WHERE DO WE GO FROM HERE? EXAMINING A PATH FORWARD TO ASSESS AGENCIES' EFFORTS TO PREVENT IMPROPER PAYMENTS AND FRAUD

HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT OPERATIONS
AND THE FEDERAL WORKFORCE

OF THE

COMMITTEE ON OVERSIGHT
AND ACCOUNTABILITY

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

SEPTEMBER 10, 2024

Serial No. 118–128

Printed for the use of the Committee on Oversight and Accountability

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C O N T E N T S

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INDEX OF DOCUMENTS

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WHERE DO WE GO FROM HERE? EXAMINING A PATH FORWARD TO ASSESS AGENCIES' EFFORTS TO PREVENT IMPROPER PAYMENTS AND FRAUD

Tuesday, September 10, 2024

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
SUBCOMMITTEE ON GOVERNMENT OPERATIONS AND THE FEDERAL WORKFORCE
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:09 a.m., in room 2154, Rayburn House Office Building, Hon. Pete Sessions [Chairman of the Subcommittee] presiding.

Present: Representatives Sessions, Palmer, Higgins, Biggs, Timmons, Burchett, Burlison, Raskin, Mfume, Norton, Frost, Connolly, Lee, Crockett, and Tlaib.

Mr. SESSIONS. The hearing of the Subcommittee on Government Operations and the Federal Workforce will come to order.

And I would like to welcome everybody.

Without objection, the Chair may declare a recess at any time.

And I recognize myself for the purpose of making an opening statement.

This morning, we are awaiting some of our other colleagues. I must admit, I do not live anywhere close to here, and so I wake up on the Hill. And yet I know that it is not as easy for others who live around here. And so, with great respect, we are going to—we have been delayed for a few minutes. We are going to probably talk slowly for a few minutes, and we will all recognize that.

I want to thank the panel that is here. We have tried to make sure that we had a conversation with you before today.

Thank you very much. I hope you are good today. Mr. Mfume will be here in just a few minutes.

The importance of today's hearing will become very apparent to the American people as we go through the conversation that we are going to have with each and every one of you.

The idea is about tracking agency process on identifying and preventing fraud and improper payments. The estimated amounts of waste, fraud, and abuse in COVID-related programs are simply mind-boggling—half a trillion dollars. And while each of our witnesses today are aware of this figure, many in the American public and many Members of Congress may not be.

So, that is why we are having this hearing. We have been work-ing on this in the Subcommittee on a bipartisan basis for a long time. We are today looking for and searching for answers.

We find that much of it was lost to criminal actors and our en-emies, often comical, simple tactics, taking advantage of the Amer-ican taxpayer. If this is not a call to action, I do not know where there is one.

And so, today we will politely work through that process. We will talk to logical people who have questions and answers. We will be asking them for their professional comments.

The full Committee and this Subcommittee will hold hearings at the beginning of the next Congress on this subject, I am sure. And during those hearings, it will be clearly asked about how could this happen and could it happen again? So, these are questions we are going to ask today.

It is easy for us to say, but I think it should be a demand on agencies and upon all of us to make sure that we can answer that before we walk out of here. Are we on the pathway? Do we know what happened? Because things have to change.

That includes the way the oversight community—and that is this Subcommittee—will look at and track progress not only on Federal agencies but also at the state level to make our anti-fraud meas-ures amount to more than just a screen door on a submarine, meaning it is just open for fraud.

This Committee and government reform and oversight will today release a staff report regarding fraud in COVID-related unemploy-ment insurance programs. That number is stunning also.

One of the report's findings was that, in many instances, states were unprepared to implement the emergency provisions passed by Congress, to include the attending spike in unemployment claims.

And while it is true COVID was an unprecedented situation, it nonetheless exposed weaknesses in the unemployment and insur-ance framework; namely, an ability to scale itself at a time when many people sought that help.

There were also too many instances of basic oversight measures, like verification of identity, not even sought or being taken.

These are but a few examples in one program, but they illustrate the problem and they illustrate the need to effectively track efforts to plug these holes now.

This hearing was originally intended to serve as a rollout for a scorecard to track anti-fraud and improper payment steps in major programs, but it quickly changed. So, ultimately, it has become ap-parent that we must—that we simply lack the data to determine whether programs and agencies are getting better. It is unaccept-able to think that we would simply excuse this behavior rather than fixing what has been placed before us.

So, in this hearing, as I have told our witnesses, I want to ask the basics: What are the questions that we need to ask? What in-formation is needed? And how are we going to work together to see not just the problem but the answers?

And I will tell you that each of these lie before us today. We are not going to blame someone. We are going to find the problems, and we need to fix them.

The Ranking Member, Mr. Mfume, and I have tried to work together and have done, I think, what is a remarkable job. We have seen the tasks that lie before us, and we understand that this is a problem for the American people.

So, with that said, sir, welcome. I know you had to drive in. How is that traffic going today?

The gentleman is recognized for any opening statement the gentleman chooses to make.

Mr. MFUME. Thank you very much, Mr. Chairman. It is a little rough getting down from Baltimore today. So, I apologize.

But I would like, if it is OK with you, to allow these witnesses who have made time to be here to proceed. And then I will—like to do my opening remarks after that.

Mr. SESSIONS. That will be great.

Mr. MFUME. Great.

Mr. SESSIONS. We wanted to make sure we did not go too far.

So, as the gentleman has consented, we will move forward. And then he will come back with any opening statement that the gentleman chooses.

I am pleased to introduce our witnesses today.

Michael E. Horowitz is the Inspector General of the Department of Justice and Chairman of the Pandemic Response Accountability Committee. As Chairman of the PRAC, Mr. Horowitz leads a committee of Federal inspector generals responsible for overseeing the over $5 trillion in Federal pandemic-related emergency spending.

Spending time with him yesterday, I learned much about not just this role but the power behind the legislation that has given him this ability across the government.

We also welcome Orice Williams Brown is the Chief Operating Officer of the GAO. In her role, she is responsible for the day-to-day agency management and overseeing the development of hundreds of reports and testimoneys to Congress. It is a big role. It has a wide view.

And we are delighted that you are with us today, Ms. Brown. Thank you very much.

We also add Linda Miller. She is the cofounder and Chair of the Program Integrity Alliance. Over 16 years' experience in both the public and private sector, she is considered a national authority on fraud prevention and detection. I think she is also a national asset. And I hope that by the end of today's hearing you will agree with that.

So, I look forward to us joining and hearing from you.

I would like to ask that you stand now to take the oath for each of our witnesses.

Pursuant to Committee Rule 9(g), the witnesses will please stand, as they have done, and raise their right hand. And I will let you answer.

Do you solemnly swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Chorus of ayes].

Mr. SESSIONS. Let the record reflect that the witnesses have answered in the affirmative. Thank you very much.

OK. Now that we have gotten this done, let me please remind you that, as we spoke about yesterday, that we have a copy of your written statement, and it will appear in full in the hearing record.

I also told you yesterday that while we have a 5-minute rule, I would like for you to make sure that you get your work done. If it goes a little bit over that, does not bother me. Mr. Mfume is here for the same reason. We need to make sure that you are given the time to speak clearly with us, that we understand what we are talking about.

I would also remind you that the button in front of you is for the microphone so that Members can hear you. And, of course, you will recognize the signals that come.

I would now like to recognize the distinguished gentleman, Mr. Horowitz, for 5 minutes. The gentleman is recognized.

STATEMENT OF THE HONORABLE MICHAEL E. HOROWITZ CHAIR PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

Mr. HOROWITZ. Thank you.

Chairman Sessions, Ranking Member Mfume, Members of the Subcommittee, thank you for inviting me to testify at today's important hearing.

Improper payments and fraud, as we will discuss, remain a very significant challenge for the Federal Government. The Subcommittee's bipartisan development of a scorecard and its efforts to do so to assess agency efforts to address improper payments and fraud is an important step forward.

At the PRAC, we and our member IGs are working hard to implement—to help prevent improper payments and fraud, including by using advanced data analytics.

Today's hearing comes at a particularly critical time because, unless Congress takes action, one of the most significant tools to improve program integrity and prevent fraud will be lost.

In early 2021, Congress provided $40 million to the PRAC to create and operate what we have referred to as the Pandemic Analytics Center of Excellence, or PACE, through 2025. It has proven to be extraordinarily successful. It has already resulted in recoveries that far exceed its operating costs, and it is assisting over 40 law enforcement agencies as they pursue hundreds of fraud cases involving over $2 billion.

Unfortunately, this fraud-fighting tool, which should be expanded to prevent improper payments in non-pandemic programs, is instead scheduled to disappear entirely on September 30, 2025.

The GAO has strongly recommended that Congress permanently establish this analytic center, and recently estimated that it could, quote, "result in a billion or more annually in financial benefits."

The PACE can also help prevent fraud and improper payments going forward, ensuring that money goes to its intended beneficiaries, not fraudsters. And it is important to keep that in mind as we talk today because every dollar that goes to a fraudster does not go to the small business, to the unemployed, to others that Congress were intending to help.

Working with IGs and their agencies, PRAC staff can have the PACE assess applications for fraud indicators before funds are dis-

bursed. And it is not a theoretical possibility. It is what we outlined in our Fraud Alert last year.

We could have conducted identity verification back in March 2020, had our analytics platform been available, likely saving taxpayers millions, if not billions, of dollars.

Unfortunately, other systems that exist, such as Treasury's Do Not Pay, are not able to prevent the kind of multiprogram and identity-related fraud that occurred during the pandemic, which the PACE can identify because of its dynamic nature, proactive nature, and how it can identify risk indicators through machine learning and other tools and, therefore, can be used for prevention.

What is unique about the PACE is that it can identify fraudsters attempting to use different stylings of an individual's name, birth date, and other information to obtain benefits from programs across the Federal Government. It can also identify other anomalies, as well as the use of known compromised IP addresses and foreign IP addresses.

