy Leghorn)

HR 4625: To require education programs to be approved by the VA to abide by the Principles of Excellence to include a ban on deceptive or misleading recruiting, clear information about total costs and program requirements, accommodation for deployments, ensuring a point of contact for veterans, and not being under a punitive action by an accreditor.

(Tracked by John Kamin)

[Resolution No. 318: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education](#)

HR 6957: To direct the Secretaries of Defense and Veterans Affairs to treat a period of full-time National Guard duty, performed in response to the national emergency declared on March 13, 2020, by the President concerning COVID-19, as not shorter than 90 days.

(Tracked by John Kamin)

Currently studying for appropriate resolution.

HR 4941 Veteran Employment Transition Act” or the “VET Act” was sponsored by Representative Andy Kim. The last action on the bill was in the House on 12/02/2019; it was referred to the Subcommittee on Economic Opportunity. The bill's goal is to improve the Transition Assistance Program. The bill would allow certain veterans' service organizations to contact veterans regarding benefits and to better inform veterans of employment opportunities. The Service groups would inform veterans of the benefits and employment opportunities with the Federal, State, and local governments. The groups inform veterans of events in the area.

(Tracked by Ariel De Jesus) A letter of support was approved and sent to the Office of Congressman Kim.

[Resolution No. 70: Improve Transition Assistance Program](#)

Veterans Educational Assistance Transparency and Accountability Improvement Act of 2020

The G.I. Bill Comparison Tool was created to help veterans make informed decisions when choosing what educational institution to attend. This bill aims to improve this tool by requiring VA to include even more pertinent information to help weed out bad actors. The bill also authorizes VA to restore educational benefits to those who utilized their entitlement at an institution that is subject to civil enforcement action.

(Tracked by John Kamin) A letter of support was approved and sent to the Office of Congressman Schatz.

[Resolution No. 327: Support Further Assessment and Evaluation of Institutions of Higher Learning to Enable Veterans to Make Informed Education Choices](#)

H.R. 7003 is a bill sponsored by Rep. Takano, Mark D-CA-41 and was introduced 05/22/2020. The bill would authorize a pilot program in the Department of Defense to enhance efforts to provide job placement assistance and related employment services directly to members of the National

Guard, Reserves, and veterans of the Armed Forces. The last action on the bill was 05/22/2020 and referred to the Committee on Armed Services.

(Tracked by Raymond Lorminey/Ariel De Jesus)

[Resolution No. 81: Transition Assistance Program Employment Workshops for National Guard and Reserve Members](#)

Coronavirus Emergency Borrower Defense (E-BD) Act: to require the Department of Education to grant full student loan discharges to three specific emergency categories of defrauded borrowers—specifically borrowers covered by:

- (1) Department of Education findings against Corinthian.
- (2) Department of Education findings against ITT Tech; and
- (3) State attorneys general group discharge applications made before the date of enactment.

(Tracked by John Kamin)

[Resolution No. 82: Preserve Veteran and Servicemember Rights to Gainful Employment and Borrower Defense Protections](#)

HR 7111: Veterans Economic Recovery Act of 2020: Require the Secretary of VA to carry out a rapid retraining program that provides eligible veterans up to 12 months of retraining assistance for in-demand occupations. These 12 months of benefits would be equivalent to payments made to students and schools through the Post 9/11 GI Bill.

(Tracked by John Kamin)

This bill was submitted for the July 23, 2020 testimony.

[Resolution No. 316: Support Employment of Veterans in the Public and Private Workforce](#)

Homeless Veteran Coronavirus Response Act: The bill allows VA to use existing funds for a broader range of services; authorizes the Department to collaborate with outside organizations to facilitate shelters on its properties; loosens restrictions on Grant and Per Diem (GPD) payments, and requires VA to ensure veterans participating in VA homeless programs have access to VA telehealth services.

