

# U.S. Doesn't Track if Millions in Biz "Loans" to Refugees on Public Assistance Are Repaid

You can't make this stuff up. [records](#) obtained by Judicial Watch reveal. The cash is distributed through a program called Microenterprise Development run by the Department of Health and Human Services (HHS) Office of Refugee Resettlement.

Since 2010 the program has granted thousands of loans to refugees that lack the financial resources, credit history or personal assets to qualify for business loans from commercial banks. Most if not all the recipients already get assistance or subsidies from the government, according to the qualification guidelines set by the Microenterprise Development Program. It's a risky operation that blindly gives public funds to poor foreign nationals with no roots in the U.S. and there's no follow up to assure the cash is paid back. The idea behind it is to "equip refugees with the skills they need to become successful entrepreneurs" by helping them expand or maintain their own business and become financially independent.

Earlier this year, Judicial Watch submitted a Freedom of Information Act (FOIA) request to HHS for records related to the refugee business loan program. Specifically, JW asked for the number of loans that are written off per year and the amount of the write-off per defaulted loan. Unlike commercial banks or other lending institutions, HHS doesn't keep track of default rates on loans issued through the Microenterprise program. This is astonishing considering that these are taxpayer dollars being furnished in the form of loans to foreign nationals granted refuge in the United

States. An HHS official told JW the agency doesn't have a tracking system in place to provide figures involving loan defaults. However, the agency is "preparing to collect this information in the future," according to the records obtained by JW from the agency.

What we do know is that from 2010 to 2015, HHS gave a total of 3,096 of these so-called micro loans, the records show. In 2015 a record 558 loans were granted to refugees but it's not clear for what amount. At the high end, if all 558 loans made last year were for the full \$15,000 available to each refugee that would mean that HHS can't account for an astounding \$8.37 million. Here's the rest of the breakdown, according to the records furnished by HHS as a result of JW's FOIA request; in 2010 the agency granted 550 micro loans; in 2011, 541; 2012, 437; 2013, 466; 2014, 544. That's a big chunk of change. The last year HHS filed an official annual report on this questionable cash giveaway was 2011. No official records have been made available to the public since then, which is why JW launched an investigation. According to the 2011 annual report, which resembles a promotional brochure, the default rate is only 3% but no further details or breakdown is offered making the information less than credible.

HHS is not the only government agency doling out huge sums of cash for this cause, though its focus on refugees appears to be unique. Others, such as the U.S. Agency of International Development (USAID), the U.S. Department of Agriculture (USDA) and the Department of Labor (DOL) also dedicate hundreds of millions of dollars to various microenterprise causes. For instance, in one recent year alone USAID spent ["Rural Microloan Revolving Fund"](#) and the DOL regularly pours lots of money into various microenterprise projects that are promoted as workforce investments in areas with high rates of poverty.