

Chris Pappas voted to allow American tax dollars to bankroll entities backed by the Chinese Communist Party with relief funds that were meant to be used to help American small businesses.

BACKUP:

Chris Pappas voted for the CARES Act which created the Paycheck Protection Program to provide cash flow assistance to small businesses during the COVID-19 Pandemic:

- **On July 17, 2019, Rep. Chris Pappas voted for H.R. 748, the CARES Act.** (H.R. 748, [Roll Call #493](#), Passed 419-6, R: 189-2, D: 230-3, Pappas voted YEA, 7/17/19)
 - **The CARES Act established the Paycheck Protection Program to provide cash flow assistance to small businesses during the COVID-19 Pandemic.** “This division establishes the Paycheck Protection Program to provide eight weeks of cash flow assistance to small businesses through federally guaranteed loans to employers who maintain their payroll. Such assistance shall be to cover costs such as payroll, paid sick leave, supply chain disruptions, and employee salaries. The division further provides that certain amounts owed on such loans are eligible to be forgiven.” ([H.R. 748](#), Became Law 3/25/20)

“Millions of dollars of American taxpayer money have flowed to China from the \$660 billion Paycheck Protection Program that was created in March” 2020 and “because the economic relief legislation allowed American subsidiaries of foreign firms to receive the loans, a substantial chunk of the money went to America’s biggest economic rival, a new analysis shows”:

- **“Millions of dollars of American taxpayer money have flowed to China from the \$660 billion Paycheck Protection Program that was created in March.”** “Millions of dollars of American taxpayer money have flowed to China from the \$660 billion Paycheck Protection Program that was created in March to be a lifeline for struggling small businesses in the United States. But because the economic relief legislation allowed American subsidiaries of foreign firms to receive the loans, a substantial chunk of the money went to America’s biggest economic rival, a new analysis shows.” (Alan Rappeport, “U.S. Small Business Bailout Money Flowed to Chinese-Owned Companies,” [New York Times](#), 8/2/20)
 - **“But because the economic relief legislation allowed American subsidiaries of foreign firms to receive the loans, a substantial chunk of the money went to America’s biggest economic rival, a new analysis shows.”** (Alan Rappeport, “U.S. Small Business Bailout Money Flowed to Chinese-Owned Companies,” [New York Times](#), 8/2/20)

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- **Between \$192 million – \$419 million “has gone to more than 125 companies that Chinese entities own or invest in” and “at least 32 Chinese companies received loans worth more than \$1 million, with those totaling as much as \$180 million.”** “According to a review of publicly available loan data by the strategy consulting firm Horizon Advisory,

\$192 million to \$419 million has gone to more than 125 companies that Chinese entities own or invest in. Many of the loans were quite sizable; at least 32 Chinese companies received loans worth more than \$1 million, with those totaling as much as \$180 million.” (Alan Rappeport, “U.S. Small Business Bailout Money Flowed to Chinese-Owned Companies,” [New York Times](#), 8/2/20)

- **“Without appropriate policy guardrails, U.S. tax dollars intended for relief, recovery and growth of the U.S. economy – and small businesses in particular – risk supporting foreign competitors, namely China.”** “The extent and nature of P.R.C.-owned, -invested and -connected entities among the P.P.P. loan recipients indicate that without appropriate policy guardrails, U.S. tax dollars intended for relief, recovery and growth of the U.S. economy – and small businesses in particular – risk supporting foreign competitors, namely China,” wrote Emily de La Bruyère and Nathan Picarsic, the co-founders of Horizon Advisory, referring to the People’s Republic of China.” (Alan Rappeport, “U.S. Small Business Bailout Money Flowed to Chinese-Owned Companies,” [New York Times](#), 8/2/20)

PPP loans were awarded to subsidiaries of Chinese companies linked to the Chinese military including “\$5 million to \$10 million for Continental Aerospace Technologies Inc., an aircraft engine manufacturer” & “Aviage Systems, based in Arizona, [which] received between \$150,00 and \$350,000”:

- PPP loans were awarded to subsidiaries of Chinese companies linked to the Chinese military including “\$5 million to \$10 million for Continental Aerospace Technologies Inc., an aircraft engine manufacturer” and “Aviage Systems, based in Arizona, [which] received between \$150,00 and \$350,000.” “The U.S. government has awarded coronavirus relief loans to several subsidiaries of Chinese companies, including one linked to the Chinese military that drew scrutiny from Congress, according to data released by the Treasury Department. Designed to help businesses hit hard by the pandemic's stay-at-home orders, the Paycheck Protection Program bailout loans included \$5 million to \$10 million for Continental Aerospace Technologies Inc., an aircraft engine manufacturer under the control of the Chinese defense giant Aviation Industry Corp. of China, or AVIC, according to data from the Treasury Department. A joint venture of the same Chinese aviation company, called Aviage Systems, based in Arizona, received between \$150,00 and \$350,000, the data showed. Aviage is a joint venture between China's AVIC and General Electric Co. that produces avionics equipment.” (Rich Gardella and Dan De Luce, “U.S. units of Chinese companies got coronavirus bailout money,” [NBC News](#), 7/13/20)

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- PPP loans were awarded to subsidiaries of Chinese companies including the \$350,000 – \$1 million allocated to “HNA Group North America LLC and HNA Training Center NY LLC, affiliates of the Chinese conglomerate HNA Group Co.” “The U.S. government also gave between \$350,000 and \$1 million to HNA Group North America LLC and HNA Training Center NY LLC, affiliates of the Chinese conglomerate HNA Group Co., according to the data. The Chinese conglomerate has businesses in airport services, transportation, real estate, financial services, leasing, tourism, hotels, and logistics. Bloomberg first reported on the loans to the subsidiaries of AVIC and HNA. AVIC, the

Chinese aviation company that controls Continental Aerospace Technologies, appeared on a list last month from the Defense Department of 20 Chinese firms considered to be owned or tied to the Chinese military.” (Rich Gardella and Dan De Luce, “U.S. units of Chinese companies got coronavirus bailout money,” [NBC News](#), 7/13/20)