(Tracked by Teresa Lewis)

[Resolution No. 326: Support Funding for Additional Housing for Homeless Veterans with Families](#)

HR 4920, Department of Veterans Affairs Contracting Preference Consistency Act of 2020: is a bill that would allow AbilityOne companies to keep their preferential treatment at the Department of Veteran Affairs after 2016 with some compromises. The Senate initially sent it back to the House after it was passed for changes. Those changes have been reconciled and the bill cleared its last hurdle before it is sent to the White House.

Draft Bill: Home loan benefits for National Guard to amend title 38, United States Code, to expand eligibility for home loans from the Secretary of Veterans Affairs to certain members of the reserve components of the Armed Forces.

(Tracked by John Kamin)

We submitted written testimony for the July 23, 2020 hearing.

[Resolution No. 329: Support Home Loan Guaranty Program](#)

Draft Bill: JSF - To amend title 38, United States Code, to clarify the scope of procedural rights of members of the uniformed services concerning their employment and reemployment rights, and for other purposes.

(Tracked by Davy Leghorn)

We submitted written testimony for the July 23, 2020 hearing.

Draft Bill: USERRA Protections for State Active Duty - To amend title 38, United States Code, to extend particular employment and reemployment rights to members of the National Guard who perform State active duty. Submitted written testimony to the Legislative Division.

(Tracked by Ariel De Jesus)

We submitted written testimony for the July 23, 2020 hearing.

[Resolution No. 315: Support Employment and Reemployment Rights of National Guard and Reservists Returning from Deployment](#)

TOPIC 4: EMPLOYMENT

What are the Issues Preventing Returning Veterans From Finding Jobs?

Several studies have been done on the issue, and this article cites both the Prudential study and the study done by Volunteers of America.

1. Lack of Preparation: Many of the veterans interviewed talked about a lack of preparation for civilian life. According to the Prudential study, 66% of veterans indicate they had some sort of Transition Assistance Program (TAP), while 34% indicated they had no training whatsoever for entering civilian life. Of the 66% who had a TAP program, most felt it was perfunctory and completely inadequate. When service members leave the military, they need training. This is especially true of young people who entered the service right out of high school and have limited civilian work experience. They need to learn how to write a resume' and how to translate their military skills into civilian skills. They need to learn how to describe their skills in ways that will be attractive to a civilian employer. Qualities like: problem solving, leadership, ethics and time management are inherently part of the veteran's skill set, and veterans need to learn how to convey those qualities to employers in a meaningful way.



2. Unrealistic Expectations: Many veterans have unrealistic expectations about the type of employment they can expect when they return to civilian life. These expectations are often fostered by the military. Recruiters seeking to convince young people to join up promise career training. Military training programs work to instill confidence, to make service members aware that they are well trained and highly skilled in their fields. That confidence is necessary, but it can get in the way of finding a civilian job later.

A VOA service worker described an instance that illustrates the point. A returning veteran applied for an upper level administrative position with a civilian company. He thought his experience supervising over 300 troops in Iraq provided him with the necessary experience. The prospective employer disagreed. He thought that managing troops deployed over a wide area of Iraq was nothing like the day to day management of a building full of office workers with conflicting viewpoints and opinions on how to get the job done. The employer simply did not understand how

military management skills could transfer over to civilian life. The veteran did not understand that managing office workers might not be the best use of his skills.

As one post 9/11 veteran said:

“The experience you get in the military, it’s not like they come over to the civilian side. Or where you might have certain certifications that don’t come over. And so basically, you know, they don’t count for anything. It’s like you’re 23/24 coming out with all this experience, but you can’t get a job.”

Returning veterans need help understanding the scope of their military training and figuring out how that training translates to a civilian job. They need help figuring out what jobs and career fields are the best fit for them. They also need to learn to convey their training, skills and experience to prospective employers in a way that makes sense in the civilian sector.