Additionally, the PRAC has law enforcement authority, unlike Do Not Pay. And, therefore, we have access to law enforcement-sensitive data to help us identify bad actors.

Further, the PACE, unlike Do Not Pay, can find hidden connections between multiprogram schemes, such as the use of shared bank account information, email address, and phone numbers, thereby helping multiple agencies prevent fraud that they and Do Not Pay would not otherwise be able to identify.

In developing the PACE, we have been highly mindful of privacy interests, and we have been transparent with Congress about what data we hold and what we do with it. We have also made data security paramount for the PRAC.

If we want to continue to advance the fight against improper payments and fraud, we should not allow this important and valuable fraud-fighting tool to expire, as occurred in 2015 when the highly successful data analytics platform of the Recovery Board was allowed to sunset.

Because that analytics platform was no longer available when the pandemic started, the PRAC was unable to use data analytics to help prevent billions of dollars in fraud that we now know transpired.

Moreover, simply folding the PACE into the Treasury Department would repeat the same unfortunate choice made back in 2015. That approach did not work then, and it would again diminish the Federal Government's ability to prevent improper payments and fraud.

We should instead continue the investment that Congress has made in this highly successful data-driven tool that has a proven track record and a demonstrated return on investment.

I look forward to working with you, the Committee, on how we can address improper payments, improve program integrity going forward, and reduce fraud.

I look forward to answering your questions today.

Mr. SESSIONS. Mr. Horowitz, thank you very much.

Ms. Brown, you are recognized for 5 minutes.

STATEMENT OF ORICE WILLIAMS BROWN
CHIEF OPERATING OFFICER
U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Ms. BROWN. Good morning. Chairman Sessions, Ranking Member Mfume, and Members of the Subcommittee, thank you for the opportunity to be part of today's hearing and to help shed light on what can be done about the longstanding and pervasive issue of improper payments and fraud in the Federal Government.

Whether it involves an established program, or one created to respond to an emergency, improper payments and fraud erode the public trust and results in hundreds of billions of dollars lost.

Since 2003, agencies have estimated $2.7 trillion of payments were improper. In April, GAO also developed the first government-wide estimate of fraud. We estimate based on 2018 through 2022 data that the Federal Government has lost between $233 and $531 billion annually.

While my written statement covers GAO's wide body of work related to improper payments and fraud, I will focus on ways agencies can better prevent improper payments and fraud.

First, consistent with GAO's 2015 Fraud Management Framework, which has been codified by the Payment Integrity and Information Act and OMB guidance, agencies must commit to establishing an organizational culture dedicated and conducive to fraud risk management. To do this, agencies must first recognize and acknowledge their fraud risk. And I cannot stress that point enough.

Agencies at times view anti-fraud controls being at odds with their mission to support their intended beneficiaries. However, these are not opposing goals. Any dollar that is improperly paid or defrauded results in one less dollar going to an eligible beneficiary or for another beneficial program purpose.

Next, agencies must assess the extent of their unique fraud risks. This involves assessing fraud risks to determine their fraud risk profile, including fully considering the specific fraud risk faced, analyzing the potential likelihood and impact of fraud schemes, and documenting prioritized fraud risk and determining their risk tolerance.

After that, they need to design and implement a strategy with specific controls to mitigate, assess fraud risks, and collaborate with internal and external stakeholders to help ensure effective implementation.

And, finally, agencies must evolve and adapt. This includes evaluating outcomes of their efforts using a risk-based approach and adapting activities to improve their fraud risk management.

It is also important to realize that this is a journey, and it requires regularly assessing the threat landscape and adjusting as the threat environment changes and the types of fraud being perpetrated evolve. The fraudsters never sleep, and Federal agencies cannot either.

This focus on fraud risk management also aligns with other actions agencies can take to prevent improper payments that may not be fraudulent. For example, agencies' focus on front-end controls is critical for preventing improper payments, especially in emergency situations when money needs to be moved out the door quickly.

In closing, I will also note the important role that Congress can play in addressing improper payments and fraud. In addition to dozens of recommendations to agencies to address their individual programs, we have also identified numerous legislative actions that Congress could take to strengthen payment integrity related to transparency, accountability, and oversight of improper payments and fraud.

Through hearings and other oversight tools, Congress could also hold agencies accountable for putting needed safeguards in place to protect Federal dollars.

As always, we stand ready to help Congress carry out this oversight and advance the fight against fraud and improper payments.

This concludes my opening statement, and I would be happy to answer any questions at the appropriate time.

Thank you.

Mr. SESSIONS. Ms. Brown, thank you very much.

Ms. Miller, you are recognized for 5 minutes.

STATEMENT OF LINDA MILLER
CO-FOUNDER AND CHAIR
PROGRAM INTEGRITY ALLIANCE

Ms. MILLER. Thank you very much, Chairman Sessions, Ranking Member Mfume, and Members of the Subcommittee.

My name is Linda Miller, and I have spent the last 15 years trying to help Federal agencies manage their risks to fraud. Some of those years were spent at both the organizations that my fellow panelists represent today.

I recently cofounded a nongovernmental organization called the Program Integrity Alliance, and today I am here in my capacity as the chair and cofounder of PIA.

PIA's mission is to strengthen integrity and data-driven fraud prevention in the U.S. through a more trust—to establish a more trustworthy, effective, and efficient government.

PIA is expressly nonpartisan because fraud is not a partisan issue. Administrations on both sides of the aisle have ignored or downplayed this issue for decades.

How big is this problem? GAO's recently issued estimates of $531 billion a year, that could fund almost 10 million veterans' benefits every year. That is how big this problem is.

After 15 years of studying this problem and then walking shoulder to shoulder with government officials to address it, I believe there are four key issues that I want to discuss today.

The first one is data. Agencies cannot or do not try to access the data that they need to find fraud. As you can see on the screen here, this is an analysis of the 31 programs that report their improper payments through the paymentaccuracy.gov website. As you can see, there is significant misalignment between what the agencies are saying the cause of the problem is and what they are actually doing about it. On the left, you can see that of those programs, almost 75 percent have cited a failure to access or verify data as the root cause of their improper payment. And on the right-hand side, you can see that the main mitigation strategy that agencies report pursuing is training.

Training is not going to get agencies more access to data. So, the agencies are already telling us a big part of what the problem is right here.

No. 2, agency leaders are by and large terrified to even utter the f-word. Fraud is literally a four-letter word to most agency leaders, and you cannot solve a problem you refuse to admit exists.

When I speak on this topic, I often say, if you took all the police officers off the road, you would not have any more speeding. Obviously, people would still speed. You just would not be looking for them.

Too often today that is how agencies are approaching fraud, by remaining willfully blind to its existence. And it is just easier for them that way.

No. 3, agency leaders lack incentives or a mandate to meaningfully address the problem of fraud in their programs. And this turns into a compliance exercise where they really do check-the-box tasks and activities to satisfy reporting requirements that continue to pile up year after year, not in service to achieving an outcome.

And, finally, fraud prevention requires technology and tools. And many agencies do not prioritize the funding to acquire the tools.

During and since the pandemic, we have seen a dramatic uptick in the number of fraud actors targeting government programs and the sophistication of their methods. Fraud of today utilizes artificial intelligence and stolen identity information. Fraud actors are smart, savvy, and creative. And in many ways government agencies are just no match.

The private sector, on the other hand, is using proactive, predictive automative tools designed to stay ahead of or at least at pace with the fraud actors. But they have invested in those tools.

Too often, government is simply taking the word of the hidden entity on the other side of the screen that they are who they say they are, that they are, in fact, unemployed, disabled, or disadvantaged in some way.

Shell companies, agencies posing as recipients, nation-state actors attacking systems at scale, all are rampant in an environment that places so little importance on finding and preventing fraud. This is a whole-of-government challenge, and it is going to require a whole-of-government response, including investment and better accountability for outcomes.

A word on investment, because we all know that adding more money to a problem is often not Congress' favorite way to solve a problem. But we do know that the return on investment in fraud prevention is positive and in many cases many, many times over the dollars invested.

We need a fundamentally new framework to see meaningful progress in fighting fraud. The emphasis must be on data, and we should get rid of the burdensome reporting requirements for the low-priority programs. We need to take a risk-based approach to this problem.

We need to hold agency leaders accountable for measurable results, and that means a real and sustained reduction in their fraud and improper payments.

There are bright spots. Treasury's Office of Payment Integrity is working tirelessly to increase access to data-driven tools and to put

more and more data into its Do Not Pay system, and SBA has in-
creased its use of data and proactive tools in service to preventing
fraud prior to awarding a loan.

Hardworking public servants across the government are trying to
meaningfully tackle the problem. But legal barriers, technological
limitations, scarce resources, and lack of senior level buy-in are too
often standing in their way.

I am heartened the Committee is taking this time this morning
to closely examine the problem, and I look forward to robust discus-
sion on the path forward.

Thank you.

Mr. SESSIONS. The gentlewoman yields back her time. Thank you
very much.

I want to thank all three of you, and I think each of you have
provided this panel with the opportunity of Members to delve in.
And I know each of you have much, much more to give us.

I would like to, if I can at this time, yield to the distinguished
gentleman, the Ranking Member, for any opening statement that
gentleman chooses to make.

The gentleman is recognized.

Mr. MFUME. Thank you very much, Mr. Chairman.

I, too, want to again thank the witnesses, all three of them, for
being here with us and make a couple of brief comments before we
go to the question-and-answer portion of this hearing.

I want to thank you, Chairman Sessions, for, again, convening us
on this very important topic.

Since the beginning of the 118th Congress, my colleagues and I,
on the House Oversight Committee, on both sides of the aisle, have
been laser-focused on combatting waste, fraud, and abuse within
our Federal Government. And it is, for the most part, not been a
partisan issue. No matter what side of the aisle you are on, we
should be able to agree, I think, that every single cent of people's
money that we spend ought to be going to its intended purpose.

