



Data Foundation Endorses Pre-Payment Fraud Prevention and Treasury Data Access Act Ahead of April 29 Committee Markup

Comprehensive legislation pairs operational modernization of the Treasury Department's Do Not Pay system with strong privacy protections and rigorous oversight, addressing billions of dollars in preventable improper payments.

WASHINGTON, D.C., April 28, 2026 — The Data Foundation strongly endorses the Pre-Payment Fraud Prevention and Treasury Data Access Act and urges the House Committee on Oversight and Government Reform to advance the bill at its scheduled [markup](#) on April 29, 2026.

Key provisions:

- **Addresses a \$162 billion annual problem.** Establishes mandatory pre-payment verification as a statutory obligation, streamlines executive agency onboarding to the Do Not Pay system, and extends access to state and local governments administering federally funded programs.
- **Strengthens privacy protections.** Preserves the core Privacy Act framework, requires independent agency verification before adverse action, and establishes criminal penalties of up to \$250,000 and five years' imprisonment for unlawful disclosure of Do Not Pay information.
- **Builds in rigorous oversight.** Requires quarterly Treasury reports to Congress, consolidated Federal Register publication of all participating agencies, and evaluations drawing on the Evidence Act framework to give Congress timely information on system effectiveness and savings.

"American taxpayers lose billions of dollars every year to improper payments that could have been prevented with better data infrastructure. This bill addresses the operational bottleneck that has kept Do Not Pay from delivering on its promise, while preserving the privacy protections that make the system trustworthy. It is a meaningful, bipartisan step forward, and we urge the Committee to advance it."—Nick Hart, President & CEO of the Data Foundation

Reducing improper payments is among the rare areas of federal policy where bipartisan agreement is both possible and overdue. In Fiscal Year 2024, the federal government reported more than \$162 billion in improper payments. According to the Government Accountability Office (GAO), an estimated \$47 billion of those payments stemmed directly from failures in data verification, exactly the categories of failure this legislation is designed to address. Members of both parties have spent years searching for effective tools to prevent these payments before they are made. The Treasury Department's Do Not Pay system is one of the most effective of those tools, and one of the most underused.

The Data Foundation's March 2026 report, [Program Integrity Through Data Infrastructure: Options for Reducing Improper Payments](#), supported by the Peter G. Peterson Foundation, identified ten policy options to modernize federal payment integrity. This bill advances several of those options simultaneously. It establishes mandatory pre-payment verification as a statutory obligation. It creates a streamlined process for executive agencies to onboard the Do Not Pay system. It extends access to state and local governments administering federally funded programs. And it builds in evaluation and oversight mechanisms drawing on existing evaluation infrastructure to ensure Congress has rigorous, timely information on whether the system is delivering measurable savings.

Strong privacy protections are preserved and strengthened. The bill maintains the core privacy framework established under the Privacy Act of 1974 while adapting its administrative procedures to current operational realities. Independent verification by agencies remains required before any adverse action is taken on the basis of a Do Not Pay match. Use limitations are preserved and enforced through strong criminal penalties of up to \$250,000 and five years' imprisonment for unlawful disclosure. Data retention by agencies is bounded. Confidentiality obligations from each underlying source statute are carried explicitly into the Do Not Pay system. Public notice and oversight requirements are consolidated into a single Treasury publication that is more transparent and more useful to Congress and the public than the current scattered system. The Treasury Department's record under Do Not Pay — no identified breach or misuse of data in its history — demonstrates the standard of data stewardship that the American people should expect and exactly the standard that justifies this modernization that expands uses for verifying payments.

Effective oversight is essential, and this bill builds it in. The Data Foundation has consistently acknowledged that data infrastructure investments must be paired with rigorous oversight and transparency to establish, and maintain public trust. This bill delivers on those principles. The Treasury Department is required to submit quarterly reports to Congress on system operations, agency compliance, and data quality. Each participating agency's use of the system is documented through the consolidated *Federal Register* publication, ensuring public visibility into who is using the system and for what purposes. The new annual evaluation requirement, drawing on expectations for Treasury established under the Evidence Act framework, will give Congress timely information on system effectiveness and dollar savings to the government. And the expanded criminal penalty regime ensures that misuse of Do Not Pay information carries consequences commensurate with the trust the system requires.

The data must actually be used to deliver results. Privacy and program effectiveness are not at odds; they reinforce one another as the bipartisan U.S. Commission on Evidence-Based Policymaking highlighted in its report to Congress and the President in 2017. A system that is technically secure but operationally blocked cannot prevent the improper payments it was designed to prevent. Today, only a small fraction of federal programs use Do Not Pay to its full capability — not because the data is not available, not because the protections are inadequate, but because the administrative hurdles to onboarding have proven nearly impossible to clear.

Despite the past attempts to improve administrative processes and the recent efforts to establish a waiver of certain requirements, more must be done to streamline and modernize efficiencies for low-risk, high-value data matching that meets acceptable standards and clear ethical and legal requirements. This bill removes targeted administrative hurdles while preserving the most important safeguards for the American people, all while establishing new transparency mechanisms. This bill promotes the most significant effort to shift federal payment integrity from a "pay and chase" model toward near-real-time verification and prevention in a generation—a shift made possible by modern technology, stronger federal-state data partnerships, and growing political will across both parties.

A bipartisan foundation for continued progress. The federal government's most consequential data infrastructure laws — the Foundations for Evidence-Based Policymaking Act, the OPEN Government Data Act, the DATA Act of 2014, the Financial Data Transparency Act, and others — have all advanced with bipartisan support. Improper payment prevention is not a partisan issue. Republican and Democratic administrations alike have struggled with it, and they will continue to inherit whatever data infrastructure Congress chooses to authorize. The reforms in this bill will serve administrations of both parties, and the systems they strengthen will serve taxpayers regardless of who is in office for years to come.

The Pre-Payment Fraud Prevention and Treasury Data Access Act is a meaningful, balanced leap forward for the country and American taxpayers. It addresses real and persistent problems, builds on proven systems rather than replacing them, and pairs operational acceleration with strong privacy protections and rigorous oversight. The Data Foundation commends the bill's sponsors and the Committee for moving this legislation forward. We also commend the Committee staff for their thoughtful collaboration with stakeholders and experts in privacy, data sharing, and improper payments. **We urge favorable consideration at the April 29 markup and stand ready to work with Members on both sides of the aisle as the bill advances to ensure the provisions meaningfully enable responsible data use, protect privacy, and reduce administrative and operational complexities for the Do Not Pay system.**

###

About the Data Foundation

The Data Foundation is a non-profit organization based in Washington, D.C. that champions the use of open data and evidence-informed public policy to make society better for everyone. As a nonpartisan think tank, we conduct research, collaborative thought leadership, and advocacy programs that advance practical policies for the creation and use of accessible, trustworthy data. Our activities proactively address emerging data-related needs in the country with the goal of devising realistic solutions, accelerating policy coordination, and advancing innovation. The Data Foundation is recognized by Candid GuideStar with the Platinum Seal of Transparency and received 4-Stars from Charity Navigator. To learn more, visit www.datafoundation.org. (LEI: 254900143CTC59RFW495)