3. Employer Bias: While employers should appreciate our military service and make every effort to employ returning veterans, the opposite appears to be true. Many employers fear that returning veterans will have mental health or physical issues that will interfere with job performance. They fear that veterans will have difficulty adjusting to working in a civilian job. Employers often fail to consider military service and reject veteran applicants as having a long gap in employment history. This is one post 9/11 veteran’s description of a job interview:

“And then they asked me how long ago did I leave combat zone. And I told them like three years. And then they told me ‘oh, then you’re good, because we don’t want to deal with guys who just came back.’ ”

4. Inability to Shed Military Identity: Some returning veterans report difficulty getting along with civilian coworkers. They view the coworkers as lazy, inattentive to detail, and lacking respect. Coping with the variety of attitudes and work ethics encountered in the civilian work force can be challenging for the returning veteran. After years of discipline and precision, civilian attitudes may be hard to accept.

5. Mental Health Issues and Physical Disabilities: Civilian employers are often unrealistically nervous about veterans with physical disabilities or mental health issues. They often fear veterans will have unidentified mental health issues that will impact them on the job. As one veteran put it, they are thinking “How damaged are you? During the entire interview.

The American Legion is concerned with this trend and will continue to hold its regular workshops (in-person and virtual) that gives transitioning servicemembers, veterans, and their spouses the edge needed to successfully transition to their new careers.

Resolution No. 12: Accountability and Enhancements of Transition Assistance Program; Outcomes and Delivery for Today's Digital Transitioning Servicemembers

[Reported by Ariel De Jesus]

TOPIC 5: VETERAN HOUSING AND HOMELESSNESS



The U.S. Department of Veterans Affairs awarded Oklahoma more than \$1 million for housing and outreach programs. A local veteran told KOCO 5 that he's thankful more veterans will be able to get help because of it, saying for him the homeless outreach in Oklahoma City is the reason he's alive.

"There is hope," veteran Kenhgie Caldwell said.

From sleeping on the streets to working, writing a book, and living on his own, that is the message Caldwell has for homeless veterans struggling day-to-day. He's glad to hear about the funding to help combat the issue.

"It makes me feel like the U.S. government is really trying to help us because not all of us are as fortunate as others. It really makes us feel good," Caldwell said.

The money comes from the Grant Per Diem program, which is set to be distributed Oct. 1. Cale Powers, program director of the OKC VA Homeless Program, called it a blessing.

"The biggest part of this for us, this is going to allow us to work with a new agency and provide eight more beds through what's called transition in place, and that agency is Hope Community Services," Powers said.

"The veteran will move into a home and work with the program staff for six to 12 months. And at the end of those 12 months, they'll get to stay in housing. They won't have to go look for their own."

Other housing initiatives that have been operating at 50% capacity will also be expanded, increasing available beds from 15 to 24. Caldwell hopes others utilize them to overcome their obstacles as he has.

"If you've got help, it makes the road a lot easier," Caldwell said.

The American Legion is encouraged to see these types of efforts as it is in line with:

The American Legion Resolution No. 332: Support Funding for the Department of Housing and Urban Development (HUD) and Veterans Affairs (VA) Supportive Housing (HUD-VASH) Homeless Program

[Reported by Ariel De Jesus]

TOPIC 5a: VETERAN HOUSING AND HOMELESSNESS

On August 20, 2020 the Department of Veterans Affairs reported their plans to award more than 425 grants, \$279 million to help prevent and end Veteran homelessness.

The U.S. Department of Veterans Affairs (VA) announced it will award more than 425 grants to community organizations totaling approximately \$279 million under the [Grant Per Diem \(GPD\) program](#).

The GPD program provides funding to community organizations that provide transitional housing and supportive services for homeless Veterans, with the goal of helping homeless Veterans achieve residential stability, increase their skill levels and income and obtain greater self-determination.

The award period begins Oct. 1 to support three different types of grants to address the unique needs of Veterans who are homeless:

- Per Diem only grants
- Special Need grants
- Transition in Place grants

<https://www.va.gov/opa/pressrel/pressrelease.cfm?id=5504>

[Reported by Teresa Lewis]

TOPIC 6: CAREER FAIRS

ALL IN-PERSON CAREER FAIRS SCHEDULED THROUGH SEPTEMBER HAVE BEEN CANCELLED, SUSPENDED, OR POSTPONED.

The American Legion is working on future virtual workshops and career fairs.