From our conversations with the distinguished panelists who
have appeared at several other hearings, as well as the helpful
work of the Government Accountability Office, the Pandemic Ac-
countability Response Committee, and others, we have learned that
the potential extent of improper payments and fraud within our
government is, for lack of a better word, simply astounding.

For example, in April of this year, as was mentioned by Ms.
Brown earlier, the GAO released a report estimating that between
$233 and $521 billion per year worth of fraud occurred in the span
of 2018 to 2022. While the Office of Management and Budget has
taken significant issue with the methodology for obtaining these
figures, there is no doubt that there is a very, very large level of
fraud that has occurred.

On the improper payments front, this past March, the GAO re-
ported a total of $235 billion in improper payments to government
entities in the last fiscal year. That is almost $500 billion, at least
by the numbers that I have, since 2015.

In recognition of what I consider is a shared challenge, Chairman
Sessions and I have been working, roughly, for about a year on a
bipartisan basis to create a congressional scorecard to assess the
progress of key government spending programs and reducing fraud

and improper payments. The Federal programs on this scorecard were selected because they represent those in many instances with the highest fraud risk per dollar.

The earned income tax credit, which has helped 359,000 people in the state of Maryland alone to be able to make ends meet last year, is on that scorecard. The Supplemental Security Income, which keeps the lights on for more than 35,000 of my eligible constituents alone, is on that scorecard as well.

And so, it is increasingly and crucially important for me, and I will say for all Members of this Committee, that we assess the degree of fraud and progress in combatting fraud and the improper payments in these programs because they have been so successful at keeping our country afloat, particularly during the worst of the COVID–19 pandemic.

Thanks to the policies passed by a large bipartisan majority during the beginning of the pandemic and the American Rescue Plan passed by congressional Democrats and signed into law by the Biden-Harris Administration, the United States has had the largest and the strongest economic recovery out of the entire developed world.

So, many of us believe that Congress should defend those programs from those that seek to abuse them deliberately over and over again by strengthening, as we have heard today, the executive branch's ability to track the success and ongoing prevention efforts.

And before I conclude, I would also be compelled, Mr. Chairman, to mention the importance of investing in solutions that we already know are effective in combatting waste, fraud, and abuse. In the Council of the Inspector General for Integrity and Efficiency's 2023 report to the House and to the President, it was found that for every dollar spent on the Office of Inspectors General, $26 were saved by the Federal Government. It may sound like a small amount, but when we talk about billions of dollars, it is significant.

So, I would continue to urge my colleagues to consider the benefits of further investments in the OIGs to achieve greater cost savings for all of us.

Furthermore, Larry Turner, the Department of Labor Inspector General, has done an exemplary work in investing—investigating in potential benefits of data analytics, which we have talked about often, in preventing fraud, and found that the use of such analytics could have prevented much of the unemployment insurance fraud that occurred during the pandemic.

So, I am very interested in learning more about how this Committee, and indeed the entire Congress, can invest in those kinds of tools for prevention. Our Subcommittee has tried to be an island of bipartisan productivity in a storm of what really has been a chaotic 118th Congress. So, I am proud of the work we have done and the strength and the cooperation across party lines to get us to this point. I look forward to hearing more about this topic today.

Mr. Chairman, I, again, want to thank you, and I would yield back any time I might have.

Mr. SESSIONS. I thank the distinguished gentleman.

And so that the panel knows, we do approach this with serious nature and on a bipartisan basis, and that comes down to the lead-

ership that Mr. Mfume provides that we work together including this Committee.

We will now move to Members' questions. I would give 5 minutes to the distinguished gentleman from Alabama, Mr. Palmer.

Mr. PALMER. Thank you, Mr. Chairman.

And I appreciate the witnesses being here.

Mr. Horowitz, is there adequate access to data sources for effective oversight?

Mr. HOROWITZ. No, not currently. There is—there is some access, but it is clearly insufficient.

Mr. PALMER. Particularly a problem with Social Security and their Death Master File, isn't it?

Mr. HOROWITZ. Yes. Look, the most obvious source of information, if you want to verify data, is the Social Security Administration's Death Master File. Is someone living or dead is a pretty straightforward question.

Mr. PALMER. How dependent is the Social Security Administration on state data for ensuring that the Death Master File data is accurate?

Mr. HOROWITZ. I am sorry. I did not hear you there.

Mr. PALMER. Well, my question is, the Social Security Death Master File is dependent on data from the states. Is that—how well is that working?

Mr. HOROWITZ. I actually have not done, myself, a review of how SSA manages its own Death Master File index. I can certainly get back to you on that, talk to the SSA OIG. I know they have issued reports about that and have concerns about the reporting in that space.

Mr. PALMER. I think the Government Accountability Office, Ms. Brown, has reported that one of the leading causes of improper payments is antiquated data systems. And what I am trying to find out is, how much of a problem in terms of having adequate access to data sources is related to antiquated data systems?

Ms. BROWN. The two are definitely related.

In the work that we did in 2023 on unemployment insurance, one of the things we looked at were the states' data systems. And we found that many states were using data systems that were established in the 1970s and the 1980s, and this was across a number of their programs.

So, it is no question that antiquated data systems were a factor, not only in being able to execute the programs, but definitely not able to help prevent any type of improper payments and fraud because the systems just could not handle the type of analytics needed.

Mr. PALMER. So that is one——

Mr. BROWN. So, it is an issue.

Mr. PALMER. That is one roadblock, Mr. Horowitz, and you have run into other roadblocks dealing with Social Security Administration on this issue. Would you like to elaborate on that?

Mr. HOROWITZ. Yes. One of the challenges we had during our effort to take applicant information that came to the Small Business Administration, their Paycheck Protection Program, Economic Injury Disaster Loan Program, referred to as PPP and EIDL, it took us I think it was around 8 months to get an agreement in place

with the Social Security Administration so that we could verify applicant information. It should not take so long. It is then, I know, for both us and Treasury Do Not Pay, costly to get that verification information from Social Security Administration.

So, there are several things that need to get fixed. They should be able to have that data accessed by programs so they can verify applicant information and not pay substantial sums to get that verification.

Mr. PALMER. Is that a standard practice, though? I mean, should one Federal agency be charging another agency, particularly an oversight agency, for data?

Ms. BROWN. So, this is no question it was an issue. So, Treasury getting access to the Death Master File took legislative action, and their current access is temporary. And one of the things that we would like to see is for that access to be made permanent, and we would like to see the democratization of data.

Mr. PALMER. Does that require legislation, Ms. Brown?

Ms. BROWN. I think it would. Definitely in the case of the Death Master File, it would require legislation for Treasury's access to the Death Master File to be made permanent.

Mr. PALMER. What other statutory changes would be recommended?

And that is a question for Ms. Miller. I do not want to leave you out.

Ms. MILLER. Yes. Treasury has a strong need to get access to not only the death files, the full death file permanently, but also the national new hire data base, another data base that GAO took almost 10 years to get access to. They also would like to have more authority to be able to have some exemptions from the Computer Matching Act, which is another big barrier for agencies using data.

So, Treasury's Do Not Pay Initiative has expanded significantly in the last year through the Office of Payment Integrity, and they are really looking to improve their access to data which they can then make available to all of the Federal Government in a centralized fashion. But it does take legislation to give them those authorities and to give them further access to those datasets.

Mr. PALMER. There is also another issue that I think has—needs to be addressed, and that is, at the state level during the pandemic on the unemployment, the state unemployment agencies, in my opinion, under pressure from the Federal Government to get money out in some cases, but they were very lackadaisical in verifying eligibility. They were making—they were sending unemployment checks to people who applied through foreign IP addresses.

I tried to address this. I tried to get the last big relief bill amended to prohibit foreign IP addresses, to make some other—put some other safeguards in. Could not get that in.

But I do think the states have some responsibility here, some culpability here. And because when they approved payments of unemployment, sending out unemployment checks, that carried with it the Federal Government's check as well, that $300.

Ms. BROWN. Absolutely. And I would add that any program that is a Federal-state partnership, the states have a role in getting the Federal dollars out, requires a strong partnership between the Fed-

eral Government and the states, but the states then become critical partners in getting it out.

Totally agree, unemployment insurance was an example. Medicaid is another example, TANF. There are a number of programs that are administered at the state level. And the states have to have really strong and robust IT systems, and they also need to have strong data analytic capabilities.

Mr. PALMER. Well, Mr. Chairman, I have been working on this issue almost from the time I came into Congress. I was able to get it into the budget as an action item for reducing improper payments.

And when you think about the fact that improper payments, just the improper payment side of things, about $250 billion a year, with us operating a deficit, every dollar of that is a borrowed dollar. We are paying interest on money improperly expended. And I think we have got to take this much more seriously than we have to do something about this.

With that, I thank you for your generosity in time. And I yield back.

Mr. SESSIONS. The gentleman yields back his time.

The distinguished gentleman, Mr. Mfume, is recognized.

Mr. MFUME. Thank you, Mr. Chairman.

I want to recognize and yield at this time to the distinguished Chair of the full Committee, former Chair, Mr. Raskin of Maryland.

Mr. RASKIN. Thank you to the Ranking Member for your courtesy here.

Ms. Miller, I want to start with you. Is the problem of fraud and improper payments one that affects America uniquely or is this a struggle that takes place in governments around the world? I want to know. I mean, is it because of something in our culture or economy or is this a global problem?

Ms. MILLER. It is a global problem. When I was at the PRAC, I was a member of the International Fraud Forum that brings together international organizations to look at this issue. And I am also a member of the U.K. Public Sector Fraud Authority's Advisory Panel. So, I have spent time talking with other countries, including the U.K. and Australia, about their issues with fraud.

We did have a much more significant problem here in the United States than they did in the U.K. I mean, obviously our budget is larger. But we also had—we had fewer safeguards in place during the pandemic, and so we did lose a whole lot more money to fraud during the pandemic than most other nations.

Mr. RASKIN. Some of the fraud is transnational in character, right?

