

Congress of the United States
House of Representatives
Washington, DC 20515-2308

November 25, 2024

Mr. Hannibal “Mike” Ware
Inspector General
Office of the Inspector General
U.S. Small Business Administration
409 3rd Street, S.W., Suite 7150
Washington, DC 20416

Dear Inspector General Ware,

I am writing to request an investigation into potential waste, fraud, and abuse of Paycheck Protection Program (PPP) funds by the noncompliant and abusive animal testing contractor and beagle breeder Envigo RMS, LLC, and Envigo Global Services, Inc.

Envigo Sold Beagles to NIH and Other Taxpayer-Funded Animal Labs

Investigations by the non-profit White Coat Waste Project have found that the National Institutes of Health’s (NIH) in-house experimentation labs and other laboratories funded by Dr. Fauci were some of the many taxpayer-funded entities that purchased puppies from Envigo’s Cumberland facility for cruel and wasteful animal testing.¹

Envigo Received \$11 Million in COVID Bailout Funds in 2020 to Retain Staff

On April 29, 2020, Envigo RMS was given an \$8,101,740 taxpayer-funded loan by the Small Business Administration “to aid small businesses in maintaining workforce during the COVID-19 pandemic.”² Envigo Global Services also received a \$2.9 million PPP loan on April 29, 2020.³ Both loans were forgiven.

Envigo Cited in 2021 and 2022 for Rampant Beagle Abuse Caused by Understaffing

In 2021 and 2022, after Envigo received the \$11 million in PPP loans intended to allow retention of staff, Envigo’s beagle breeding facility in Cumberland, Virginia was cited by federal authorities for dozens of

¹ <https://blog.whitecoatwaste.org/2022/02/03/wcw-has-the-proof-nih-buys-puppies-from-envigo-puppy-mill-kills-them/>

² <https://www.pandemicoversight.gov/ppp-simple-search-landing?pfilters=%5B%7B%22column%22%3A%22Borrower%22%2C%22operand%22%3A%22IN%22%2C%22values%22%3A%5B%22ENVIGO+RMS%2C+LLC%22%5D%7D%2C+%7B%22column%22%3A%22Borrower+city%22%2C%22operand%22%3A%22IN%22%2C%22values%22%3A%5B%22INDIANAPOLIS%22%5D%7D%5D>

³ https://www.usaspending.gov/award/ASST_NON_2329547302_7300

“serious and ongoing violations of the Animal Welfare Act.” The Department of Justice (DOJ) reported that these abuses occurred because “The facility was understaffed.”⁴

Federal inspectors found that over 5,000 beagles at Envigo were confined in filthy, decrepit conditions and were neglected. Hundreds of puppies and dogs died. The conditions at Envigo were so horrendous that the DOJ raided the facility and removed dogs who were suffering from “life-threatening illnesses or injuries.” In July 2022, Envigo’s Virginia dog breeding facility was completely shut down, and 4,000 beagles were rescued and re-homed.⁵

Envigo Pleads Guilty and Fined \$35 Million for Abuses Caused by Inadequate Staffing

In June 2024, Envigo RMS and Envigo Global Services pled guilty and were ordered to pay \$35 million in penalties for their willing violations of the Animal Welfare Act and Clean Water Act.⁶ The DOJ stated this is “the largest ever fine in an Animal Welfare Act case.”

The plea agreement highlighted inadequate staffing as a cause of many abuses and violations⁷:

- “ENVIGO’s low staff levels at the facility led to various other violations of the AWA, including inadequate veterinary care and sanitation practices.”
- “the conspirators failed to hire sufficient and adequate staff, which exacerbated its AWA violations.”
- “ENVIGO fell short of the requirements in the AWA by failing to maintain a sufficient employee-to-dog ratio at the Cumberland Facility and by allowing a system of inadequate veterinary care to persist at the facility.”
- “ENVIGO’s inadequate workforce resulted in deficient daily observations of dogs. Several dogs were found in need of critical care by APHIS inspectors as early as July 2021 at the Cumberland Facility, and by the May 2022 federal search warrant, 445 animals were classified as being in acute distress and needing immediate medical attention. ENVIGO failed to remedy its employee shortage at the Cumberland Facility months after being on notice of its inadequacy. ENVIGO’s low staff levels at the facility led to various other violations of the AWA, including inadequate veterinary care and sanitation practices.”

Envigo Continues to Receive Millions in Tax Funding for Animal Testing

Despite all of this, an analysis by White Coat Waste fund found that since 2021 and to this day, Envigo RMS and Envigo Global Services have received over \$96 million in taxpayer-funded animal testing contracts and subcontracts from the National Institutes of Health, Food and Drug Administration, U.S. Department of Agriculture, Department of Veterans Affairs, NASA, and the Pentagon.⁸

Envigo Apparently Did Not Use PPP Funds to Adequately Staff the Beagle Facility

⁴ <https://casetext.com/case/united-states-v-envigo-rms-llc>

⁵ <https://www.justice.gov/opa/pr/justice-department-secures-surrender-over-4000-beagles-virginia-breeder-dogs-research>

⁶ <https://www.justice.gov/usao-wdva/pr/animal-breeder-sentenced-animal-welfare-and-water-pollution-crimes-will-pay-more-35m>

⁷ <https://www.courthousenews.com/wp-content/uploads/2024/06/u.s.-v.-envigo-rms-plea-agreement.pdf>

⁸ <https://www.usaspending.gov/search/?hash=58a2db8c562a874f17916c286b1a0c5e>

The PPP was designed to provide a direct incentive for small businesses to keep their workers on the payroll. Unfortunately, by your own office's estimates, \$64 billion in PPP funding may have been fraudulently obtained and/or used.⁹

The understaffing situation that led to the abuse and neglect of thousands of beagles at Envigo raises serious questions as to whether Envigo intentionally misled the SBA in order to obtain PPP funds and whether the \$11 million in taxpayers' money that it received was properly spent on staffing. False statements in connection with a PPP loan application may be a felony punishable by imprisonment and fines.

In light of the possibility of criminal misconduct in this case, I request that your office takes the following actions:

- Investigate the facts and circumstances of the PPP loan to Envigo, including whether any information on Envigo's loan applications was false or misleading.
- File a criminal referral to the Department of Justice for prosecution if appropriate.
- Initiate suspension and debarment proceedings to prohibit future taxpayer funding of Envigo.
- Provide a briefing to detail any findings from your investigation, and provide all documents and communications reviewed during the course of the investigation, including but not limited to Envigo's loan applications.

Thank you for your attention to this matter.

Sincerely,



Pete Stauber
Member of Congress

⁹ <https://www.oversight.gov/sites/default/files/oig-reports/SBA/SBA-OIG-Report-23-09.pdf>