National, Department of Texas, and the Texas Veterans Commission will be hosting a Virtual Career Fair September 15th, 10 am – 4:00 pm CST

Newly discharged veterans claiming benefits totaled 13,566, a decrease of 346 from the prior week.

The mission of The American Legion's National Veterans Employment & Education Commission is to take actions that affect the economic well-being of veterans, including issues relating to veterans' education, employment, home loans, vocational rehabilitation, homelessness, and small business.

[Reported by Ariel De Jesus]

TOPIC 7: SMALL BUSINESS

The American Legion has been tracking the new lending programs created by the COVID-19 relief packages that alleviate the burdens of a government enforced shutdown of the economy. The American Legion provided factsheets and tutorials for Paycheck Protection Program and the Economic Injury Disaster Loan Program as fast as the changes to the rules. Many of our Posts and Departments have taken advantage either the PPP or the EIDL loan programs and have been able to pay their employees throughout the last 4-5 months. Recent statistics show that fraudulent companies may be taking advantage of the loan programs designed to keep community service providers, nonprofits and small businesses afloat.



A federal program meant to help small businesses hurt by the coronavirus pandemic may have sent more than \$1 billion to places it shouldn't have gone, according to Small Business Administration data. In some parts of the country the SBA approved far more \$10,000 Economic Injury Disaster Loan (EIDL) grants than the number of eligible businesses, the analysis found. The epicenter was six adjacent congressional districts in the Chicago area, where 81,000 grants were approved even though there are only 19,000 eligible recipients. That's more than \$600 million going to phantom entrepreneurs. The SBA declined to comment on the discrepancies, saying in a statement it had "stringent fraud-protection safeguards" and noting that it had been under pressure to move the money quickly.

In 52 congressional districts across the nation where the number of \$10,000 grants exceeded the number of eligible small businesses, for a total of \$1.3 billion in suspect payments. Illinois's 2nd District, which includes a swath of Chicago and its suburbs, had the greatest excess, with 24,278 grants going to businesses that listed addresses there. But the most recent U.S. Census Bureau data show that only 1,925 small businesses in the district have at least 10 employees, the number required to qualify for the maximum \$10,000 grant. Districts in Georgia, Texas, Florida, and other states also showed payments to more than the number of eligible companies. The Census data are from 2017, and the number of businesses in each district may have changed since then. But the discrepancies uncovered in the analysis are so large that potential increases in business activity alone can't explain them.

The suspect payments far exceed the \$47.8 million that SBA Inspector General Hannibal "Mike" Ware identified in a preliminary report in July that warned of "potentially rampant fraud" in the \$20 billion grant program. Ware declined to comment on Bloomberg's findings about the full program until his staff had a chance to review them. But in an interview, he didn't sound surprised. "The level of fraud we've seen in this has been pretty pervasive," he said.

The SBA said in its statement that its anti-fraud safeguards had "prevented the processing of thousands of invalid applications." It also said it was "balancing the agency's fiduciary duties against the urgent need to provide the small-business sector with more than \$207 billion—including \$20 billion in EIDL Advances—needed to weather the precipitous challenges created by this pandemic."

The EIDL grant program inspired several types of scams, Ware said. In one, criminals recruit people by offering to help obtain a \$10,000 government grant in exchange for a fee. Each recruit provides personal ID and bank account information, often without understanding that the arrangement is illegal. The scammers use the information to submit a phony application.

Ware said he and his law enforcement partners shut websites and call centers that were set up to troll for recruits. “It’s organized,” he said, “to the point where—you know what, I’ll leave it at that, because I don’t believe I can say it publicly at this point.” The FBI, the Secret Service, and other agencies are probing fraud across the SBA’s programs, Ware said.

It can take months to get approved for a disaster loan, and lawmakers conceived of the grant program as a way to get cash to businesses quickly while applications were pending. Barring fraud, the grants don’t have to be repaid, even if the loan application is rejected. To speed money to struggling businesses, lawmakers required the SBA to take applicants’ word that they were eligible for the money—a requirement that SBA Administrator Jovita Carranza has called “lowered guardrails” against fraud.