Ms. MILLER. Yes. Some of it is transnational in character, and, you know, those numbers are sort of unknown. Mr. Horowitz may be able to speak more to this, but the Secret Service has indicated that they believe about half of the pandemic unemployment assistance fraud went to transnational nation-state actors. That data is very difficult to get. A lot of identity theft-based fraud you never get back, you never find it.

Mr. RASKIN. Uh-huh.

Ms. MILLER. And so, you really have to—you know, it is very difficult to know exactly what was lost. But we do know that there were adversarial nation-state actors that were very, very active during the pandemic, and they continue to be active today.

Mr. RASKIN. Mr. Horowitz, you want us to establish a central data analytic center. How would that remove barriers to accessing the data across the full reach of the Federal Government?

Mr. HOROWITZ. Very important question, Congressman.

One of the things that you have given us in the IG Empowerment Act was an exemption from the Computer Matching Act that Ms. Miller mentioned. You also in the IG Act gave us the power to access all data from the agencies.

So, what we are able to do—and this is the challenge for Treasury—is go to the agencies. We have a group of IGs that can go to agencies, get the data. We are centralized. Again, in the CARES Act, I worked with your staffs, Republican staffs, to give us the ability to get that data. So, we are centralized already with that data. And we are able to proactively look at it for various fraud risk indicators, and there are many, including, by the way, as you just mentioned, foreign IP addresses. Applicants——

Mr. RASKIN. That would be something of a tip-off, no?

Mr. HOROWITZ. That would be a tip-off.

Mr. RASKIN. Yes.

Mr. HOROWITZ. Now, to be fair——

Mr. RASKIN. Yes.

Mr. HOROWITZ [continuing]. Right, the pandemic froze everybody. So, there were people overseas at the start of the pandemic who could not get back. But it is a pretty good reason to put somebody in secondary inspection, right, because that is what we talk about here, by the way. And that is what the PACE, I think, does.

It is like a magnetometer in the airport. We are not telling people you cannot get the money, but there are suspicious indicators that are causing you to do a secondary inspection.

Mr. RASKIN. But how did you create that data hub so quickly and so effectively for PRAC?

Mr. HOROWITZ. Well, first of all, Congress in the ARP, in the American Recovery Plan, gave us $40 million to get that going and move it forward. And that was because, back in 2015, Congress, the Administration, let the prior analytics platform expire despite GAO's recommendation. So, we needed that $40 million to get it going, and that was a lifeline.

And it—we also had, I have to add, the strong support of the leadership of Office of Management and Budget.

Mr. RASKIN. So, Mr. Chairman, I introduced a bill to transition the essential functions of PRAC, as described by Mr. Horowitz, to a permanent entity called the Government Spending Oversight Committee.

Mr. Horowitz, if we do not extend or codify the PRAC, what are we risking in terms of our ability to uncover and detect fraud and improper payments?

Mr. HOROWITZ. Well, first of all, right now, as far as I understand it, we are the only analytics platform that can look across agencies for multiagency fraud schemes which we saw repeatedly

during the pandemic. And Treasury Do Not Pay is a passive data base that is—requires agencies to go to it.

We have the ability to look at this data and go to the agencies and let them know where the frauds are based on this multiagency data that we are getting. And a fraudster who knows they can steal from SBA, we saw, learning they can go and try and steal from the Labor Department and unemployment insurance.

Mr. RASKIN. Uh-huh.

Mr. HOROWITZ. And they can pretend they are a rural broadband need in assistance or that they are faking and pretending they are a veteran and getting other benefits.

And it is important to keep in mind, it is not pandemic only. Emergency spending for hurricanes, tornadoes, fires going on now, et cetera, there are 30-plus agencies that manage those—30-plus entities, subagencies, agencies that manage those programs. The possibility of multiagency fraud is sitting there in our government programs because we are siloed.

Mr. RASKIN. Alas, I am out of time.

Mr. Chairman, I just wanted to note that the companion bill to the one I have introduced in the House has broad bipartisan support over in the Senate. And I hope that we might be able to get together to create a similar bipartisan consensus here in the House on doing this, and I would love to talk to you about that.

And thank you for your indulgence. I yield back.

Mr. SESSIONS. I thank the gentleman for his line of questioning, and it is good to see the gentleman.

I would now like to go to the distinguished gentleman from Missouri, Mr. Burlison. You are recognized for 5 minutes.

Mr. BURLISON. Thank you, Mr. Chairman.

Ms. Brown, I think it has been said before, we know that in 2023 alone there has been $240—$236 billion that is—of improper payments. Do we have any idea about what happened during the COVID era, how much in total? That may be a question for Mr. Horowitz.

Mr. HOROWITZ. We actually do not have a number for the pandemic at this point, although SBA IG and Labor IG alone have recommended a combined $300 billion-plus in fraud.

We are still—we are still pursuing. We alone are involved in about 900 cases involving 22,000 subjects. The amount of fraud was enormous. Could have been prevented, by the way. And that is what, you know, love to chat further about.

Mr. BURLISON. Yes.

Mr. HOROWITZ. But we are not going to know the final number for several more years. The hardest part to get our arms around, as was mentioned before, is the foreign, international wrongdoing, because it takes so much work to follow money that has left the country and fraudsters that have left the country.

Mr. BURLISON. So, it was said that we, you know, we need to pass—there is legislation that would need to be passed in order to help this.

Ms. Miller, I think you referenced that. What is included in that legislation that would give the agencies the tools that they need?

Ms. MILLER. Well, there is a lot of different legislative solutions that probably need to be considered.

I mean, certainly, I think codifying the PACE feels like a no-brainer to me because it is an amazing, centralized tool, as Mr. Horowitz has been talking about.

Allowing Treasury to have more access to more datasets will help as well, because as Mr. Horowitz is talking about, the PACE and the PRAC are in the oversight community and there is an independence line between the management side of government and the oversight side of government. And so, Treasury also needs additional tools and they need additional authorities and they need additional datasets.

It takes up to 2 years to get a new dataset implemented into Do Not Pay right now. Because of the way it is set up, OMB has to go through a lengthy process to approve the use of a dataset to be used in Do Not Pay.

So, some of this stuff is sort of low-hanging fruit, in my opinion. There is some legislative fixes that could really improve access to data very quickly for Treasury, as well as codifying the PACE.

And then I think really what needs to happen is we need to start investing in some return on investment analytics activities as high-risk programs.

I also, you know, while you are asking, I kind of think we need to jettison the regime at the moment that just encourages paper pushing right now. There are many agencies that engage in improper payments reporting for the sake of reporting, and they are very low-risk programs. CRS has estimated that up to——

Mr. BURLISON. Sorry. Can you break that down for me a little bit?

Ms. MILLER. Yes.

Mr. BURLISON. So, you are saying the low-risk programs. Give me an example.

Ms. MILLER. So, you know, the Pension Benefit Guaranty Corporation, maybe that, that would be one of the programs.

So, the congressional Research Service has done studies that have found that up to 95 percent of all improper payments in the government are centered on those high-priority programs that are reporting to paymentaccuracy.gov. It is about 30 programs. It is about 95 percent.

So, we are talking about risk. You know, Ms. Williams mentioned the importance of the GAO Fraud Risk Management Framework. I led the development of that framework 10 years ago.

Risk is important here, and we have to think about this problem in the context of risk. It does not make sense to be telling an agency with a budget, you know, that is a couple of million dollars, to spend a lot of money and time, considering how much improper payments they have. We ought to be focused on the big programs, and we ought to be making those programs do data-driven, outcome-oriented activities. And we ought to be asking them to demonstrate that they are reducing their fraud and improper payment.

Mr. BURLISON. Is it possible that some of the data that they are needing access to, even a program that is, like, a smaller program like that, that they could have, I do not know, an interface or some kind of ability to quickly query these other——

Ms. MILLER. Yes.

Mr. BURLISON [continuing]. Datasets——

Ms. MILLER. Yes.

Mr. BURLISON [continuing]. So that they do not——

Ms. MILLER. In an ideal world, we would have a centralized capability. And, I mean, honestly, the PACE is a great example.

And, again, it in the law enforcement side of government. And so, a challenge for you guys, but you guys are the ones that can solve this challenge, is a way to get the management side of government access to some of that data as well, because there are things like the OIG Empowerment Act that give IGs access to data that then management side of government does not have.

Mr. BURLISON. And it could be done—we have little time. But it could be done in such a way where you are not creating more exposure risk, right, because—I mean, just the other day I got an FSA letter saying that my personal information has been compromised. But we could do this in a way where there is no additional exposure for the data, right?

Ms. MILLER. Yes. There is a lot of technological advancement in hashing and being able to mask the identities of the personally identifiable information. And so, this privacy issue, the tension between privacy advocates and the use of data for fraud prevention is a real tension in the policy space.

Mr. Horowitz.

Mr. HOROWITZ. Yes. Can I—it is an excellent question. It is a very important question and one that we have been very mindful of and I have been very mindful of.

If I could have a minute to just talk about what we have done to make sure we are—how this can be done in a safe and secure way.

Our data analysts took 33 million applications from SBAs, PPP, and EIDL programs. They identified about 2.7 million of those 33 million using advanced data analytics that we have for potential anomalies, suspicious numbers potentially. Does not mean they are. They were potential.

We spent, as I mentioned earlier, about 8 months or so getting agreement in place with Social Security Administration.

What we did was we took the name, date of birth, and Social Security number and sent it to SSA, Social Security Administration. We did not want any of their data for the privacy issues and all. We sent the applicant information to them and said answer three questions.

Mr. BURLISON. Yes.

Mr. HOROWITZ. Is it a real number? Yes or no. And if it is a real number, do those three indicators match your three: name, date of birth, Social?

And, finally, living or dead?

We got back over 200,000 hits that were—did not answer all three questions the right way. Of those, 69,000 got $5.4 billion. OK. It took us—took Social Security Administration less than 2 weeks to answer the three questions for the 2.7 million numbers.