In a letter responding to Ware’s findings, Carranza said the SBA had caught billions of dollars of attempted fraud. An automated system rejected \$8.8 billion in grants because they were identified as duplicates, and it denied an additional \$9 billion because applicants’ identities didn’t check out or didn’t match bank information. Those figures refer to rejected applications. But Ware was able to identify the \$47.8 million in fraudulent grants approved through June 19 by examining the employer tax ID numbers on applications. Businesses are supposed to have been in operation as of Jan. 31 to qualify, yet Ware found that 20,962 successful recipients got ID numbers after that date. He used the same method to identify \$208 million of loans that were wrongly disbursed.

[Reported by Davy Leghorn]

TOPIC 7a: SMALL BUSINESS

On Thursday, September 10, 2020, 10 AM – 11 AM, Rural Georgia Initiatives Presents: Rural Broadband - Community Success Stories for its second informative webinar on rural broadband in Georgia featuring: Deana Perry, executive director of broadband, Georgia Department of Community Affairs; Amy Stone, AICP, planning and development director, Oglethorpe County; Mayor Steve Ledbetter, PhD, City of Woodbury; and Greg Turton, owner and president, Southern Fiber Worx, Cordele, Crisp County.

<https://www.georgia.org/event/rural-georgia-initiatives-presents-rural-broadband-community-success-stories>

On Wednesday, August 28, 2020 VE&E participated in the U.S. Chamber of Commerce webinar on “Operating a Socially Distant Businesses.” According to Tommy Cvitanovich, Owner, Dragos Restaurant, they are requiring masks for everyone and taking temperatures for employees. They have set a timer that requires every restaurant employee to wash their hands every 30-minutes during their shift; as well as, washing all customer touchpoints.

According to Audiologist, Dr Lana Joseph-Ford, Founder and CEO, High Level Speech and Hearing Center, face masks, shields and gloves are required for all patients.

Teresa Lawrence, President-Owner, Delta Personnel, believes that communication is key. She recommends businesses develop a plan. She schedules employees in A and B groups for working

in the office. One group works Monday, Wednesday and Friday in the office, the next week the groups rotate the schedule. She has a sanitation policy and a floor plan that eliminates cross contamination by crossing another employee that may be coming into the office. Ms. Lawrence shared that she moved desks further apart and uses the G Suite on Google for office sharing, as well.

Jay Bandy, President, Goliath Consulting Group, stated that restaurants need to start now preparing for the Winter. They must pivot to delivery from outdoor seating.

The Chamber's reopening guide is available at <https://www.uschamber.com/co/reopening>

As of August 11, 2020 there are about 155,000 total business closures reported on Yelp since March 1, according to data from the reviews company. About 91,000 of the closures, or 59%, are permanent. Many individuals have lost their jobs and are starting new businesses. On August 27th, FORBES reported on line there are "5 Signs You Should Pivot Or Change Your Startup Idea" by [Abdo Riani](#), Senior Contributor

A startup that is not agile and prepared to adapt to customer and market needs and conditions will unlikely succeed over the long run. WSJ found three types of startup adjustments:

1. Iteration: This describes making progressive changes to the product to improve it and better serve customers' needs. Typically, product development follows three steps: defining and prioritizing the scope (list of features and functionalities), building and releasing, and gathering feedback. Each cycle is an iteration based on data and customer insights.
2. Pivot: A change in the business strategy or fundamental part of the business model. Groupon is an example of a pivot.
3. Change of idea: Completely changing the startup idea, rather than just changing parts of it. Twitter was a new idea.

WSJ recommended start-ups watch out for these five signs. A need for change in the startup may be coming or overdue.