We can do this. What needs to be done is IGs and their agencies—and this is what has to happen going forward in the prevention space. We can enter into an agreement. And I have talked about this with GAO and Gene Dodaro, and we are in agreement. It does not impair our independence.

We enter into an agreement with agencies where they can send us applicant information to run against our data base and use—I have over a hundred agreements with agencies now where I can send them data and they can give me verification information, for example. And we have used those tools to verify.

It does not mean someone is ineligible, but it does mean they should be essentially pulled out of line at the airport, like happens if you beep at the magnetometer——

Mr. BURLISON. Right.

Mr. HOROWITZ [continuing]. And undergo secondary questioning. And it can be done promptly.

It is a false choice if people say, 'oh, it will take months and months and months to figure this out.' The data is sitting there. We have done the hard work over 4 years to get those agreements in place. It can be done quickly, and I—and the Committee should not accept people's explanations that, oh, it will take too long.

Mr. BURLISON. Well, and the—sorry. If I may, Mr. Chairman, I would just make a comment.

The problem is that it is causing impact to everyone, right. So, you have got legitimate claimants who are being delayed. Sometimes they are being accused of committing—being lumped into the fraudsters. And at the end of the day, we just need to make this system more efficient.

Mr. HOROWITZ. If I can just say, we had a—we had hearings on this. We heard from, to your point, Congressman, in the unemployment space we heard from unemployed—about examples where unemployed individuals were second. The fraudsters beat them in, and they did not get their payments initially because a fraudster beat them to it first. And they had to get help to convince the agency that they were not the fraudster or an improper payee.

And, of course, the people who need unemployment insurance probably do not have a lot of money to get the support they need to do that.

So that is the reality of what is happening.

Mr. BURLISON. Thank you.

Ms. BROWN. Mr. Chairman, can—I want to add one point, because I think just another illustration.

Similar to the example that Mr. Horowitz shared about sending the files to the Social Security Administration, GAO took much of that same information and ran it against the national new hire data base. And we found millions of questionable loans. And we referred that information to the SBA IG.

So, it is just another illustration of, if all of the available datasets are together and they—and an application or a potential claimant can be run through all of those data bases, then you really get the best information because you are able to cross-check across all of them and identify and refine questionable payments before they are paid out. And it goes back to prevention being key.

Thank you.

Mr. SESSIONS. Thank you very much.

The gentleman yields back his time.

The gentleman, Mr. Mfume, is recognized.

Mr. MFUME. Thank you again, Mr. Chairman. I want to, if I might, just kind of look through a long, long lens and give my im-

pression as to why so many people across our Nation believe that we simply know what the problem is and that we do not do enough about it.

And for many years, the Federal Government has been reliant on a pay-and-chase-and-catch model, where payments are made up front, and then payment errors are discovered and recovered, chased down after the fact and some of the money—some of the money—is recovered.

And while that type of model, I think, can succeed in recuperating some lost funds, I continue to believe that our biggest challenge is to prevent the fraud to begin with, to stop it before it starts.

Now, in 1987, as a Member of this body, with Ronald Reagan as President and Jim Wright as our Speaker of the house, myself and many others in that 100th Congress, which was a very partisan Congress. I mean, there were philosophical differences, but there was never seemingly a difference on the issue of fraud, because it affected all of our constituents, it affected all of the government agencies, and we realized it was throwing money away.

So, during that time, one of the few things that seemed to come together was a general feeling across the aisle that this was a priority. So, you, I hope, can imagine how I must feel now 37 years later, after having spent 10 years here and been away for 23 and back for 4, and we are still dealing with the same thing.

And so, it is difficult to tell people, with all the suffering and hurt that needs to be addressed in our society, and the efficiencies that need to be put in place, it is really difficult to say to the American onlooker, the taxpayer, the citizen, do not worry, we are working on this, we have got it.

So, I do hope, Mr. Chairman, that we really do have it this time. We are all kind of seeing this thing play out as if it's dèjä vu. And there is so much that can be done if we, as a Congress, do our job.

Now, I think I am speaking to the choir here on this Committee, but the rest of our colleagues in the House and in the Senate must know that this, among so many other things, has to be right at the top of the priority list.

So, I have got a quick question for each of you. All of you have given great testimony as to what you think should be done. And, Ms. Miller, I appreciate the fact that you have gone out and tried to put together an organization outside of Congress to deal with this.

But if all of you could just give me one thing from your own perspective as to what the No. 1 priority of the Congress should be, I will either come up with three priorities or we will have unanimity in some form or another as to how we should go forward.

I am going to start with you, Mr. Horowitz, if you do not mind.

Mr. HOROWITZ. I think the biggest opportunity now since 1987 is data. And I think agencies, as Ms. Miller indicated, IGs, need to have data, data access, and data tools to put enough hurdles in place to prevent fraud and improve program integrity.

Mr. MFUME. Thank you.

Ms. Brown?

Ms. BROWN. Mine is consistent. It is really prevention, which the data is a key part of the prevention, but we have to make sure that

agencies understand that prevention is key. And having upfront controls is not at odds with their core mission. It is actually integral to the mission.

And I think that is—if Congress could push on one place, I think that is critically important, because that will make it a priority for the agencies.

Mr. MFUME. Thank you.

Ms. Miller?

Ms. MILLER. I just want to absolutely agree with what Mr. Horowitz said. I think I would have said that, but since I get to say a second thing, I also believe we have to do something about the incentives that we do not have in place. I mean, why did we lose this much fraud during the pandemic and there is almost—I mean, we are just wringing our hands. We are not—nothing has really happened. Agency leaders have to see this as a priority.

I mean, you made an excellent point. Why, in 30 years, is this not a priority? You know why it isn't is because when somebody does not get a benefit, they call you up and they say, I need to get my benefit quicker. And, boy, that happens.

Customer experience, user experience, we are investing in that. And I am not saying that is a problem. We should be doing that. But nobody is calling up. This is a silent problem. The fraud actors are quietly over here stealing the money, and no one is calling their Congressman. And so, the agency leaders are content to look the other way and say, we do not have a fraud problem here.

And so there has to be something has to change where agency leaders are held accountable, and they have incentives, whether those are carrots or sticks or both, so that we are not going to be sitting here in 37 more years saying, 'gee, agency leaders just do not prioritize this problem.'

Mr. MFUME. Thank you very much.

I yield back.

Mr. SESSIONS. The gentleman yields back his time. Now, I will move to the distinguished gentleman from Louisiana. You are recognized for 5 minutes, Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman.

I thank our panelists for being here today to talk about this. It is a very frustrating conversation you have back home. Most of us do a lot of town halls. I certainly do. Sometimes my town halls last 3, 3–1/2 hours, 4 hours, and unscripted.

You are talking to American citizens that are struggling, man. They are having a hard time buying groceries, paying rent. And we have—allegedly, you know, we have built a beautiful Nation wherein we the people run things.

And they are not feeling like that. The American people are feeling discarded. They are feeling like their struggles get lip service, and their financial woes are further injured by big policies out of the elite rulers of D.C.

I am just telling you this is some of the levels of pain. That if you are a compassionate American, you are listening very carefully to the citizens that you have sworn to serve, this is what you are hearing.

And one of the—one of the common refrains that we listen to with our constituents and share a concern is the level of fraud and

fraudulent payments coming out of the Federal Government, totaling billions and billions of dollars, depending upon what study you look at, what period of time. It is a lot of money.

And, you know, my constituents are looking at the cost of eggs and bread. They cannot make it. And they see, 'oh, the IRS sent, you know, 3,000 refunds to the same address.'

This kind of thing requires accountability, ladies and gentlemen. And the way Americans like me measure accountability is somebody in jail in a small cell getting their next meal of bread and eggs through a small hole in a steel door. That is how we measure accountability. We have had enough of this theft of our treasure.

So, it is not a comfortable conversation that we are engaged in, but this may be one of the most uniting topics that I share with my colleagues across the aisle. We demand an end to this, and we insist upon accountability.

Mr. Horowitz, if I could, regarding the Pandemic Response Accountability Committee, so you can throw that switch in your brilliant mind, and we appreciate you being here today. What, if anything, do our agencies and IGs need to help combat the billions of dollars of fraudulent and improper payments?

And I will give you a broad question like that for you to share with America what you feel the problems are and how they can be addressed. It is a lot of money that we have invested to respond to the pandemic, and it makes us quite angry when that money is stolen and then nothing is done about it.

What can we do better?

Mr. HOROWITZ. There are many things to be done. First of all, I will mention for several IGs, like the Small Business IG, the Labor Department IG, they are suffering from an inability to pursue all of the fraud and hold people accountable that you mentioned, because they have not been funded sufficiently to go after that fraud.

That is one of the things I know they have been asking for, and so I will just mention there are some IGs that are having that challenge.

From a broader standpoint, the key is, as was mentioned, prevention. We need to take commonsense steps to ensure this kind of activity is prevented up front, because we can put a lot of people in jail for stealing the money after they have stolen the money, but that is not what people want first and foremost. They want it stopped.

Mr. HIGGINS. True.

Mr. HOROWITZ. They do not want the money going out to the fraudster. What drives them crazy, as you said, is the Social Security Administration is sitting on a Death Master File Index to know someone is living or dead, right?

Pandemic hits. Checks go out from the IRS and the Treasury Department to people who are dead. How does that happen? SBA sends loan money that is intended for small businesses to people who are dead. How does that happen, right?

That is what I think, in many respects, drives people even crazier. It is both the prevention up front that needs to happen and, as you said, on the back end, we cannot let fraudsters get

away with it, because if we let fraudsters get away with it, we have done a couple of things.

We have trained fraudsters, 'come back, because you will get away with it.' And, you know, as we all grew up being told by our parents, crime can never pay, right? There has to be a consequence to it, I think, on both sides.

Mr. HIGGINS. Thank you for your insightful answer.

My time has expired, Mr. Chairman. Thank you for the indulgence.