1. The Product Doesn't Work, But A Part of It Does

2. You Have to Educate Your Customers Constantly

3. Your Early Adopters Don't Find Value in Your Product

4. Your Product Is Not Worth the Switch Cost

5. Scalability Seems Dubious

<https://www.forbes.com/sites/abdoriani/2020/08/27/5-signs-you-should-pivot-or-change-your-startup-idea/#7c3fd2f920b5>

FORBES also reported on August 24th, that "We Need The U.S. Postal Service To Deliver For Small Businesses—And Our Economy" by [Rhett Buttle](#), Contributor

A strong postal service is crucial to our economic recovery post-Covid-19. Without it, small businesses—the backbone of our economy—cannot innovate and adapt to this new reality. These businesses are a vital customer for the USPS: According to the agency's own data, in 2013 small

businesses generated [\\$9 billion](#) of revenue for the USPS—about 14% of its annual operating revenue. Small businesses are part of what enables the USPS to generate an average of [\\$236 million](#) in revenue each day, all while only one percent of its annual budget is subsidized via federal appropriations.

Small businesses, in turn, rely on the U.S. Postal Service. A [2019 report](#) found that 70% of microbusinesses (fewer than 10 employees) had utilized the USPS within the previous six months. During the pandemic, the USPS has become even more crucial. In a [May 2020 Harris poll](#), Americans ranked the USPS as the most “essential” company amid the COVID-19 pandemic. With most of the nation stuck at home, between April and June of this year, overall package volume [increased by about 50%](#) from last year. Savvy small business owners have [pivoted to digital](#) storefronts as brick-and-mortar shopping continues to be complicated, if not impossible. And these newly online merchants depend on the speed, reliability and cost effectiveness of the USPS.

Now, these businesses—already battling to stay afloat—can’t even rely on the mail. Recently, the National Small Business Association polled its members and found that [60%](#) have experienced serious shipping delays through the USPS. These delays deliver yet another blow to small businesses that are doing everything they can think of to survive this crisis.

Even with all the media attention on postal service delays, consumers—who have become accustomed to [faster and faster delivery](#) over the last several years—are likely to blame businesses themselves for late shipments. Small businesses that are the most vulnerable, such as those that are micro-sized, located in rural areas or owned by women or minorities, will feel the most acute impact. In fact, online retail marketplace Etsy recently wrote an [open letter](#) encouraging Congress to provide emergency funding for the U.S. Postal Service. Ninety-one percent of Etsy’s 2.8 million sellers use USPS to ship their products to consumers—83% of them are women-owned, sole proprietor businesses, and they will suffer greatly from a continued backlog in package delivery. With so many Americans out of work or subject to reduced hours, these extra income streams are more important than ever.

It’s not only the small business-consumer relationship that’s impacted by the slowed operations of the USPS. Small businesses also depend on regular mail delivery for paychecks, important paperwork, goods and supplies and mail-based advertising. As these items are delayed, costs for small business owners will increase. For example, checks arriving late to vendors mean small businesses may have to pay late fees, or even check cancellation and bank wire fees if checks are lost in the mail.

<https://www.forbes.com/sites/rhettbuttle/2020/08/24/we-need-the-us-postal-service-to-deliver-for-small-businesses-and-our-economy/#3a9887c61364>

On August 25, 2020 CNBC.com reported “Minority entrepreneurs at a tipping point as Black-owned banks dwindle in the U.S.” by [Cameron Costa](#)

The pandemic and George Floyd killing have escalated focus on racial injustice and economic inequity, and the lack of capital markets access for Black founders.

A 2018 SBA report found that minority business enterprises typically experience higher interest rates and more loan denials, and many Black owners are afraid to even apply.

Black Americans have been hit disproportionately hard by the Covid-19 pandemic, and the White-led financial institutions that could theoretically offer economic support may simply not be enough. The coronavirus pandemic has exacerbated a crisis for Americans already facing poor economic and health outcomes, and highlights the lack of financial services institutions run by Black founders and executives.

Black and brown business owners have faced a disproportionate share of [Covid-19](#) failures: from February to April of this year, there was a 41% decline in Black-owned businesses and a 32% drop in Latinx business owners. White entrepreneurs experienced only a 17% decline. [Among those who applied for Paycheck Protection Program support, a report from Color of Change and Unidosus found that only 12%](#) received the assistance they had requested. Forty-one percent received none.