Mr. SESSIONS. The gentleman yields back his time. Thank you very much.

The gentlewoman, Ms. Norton, is recognized.

Ms. NORTON. Thank you, Mr. Chairman.

When the unemployment rate spiked to nearly 15 percent at the onset of the pandemic, expansions of Federal programs served as the bulwark against poverty for millions of American families.

For example, one study found Democrats' American Rescue Plan child tax credit expansion helped drive child poverty to an all-time low of 5.2 percent. Another study concluded that expanded unemployment insurance benefits kept an estimated 5 to 6 million people out of poverty in 2020 alone.

I would like to ask unanimous consent to enter into the record these two studies from the Center for Budget and Policy Priorities into the hearing record, please.

Mr. SESSIONS. Without objection, it will be entered into the record.

Ms. NORTON. As we consider reforms to tackle improper payments, it is imperative that we strengthen Federal programs and not gut them.

Ms. Brown, in time, in the time that Government Accountability Office has been studying improper payments in Federal programs, has it even once recommended program cuts or program elimination to Congress or Federal agencies?

Ms. BROWN. Those are public policy decisions. So, no, I am not aware of any recommendations that GAO has made in that regard.

Ms. NORTON. Thank you. Ms. Brown, what are two or three successful strategies that agencies have used to fight improper payments?

Ms. BROWN. So, the agencies that really are most mature on the scale are agencies that have done a couple of things, and that is not to say that there are any agencies that are perfect in this space, but agencies that have designated someone in the agency to be responsible for managing fraud, for identifying the risk and then developing a strategy.

I mentioned this in my opening statement, but one of the first things that has to happen is an agency has to admit that they have a problem. So, in order to identify those agencies that are not at high risk of fraud, they have to do an assessment.

And that is what we really push for, for agencies to proactively do that determination, and not just assume that they are at low risk of fraud, because we have identified a number of agencies that have told us they are at low risk of fraud, we do our investigation and we find fraudulent activity.

So, agencies really have to come to terms with their real risk of fraud, and then put a plan in place to deal with it. You are not going to deal with the problem if you are fundamentally in denial about the problem.

So, those are a couple of things that agencies that recognize their risk and they then start to take efforts to prevent it, because we cannot stress enough this issue of the change that has to happen is really a focus on prevention.

Because when you are not identifying improper payments, and even improper payments or overpayments that are not the fault of the beneficiary, they create all sorts of havoc on the parts of those beneficiaries.

So, they—it is not just a way to stop the fraudsters, but it is also a way to not harm people who are already struggling.

Ms. NORTON. Well, one simple way to fortify programs and reduce improper payments is to streamline, clarify, and simplify applications for Federal programs.

At this Subcommittee's last hearing on improper payments, we heard witness testimony from Adrian Haro of The Workers Lab about the onerous and poorly designed application process for Federal programs that create needless barriers to receiving vital assistance. Federal application forms, which sometimes are still paper, can be difficult to read and nearly impossible to get right.

It should not shock us that many applicants make mistakes that lead to improper payments. According to the Government Accountability Office, insufficient information or a lack of documentation from applicants caused about $20.3 billion, or approximately 8.2 percent of all improper payments in fiscal 2022.

By investing in tools and practices to design simple and accessible applications, the Federal Government can serve those who Congress intended and reduce improper payments.

Ms. Miller, what technologies or processes should agencies employ to help them improve their agency processes?

Ms. MILLER. Well, I am really glad you asked that question, Congresswoman, because we have seen some really impressive activities in different pockets across the agencies.

And one in particular, recently, the IRS took significant impressive preventative action in the Employee Retention Credit program where they were seeing flags that looked suspicious.

And so, they said, we are going to take a 6-month moratorium, 6 months, not 5 years, 6 months, and we are going to go back and look at these applications. And they found $65 billion in fraudulent applications for the Employee Retention Credit that they saved. They did not make those payments.

And so, we have been talking about, you know, we have a pay-and-chase problem. We know we have a pay-and-chase problem. That is a really, really great example of an agency taking proactive measures and using data, right? And so, they had to identify those flags using data.

And these are the kinds of things I think we want to see more of. I think we want to see agencies taking, you know, examples like that. So, pick a program. Like Social Security Administration, the President's budget for 2025 has identified that continuing disability reviews have a nine-to-one return on investment.

So, that is crazy, right? So, you would obviously want to do that, because you are going to get nine times the money back by investing in conducting continuing disability reviews. What are some other examples where we can get an ROI similar, or it does not even have to be that high, five to one, three to one.

And I think that when agencies—that is why, again, I want to go back to high risk. Pick the high-risk programs. Pick specific pieces of the high-risk programs, and then implement data-enabled tools, and then measure your outcomes.

This is what we really need to do. We need to start showing those. We need to start advertising them. We need to start highlighting and showing agencies. And incentives can be, 'hey, IRS, great job, you know, we want to see other agencies do similar things to that.'

So, it has to be data-driven. I think it can be use-case and pilot and proof of concept-driven. And I think we are going to see the power of being able to use data if we invest in—and these are small investments—in some of these kinds of activities.

Mr. SESSIONS. The gentlewoman yields back her time. Thank you very much.

The distinguished gentleman from South Carolina is recognized.

Mr. TIMMONS. Thank you, Mr. Chairman.

During the pandemic, there were countless cases of fraud and abuse, with GAO estimating over half a trillion taxpayer dollars lost. Countless bills have been filed, letters have been sent, and congressional committees have had many hearings to dissect what went wrong during COVID.

We must ensure that this mismanagement of funds never happens again. And the work we have done points to many ways we can actively improve our improper payment and fraud protection programs. We must fill the gaps in these systems while providing transparency to the American people to prove we can be good stewards of their tax dollars.

Focusing on fraud prevention, the 2015 GAO Fraud Risk Framework is a good place to start.

Ms. Brown, 9 years since the framework was developed, could you give an update as to how much of it has been implemented across the 15 executive agencies? Further, could you speak to the relationship between GAO and individual agencies in implementing this framework across the board?

Ms. BROWN. So, GAO has done dozens of individual reviews of agencies' implementation of the framework, and we have seen some mixed results. We continue to beat the drum on this.

I think we have positive relationships with OMB, for example. And we make ourselves available to agencies proactively if they want to work through how to go about implementing the framework, if they have questions.

One of the things that we did a couple of years ago, we provided a framework to help agencies address improper payments in emergency programs that really built on the 2015 framework.

Mr. TIMMONS. Would you be able to give each agency a grade, C, D, F, A? I mean, if we asked you in writing, could you do that?

Ms. BROWN. On their implementation of the fraud framework?

Mr. TIMMONS. Correct.

Ms. BROWN. It would be difficult, because there is not a lot of information provided. The Payment Integrity Information Act repealed some of the reporting requirements that existed before that required agencies to provide information on that.

Mr. TIMMONS. I am going to followup with additional questions.

Ms. BROWN. So, we could, yes.

Mr. TIMMONS. Thank you.

I would argue the largest blind spot in our effort to combat fraud during the Paycheck Protection Program, I mean, it was just extensive, and I think it could have been fairly easy to address some of the concerns.

Mr. Horowitz, what additional identity verification tools could we have put in the statute to limit the amount of fraud?

Mr. HOROWITZ. I think, Congressman, you are exactly right. The Paycheck Protection Program, PPP, and the

Economic Injury Disaster Loan program, EIDL, both administered by SBA, their goal at the outset was to get the money out.

And they lowered the guardrails. Congress did not put any guardrails in, arguably encouraged them to get the money out, based on the language in the law. And so, they sent it out based solely on self-certification. I say who I represent I am, I am truly that person.

And what we have learned is, not surprisingly, lots of people were fraudsters who were willing to fill out that form, swear to the truth of it, and take the money and run.

Mr. TIMMONS. Would it have been difficult to use Treasury's certifications to achieve the same objective? If you cannot pay your taxes, sorry. I mean, if you have the ability to pay your taxes, you have the ability to get relief?

Mr. HOROWITZ. So that is exactly right. So, even what was available back in 2020, which was the Treasury's Do Not Pay System, which is a list, essentially, of bad actors, as you indicated, known bad actors, that was sitting there. SBA did not check that in 2020. They sent the money out instead.

57,000 applicants got $3.6 billion who were already on that Do Not Pay list. So—and that, by the way, the Payment Integrity Information Act, it is part of that that they should be checking Do Not Pay. But they could have done more with the data analytics, right? Again, we have identified individuals who were deceased got paid while that Death Master File Index is sitting at the Social Security Administration.

Mr. TIMMONS. Hindsight is 20/20, but we need to learn from this.

Ms. BROWN. Could I jump in for 1 second on that on the issue of SBA? So, early in the pandemic, GAO pointed out some of those steps, preventative steps they could take. And when SBA implemented our recommendation, it resulted in over $4 billion prevented in potentially fraudulent payments.

And then for the Restaurant Revitalization Fund, we also recommended that if they do any—the same thing with that program, that they take some additional actions. And when they did, that prevented $6 billion of fraudulent funds going out the door. So, it definitely pays off.

Mr. TIMMONS. I yield the remainder of my time to my friend from Alabama, Congressman Palmer.

Mr. PALMER. I thank the gentleman.

Mr. Horowitz, you said Social Security charged PRAC for verification data. Can you provide an itemized list to the Committee on how much the Social Security Administration charged PRAC? Just to verify Social Security numbers and other data, that was all you were asking, wasn't it?

Mr. HOROWITZ. That is right. I can check that. I do not remember off the top of my head what the number was, but what I do recall from it was when my—when we first got this agreement in place, when we went there with the 2.7 million numbers, they came back with some—with a number that I thought was not reasonable.

I told our folks to go back and ask them for an itemized list of why they were charging that much. And the price started dropping. So, it was subject to negotiation.

Mr. PALMER. It would be good for the Committee to get that list. And would you recommend that we consider legislation to require the Social Security Administration to verify the data?

Mr. HOROWITZ. Absolutely.

Mr. PALMER. And you would be willing to help with that?

Mr. HOROWITZ. Absolutely, be happy to work with you.

Mr. PALMER. I thank the gentleman.

I yield back.

Mr. HOROWITZ. And can I just add one thing in terms of where we are going? We have put out a couple of Blueprint Reports of lessons learned, and we are continuing to do that over the next 6 months, because we want to put in one place all of the issues that GAO has identified.

I should add the SBA IG also issued reports that were finally implemented that saved taxpayers billions of dollars as well. The same with the Labor IG. And we have collated those, brought them together in one document. We have put out two chapters so far, and we have got three more to go.

Mr. PALMER. Well, you know I am a nerd, so send them to my office. Thanks.

Mr. HOROWITZ. Absolutely.

Mr. SESSIONS. The gentleman yields back his time. Thank you very much.

The gentleman, Mr. Connolly, is recognized.

Mr. CONNOLLY. Thank you, Mr. Chairman.

And let me just say, I think this is one of the best panels we have ever had on this subject. I have been going to hearings and getting excited about improper payments for 16 years. Your predecessor, Todd Platts, chaired the first hearing I went to. And like Ms. Miller, I bemoan the fact that we do not seem to have made much progress.

Let me just start by saying, to me, if you are going to have data sharing and data analytics that help us flag and ultimately prevent fraud, you need an IT platform that works. And a lot of this can be sourced back to the fact that we have underinvested in IT in Federal agencies, let alone state agencies, which I will get to, Ms. Brown, for a long time.

You know, IRS is a great example, where we kind of starve the beast of modernized IT upgrades, and then we are surprised when

systems fail, when fraud occurs, when even nonfraud improper payments occur, because we do not—the information is not correct.

I want to give you a chance, Mr. Horowitz, just to comment on that aspect of this problem, the failure or the lagged nature of our staying up with IT modernization in the Federal Government,

Mr. HOROWITZ. It is absolutely a problem, as you outlined. I will go back to 12 years ago when I became IG. One of the things we were going to look at and undertake in one of our early data analytics efforts was disability fraud, where Justice Department employees——

Mr. CONNOLLY. I think you and I met on it.

Mr. HOROWITZ. We did. And doing both, getting money from Labor, through Labor Department, disability, as well as still collecting a paycheck from somebody else.

One of the problems was the Justice Department's IT systems could not read all of the data that Labor had, and so they could not do the match. Ours—we had to cleanse the data, build the system. We do it, as you know from our time together working on these issues, pretty effectively and efficiently, but we had to do it because the IT systems were not interoperable with each other.

Mr. CONNOLLY. Right. Even within agencies, we had——

Mr. HOROWITZ. Correct.

Mr. CONNOLLY [continuing]. Competing H.R. systems could not talk to each other. Unbelievable.

Ms. Brown, you and Mr. Palmer, my friend from Alabama, were talking about unemployment. And during the pandemic, you know, we changed the rules. We streamlined and made simpler eligibility. We pumped up payments. We extended the eligibility time period.

But the problem with all of that is so we set the rules at this level and we pumped the money, but it is managed by 50 different IT systems, 50 different states, and we do not control any of that.

Knowing that, at the time—and we were worried about the emergency, so not everything was going to go perfect. But did we invest any money in helping the states upgrade their unemployment IT system so that we could try to minimize fraud and try to make sure the system was efficient and payments got to people who really needed it in the midst of the worst pandemic in 100 years?

Ms. BROWN. So——

Mr. CONNOLLY. No, no, my question is real simple. Did we provide money? Did we make investments to give states resources to upgrade their IT systems to manage unemployment?

Ms. BROWN. Not enough.

Mr. CONNOLLY. Not enough?

Ms. BROWN. No.

Mr. CONNOLLY. OK. I just say to my friend from Alabama, I mean, I did not mean to cut you off, but I am trying to make a point here, that when we have sort of third-party execution—so we are not running the unemployment program, they are.

Ms. BROWN. Yes.

Mr. CONNOLLY. What can go wrong with 50 different systems? And some did well and some did not. And the whole point was, get it out now. People are in urgent situations. We do not want them evicted. We do not want them hungry. We want to keep them together. And we could not meet that goal.

By the way, the same with Small Business. But we could not meet that goal, because we got some old clunky, underinvested unemployment IT platforms in the 50 states. And, you know, I—certainly in my own home state of Virginia, I know people were not getting their unemployment benefits, which was supposed to be flowing in April and May 2021, they were not getting it until October-November. And sometimes we had to go through a rigamarole of trying to make sure they were eligible.

Ms. Miller, good to see you again. You appeared before my predecessor's subcommittee I chaired. By the way, this is a good example of why IT and government ops need to be married.

But you had a phrase earlier today that fraud is a four-letter word even though it is, of course, five, but for government, we will let it go, a four-letter word in a lot of agencies. And I want to explore that a little bit, and the others could jump in. This will be my last question.

But one of the things that struck me about improper payments, not only fraud prevention, the biggest challenge, but even just trying to get it right so that we are not duplicating payments or whatever.

There is no incentive system in the Federal Government to really make this your cause in life. You are going to get, you know, a Nobel Peace Prize if you prevent hunger and made sure—you know, make sure famine is turned around. If you are at CMS or HHS, you are going to get some big award if you can say, I expanded healthcare coverage by 10 million people.

No one is going to give you an award, in theory, for you to say, I prevented $10 billion in fraud. Something did not happen; I am going to get an award. I mean, I liken it to local government. You know, no one is going to give you, if you are on the Board of Supervisors, you know, an award for upgrading the sewer system to prevent blowout of—you know.

Ms. MILLER. Right.

Mr. CONNOLLY. Even though it is a pretty critical function. So, how do we turn that around? How do we—and I know, Ms. Brown, you kind of alluded to this as well. How do we turn that around, so we create real incentives both for the agency itself and for individuals within the agency to make this a priority?

Ms. MILLER. Well, so, I think we have to get creative. We cannot fire people in the government, right? So, we are not going to say, 'oh, agency leader X, you lost half a trillion dollars of fraud so you lost your job,' right? And we cannot cut their budgets, because most of the budget is going to benefit the people that they are trying to serve.

So, cutting the budget does not—it impacts the actual—the victims themselves, right? And so, we have to be creative in this problem. This is not—we cannot be analogous to the private sector.

I think there is a couple things. One, when I was at GAO, and we would talk to agencies about approving, let us say, applications, the performance metrics were all how quickly do we approve an application.

Mr. CONNOLLY. Yes.

Ms. MILLER. So, if I see that this application has some flag on it, well, my incentive, my performance measure is about, 'well, did

you get your 15 done today?' It is going to take me another hour to go run down this flag, so I am just going to let that go, right?

So, part of it is incentivizing performance metrics around program integrity and around fraud prevention at every level, including leadership. There needs to be the scorecard idea that has been floated around here for senior leadership. The organization that I just co-founded, the Program Integrity Alliance, we are creating a fraud benchmarking scorecard.

And, I mean, you know, Partnership for Public Service has this, you know, best places to work in the Federal Government. Agencies are super proud to be on the top of that list. They put their—GAO puts its—it is right in the front, right? GAO is—we are the best place to work in the Federal Government for mid-size government agencies.

So, it is a Hall of Fame/Hall of Shame kind of idea. I have been advocating for a long time that agencies who are continuing to see significant losses in fraud, waste, abuse, and improper payments ought to be put on some sort of Hall of Shame list. They ought to be having regular hearings. It could be quarterly.

If we look to the private sector, things like banks who are—undergo monitorships when they have a big fraud event. Like Wells Fargo has a big fraud event, they have to do—they are undergoing this big monitorship for the next year. Everybody is like—they have got, you know, an army of auditors in there making sure that they are not going to—it is not going to happen again.

I mean, I think it would have to increase the budget of Ms. Brown and Mr. Horowitz, but you could create similar monitorship kind of for those really egregious agencies and say, we are just going to be all over you, like white on rice, until you fix this problem.

So, I think incentivizing leadership performance metrics and coming up with some sort of creative shaming and, you know—and advertising and, you know, awarding and rewarding those agencies that are doing it good. But we are definitely going to have to be creative in this problem.

Mr. CONNOLLY. Mr. Chairman, thank you. And thanks so much for holding this hearing. I really want to commend you and Mr. Mfume. I think this is one of the most substantive hearings we have had on this subject in the 16 years I have been here. Thank you.

Mr. SESSIONS. Mr. Connolly, thank you very much.

I think that the expression of support that you have given here, if we listen to these witnesses, as you and I, Mr. Mfume, and others have done, we really glean together enough information to know that there is a desire on their side to do something to fix this.

And in discussions that I had with them yesterday, each and every one of them, we found common ground to things that they asked me for. And I think it is important that we follow this up.

Mr. Mfume and I do very well with each other, as you and I do, Gerry, of following up on those tasks that I believe they have presented to us, also, to be responsible about that. And I will look forward to working on that, as I know Mr. Mfume would with you also. Thank you very much.

I now will yield myself my 5 minutes and would defer that to the gentleman, if he would choose, from Alabama. Are you still seeking additional time?

Mr. PALMER. No.

Mr. SESSIONS. The gentleman is not seeking additional time. Thank you very much. I will give that to myself then.

Each of you have been here and spoken, I think, very clearly about the things which are in the best interests, which are ideas that are very available to us.

Does this mean that we need to gather together and re-meet with you as a group, perhaps, Mr. Connolly, Mr. Perry, Mr. Frost, Mr. Mfume, myself, and come up with a real plan?

Because it seems like, to me, there is a desire if you gained our agreement, if we were able to put things in legislation, if we were able to listen to Mr. Horowitz about the things which he talked to me about, about extending his not only legislative mandate that he has, but the tool kits that are available within that. Is this the kind of thing that we really should be following up on?

Ms. Brown, what would you expect us to do following this hearing?