“The lack of access to capital is the single highest driver for business failure, and Black founders are less likely to gain it,” said Melissa Bradley, Georgetown McDonough School of Business Professor. “Access to capital is limited not because of demand, but due to pattern recognition by investors, different social capital based on educational and social choices (e.g. golf clubs), and a limited number of sponsors ... who can vouch and validate the entrepreneurs.”

If Black banks continue to close and legacy White-led banking players do not step up enough to support people of color, Groce says the wealth gap will continue to widen.

<https://www.cnn.com/2020/08/25/minority-entrepreneurs-at-tipping-point-as-black-owned-banks-dwindle.html>

CNN.com also reported on August 20th how the coronavirus devastation of small businesses threatens capitalism in the U.S.

“If you want capitalism to be sustained, you need buy-in from a lot of people. You cannot get buy-in if it’s all about large corporations,” economist Mohamed El-Erian told CNN.

“Remember what small businesses do. They’re not just large employers, they also are the main way to have inclusive capitalism, an inclusive market-based system,” said El-Erian.

<https://www.cnn.com/2020/08/20/el-erian-coronavirus-small-business-devastation-threatens-capitalism.html>

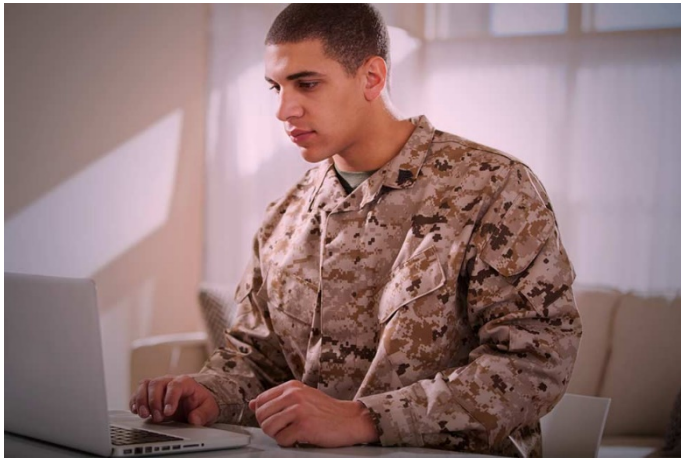
[Reported by Teresa Lewis]

TOPIC 8: EDUCATION

The University of Arizona is putting together the pieces to create a new online university with its August announcement buying a controversial for-profit online school.

The assets of Ashford University, including its 35,000 students- including over 6,000 veterans, will be under the umbrella of the University of Arizona Global Campus, a nonprofit, fully online entity, the UA said. It will serve as an expansion of the Global Campus, made up of 150 sites worldwide.

Since spring, UA administrators have investigated the potential sale to bolster the university's offerings of more than 65 online programs. They said the move will help them serve more



underrepresented and nontraditional students as well as provide additional career paths in a flexible and affordable manner.

With major operations in Tucson and Phoenix, the move makes Arizona an instant powerhouse in online education.

Those within Ashford — including 2,400 faculty members — should not face disruptions as they are welcomed to their future home, UA officials said.

Why does this concern The American Legion? Ashford University has a dodged history of predatory practices recruiting veterans and an uncanny ability to dodge all attempts at VA oversight.

Ashford was the 6th largest recipient of GI Bill, which funded over \$27 million to the school in FY 2018. Only 8% of full-time students who started college at Ashford graduate within six years. These students leave with federal student loan debt, depending on their field of study, between \$27,308 and \$48,125.

Ashford's status for GI Bill approval has been uncertain since 2016 when it lost its Iowa approval when it shuttered its Iowa campus. (Ashford sued Iowa to keep its Iowa approval, lost in 2017). Unable to obtain California approval, Ashford attempted to deceive VA by claiming its headquarters had shifted to a small, temporary, unoccupied rental space in Arizona – as exposed by the Chronicle of Higher Education and our report. When VA learned of this deception in Nov. 2017, VA gave Ashford 60 days to obtain California's approval. California again declined to act on Ashford's application. Thereafter, even without proper state approval, VA kept the GI Bill funds flowing to Ashford, in violation of 38 USC 3672(a). In September 2019, after not extending its contract with California, VA took over as the California State Approving Agency, thereby garnering authority over Ashford's application for recognition by California.

It appears with this acquisition, Ashford University will never face the consequences of its deception. American Resolution No. 318: *Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education* resolves "supporting oversight and legislation evaluating post-secondary education institutions on quality factors, such as accreditation and transferability", as well as "educating service members on selection and attendance at post-secondary education institutions." With numerous questions still outstanding on the Ashford acquisition, VE&E will continue to monitor the situation.

[Reported by John Kamin]

Joseph C. Sharpe, Jr., Director
Veterans Employment & Education Division
202.861.2700 ext. 2989
Week Ending: 8/28/20



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August 27, 2020

The Honorable Brian Schatz
United States Senate
722 Hart Senate Office Building
Washington, D.C. 20510

Senator Schatz:

On behalf of the nearly 2 million members of The American Legion, I am pleased to express support for the "*Veterans Educational Assistance Transparency and Accountability Improvement Act of 2020*."

The Department of Veterans Affairs (VA) educational assistance benefits have played a transformative role for veterans, servicemembers, and their families seeking access to higher education and vocational training. However, some institutions have made it their practice to use veterans and their family members as targets for deceptive marketing to enrich their coffers at the expense of those who served. The G.I. Bill Comparison Tool was created to help veterans make informed decisions when choosing what educational institution to attend. This bill aims to improve this tool by requiring VA to include even more pertinent information to help weed out bad actors. The bill also authorizes VA to restore educational benefits to those who utilized their entitlement at an institution that is subject to civil enforcement action.

Through American Legion Resolution No. 327: *Support Further Assessment and Evaluation of Institutions of Higher Learning to Enable Veterans to Make Informed Education Choices*, supporting "efforts to expand and further disseminate the Department of Veterans Affairs GI Bill Comparison Tool" we strongly support the *Veterans Educational Assistance Transparency and Accountability Improvement Act of 2020*, as currently written, as it improves the G.I. Bill Comparison Tool and ensures veterans, servicemembers, and their families are better informed when choosing what educational institution is best for them. The American Legion sincerely appreciates your leadership on this legislation.

For God & Country,

James W. "Bill" Oxford
National Commander
The American Legion



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August 27, 2020

The Honorable Andy Kim
United States House of Representatives
1516 Longworth House Office Building
Washington, D.C. 20515

Representative Kim:

On behalf of the nearly 2 million members of The American Legion, I am pleased to express support for H.R. 4941 - the "*Veteran Employment Transition Act*" or the "*VET Act*." This bill would provide Veteran Service Organizations (VSOs) the contact information of transitioning servicemembers to disseminate information regarding benefits, employment, and events for veterans in the area in which they live.

As our nation's servicemembers transition from military service back to civilian life, they face many obstacles that often go overlooked. The Transition Assistance Program (TAP) has helped bridge that divide, providing many resources and services to these servicemembers. However, one component that is often missing is the presence of representation from our nation's Veterans Service Organizations. VSOs play a crucial role in the life of a veteran, often being the lifeline of support between the veteran and the Department of Veterans Affairs. With TAP classes taking place out of the physical reach of VSOs, allowing them to communicate with our transitioning servicemembers is of critical importance.

Through American Legion Resolution No. 70: *Improve Transition Assistance Program*, urging congress to enact legislation that will enhance the new Transition Assistance Program (TAP) "for maximum effectiveness in helping servicemember transition to civilian life" we strongly support H.R. 4941, as currently written, as it allows congressionally chartered VSOs to communicate with transitioning veterans to directly disseminate critical information about services and programs regarding federal and private sector employment opportunities, GI Bill and vocational rehabilitation and employment programs. The American Legion sincerely appreciates your leadership on this legislation.

For God & Country,

James W. "Bill" Oxford
National Commander
The American Legion