Ms. BROWN. Absolutely. And the GAO is—stands ready to work together. I think this is a problem that is solvable, but it is going to take all of us to work together to solve it.

In my statement, I lay out a number of legislative proposals that we would like to see addressed. In terms of the issue that Congressman Timmons asked about rating, we think we could get there with a rating, but there needs to be some additional information. There are a number of other legislative proposals. We have talked about making permanent Treasury's access to the Death Master File.

There are a number of other steps that we think could take in terms of improving the accuracy of data that is available on USA Spending, for example. That is the place that we send Americans to go when they are interested in getting information about Federal spending. And the data are not reliable. And we want to make sure that OMB and Treasury understand that they have a responsibility to make sure that that information is accurate.

I think all of this goes to helping restore the public trust in government. And, you know, I understand the frustration of taxpayers across America when it comes to making sure that the government is being responsible stewards of their hard-earned tax dollars.

So, it is important we are ready to work with all of you to come up with a path forward on this, and I think we can do it. And we have talked about the things that need to be put in place to really address the issue of prevention, data analytics.

To Representative Connolly's point about IT investments, that is a huge issue. It is something that is easy to ignore when things are going OK. And I think that is a lot of what we saw with unemployment insurance. You know, unemployment was fairly low. There were agencies that had really low rates of unemployed people seeking unemployment payments. So, there was not necessarily an investment. But then trying to push out trillions of dollars through systems that were 40 or 50 years old, no one should have been surprised at the outcome of those efforts.

Labor has tried. They have provided about $780 million to states to modernize their IT systems, but we have to make sure that those efforts are fully executed on. So, we are ready to work with you.

Mr. SESSIONS. Thank you. Ms. Miller, there is—I am going to let you add, but I also want to say, and how do we go about engaging states, please?

Ms. MILLER. Yes. So, I really think—I do not want to over-simplify some of the really significant policy tensions that exist here. So, when we talk about data, there are an awful lot of people, American citizens, people in academia, people in the private sector, who are really concerned about government's use of data to prevent fraud. And so, there is this sort of privacy protection arm, let us say, and then there is the—sort of the fraud prevention arm.

And I have been advocating for a long time. One of the reasons that I started the Program Integrity Alliance is because what I see missing is getting people in a room. And that is why I really love the idea that you have come up with, Congressman, because getting those people in the room, we have got to find the common ground.

I think we can all agree that American people's personally identifiable information should not just be available for—you know, for use no matter what, in any circumstance, right? But I think we also know that the fraud actors have our data, all of our data. Every single one of us, they have all of our data and they are using it right now.

And so, it is really important, I think, to start to get the privacy advocate arm that exists in academia and in some pockets of policy and politics onto the same page with the fraud prevention arm and find where there is the common ground.

I think these conversations that need to happen, because these problems are not easy. They are going to require compromise. They are going to require people saying, 'OK, we do need more access to data on citizens. How can we do it in a safe way?' How do we make sure IT systems are modernized that we can trust when we are sharing that data, and how can we create a legislative framework that enables the sharing of that information and makes American citizens feel safe about how their data is being used.

That is one example where I think a lot of this information or this common ground connection and getting to someplace where we are all walking in the same sort of—in the—you know, we all sort of agree this is a problem. We do not all agree on how to solve it.

And some of these legislative proposals that have been talked about are sort of—they are the easy ones. Those are the easy ones. Get access to the full death file. That should not be hard. You know, codify the PACE, that should not be hard.

These other things, these are going to be harder, and they are going to require conversations, they are going to require compromise.

Mr. SESSIONS. I think you are right. And I think also, of course, it is so broad. When we were talking yesterday perhaps with all three of you, there was a conversation about SBA, where there are large numbers.

Mr. Horowitz may have given us the number again today about how stunning that amount of money is, but I just cannot imagine you would not expect that they would come in and take out a loan and you would gain all the information. You could certainly look at it instead of trying to get it out the door. It would be trying to do the right thing.

I think that what we need to recognize is that if we will work together, we cannot just plug a lot of these holes. We can come up with an understanding about your responsibility, the agreement that we have about what the American people would have to do to get a loan, to share information. But the government has an incredible amount of information.

My last point here, because I am over my time, is in conversation with you yesterday, someone brought up about all the calls that we personally received during these COVID periods about, 'hey, all you have to do is come to us.' They were some third party. Come to us and we will go get that money for you. Come to us and we will get this student loan, or we will get this whatever it might be.

And I think, Ms. Miller, what you just said is the bad actors have data also. They know the right answers to the questions. They know who might be doing these things. And yet they were in the—had positioned themselves in the marketplace as an intermediate to the agency on behalf of people. I think that is a very interesting concept that we need to delve into and understand also.

I will now go to the gentlewoman, Ms. Lee, for her time. I yield back my time.

Ms. LEE. Thank you, Mr. Chair.

My colleagues have touched on this throughout our hearing today, but to get to the heart of what we are talking about, improper payments simply means that the government did not or cannot tell whether its payments to the right person—got payments to the right person or in the right amount.

Ms. Williams Brown, overpayments, where the government sent more money to someone than they were supposed to receive, are considered improper payments. Is that correct?

Ms. BROWN. Correct.

Ms. LEE. About what percent of errors in payments were overpayments?

Ms. BROWN. Ninety percent.

Ms. LEE. Goodness. It was more than I thought. Overpayments are not necessarily fraudulent. It could be that someone is not even aware they received an improper overpayment, right?

Ms. BROWN. Yes.

Ms. LEE. Thank you. So, the Social Security and Disability Insurance programs have a history of these types of overpayments, ones where the recipient is not even aware they were overpaid.

Ms. Miller, if the Social Security Administration somehow overpays a person's Social Security benefits, the Social Security Administration is required to take that money back.

What are some of the ways an agency like SSA might try to get that money back?

Ms. BROWN. So, they have a number of possibilities. In some cases, the person can repay the amount in full. There may be payments made over time. So, there are a range of actions that an

agency like SSA could take to try to recoup it. They—some agencies associate it with refunds, Federal refunds. In some cases, waivers are a possibility. So, there are a range of potential actions.

Ms. LEE. So, as you said, we have seen in some cases SSA would dock a Social Security recipient's monthly benefits entirely, though, forcing some seniors and those with disabilities to lose their homes or go without food. So, the government makes a mistake and the person on Social Security benefits, who is likely unaware of the overpayment, pays the price, literally.

Fortunately, as a small fix by this Administration, recipients of these overpayments now have nearly double the time to repay the government than they had previously, but more time can still be a problem. So, recouping overpayments has real kitchen table, as we call them, implications for seniors and people with disabilities, who rely on Social Security benefits and live on tight budgets.

Any change in the amount can mean less food or a missed mortgage payment or foregoing medications. These heartbreaking scenarios could be prevented if the government leveraged technologies to more effectively track program payments from the outset.

Mr. Horowitz, the PRAC has made great strides in advancing how the government uses data to prevent improper payments in pandemic spending.

What have been some of your greatest successes?

Mr. HOROWITZ. So, Congresswoman, I think you are absolutely right. You know, one of the things that what we have been able to do with the analytics efforts is—well, first of all, support tracking down the fraudsters, because, as said earlier, these are people who stole money from the public, who harmed intended recipients.

So, that I think has been very important. But I think another thing that we have done that has really changed the way we do oversight is we have worked closely with our state and local oversight partners, with state auditors, county auditors, county officials, with GAO, which we had a close relationship with before this.

But working with state and locals, we got word to them early on about fraud alerts that we were seeing, so they could do, as you said, stop things early, prevent it early, and thereby ensure money was going to go to the beneficiaries, the unemployed, the small businesses, not the fraudsters.

Ms. LEE. Certainly. Mr. Horowitz, a lot of that success also has been through leveraging cyber talent, data analytics to improve these processes, correct?

Mr. HOROWITZ. Correct.

Ms. LEE. Would codifying the analytic capacity at the PRAC help combat improper payments or—excuse me, and overpayments?

Mr. HOROWITZ. Absolutely, they would. It is such an important and potential prevention tool that we just should not lose.

Ms. LEE. Thank you. So, improper payments, they just do not exist in the government contracting world. It affects real people who rely on these benefits to live. No one should worry about affording their prescription drugs or putting food on the table because the government is clawing back on overpayments that they did not even realize they received.

I am hopeful that this upcoming scorecard will incentivize agencies to use technologies that prevent these improper payments. Of

course, our constituents deserve nothing less. And also, it is something that is anxiety-inducing and truly, you know, punishing folks who have done no wrong, but still, we have to make sure that we are correcting these.

Mr. HOROWITZ. And you are exactly right, Congresswoman. Can I add to that?

Ms. LEE. Please.

Mr. HOROWITZ. As I mentioned earlier, you know, there are people who were the intended beneficiaries who fraudsters beat to the unemployment line, and they had to prove they were the real person. And for someone who does not have the money and who needs the unemployment, very hard for them to find someone to help them get through the agency bureaucracy at that point, right?

In addition, I bet you all of your constituents were the victims of an identity theft and a fraud that occurred. They were not beneficiaries. They were simply people whose identities were stolen who learned after the fact when they got a 1099 from the IRS or a notice from their local government, that somehow they got benefits that they never got. And those are victims here, also, I am sure in every district in the country.

Ms. LEE. Yes. Thank you so much for that. I thank you all for your time. And thank you to our Chair and Ranking Member for this important hearing.

I yield back.

Mr. SESSIONS. The gentlewoman yields back her time.

The gentlewoman, Ms. Crockett, is recognized.

Ms. CROCKETT. You can tell I was a little surprised.

First of all, thank you so much, Mr. Chair, for recognizing me, and thank you so much for pulling together this hearing.

I want to go over a few things. Some of the things were actually just brought up by my colleague. I was surprised to hear that 90 percent was the percentage of overpayments, which leaves 10 percent, if I am good at my math, potentially that would be the realm for fraud.

Go ahead.

Ms. BROWN. I would just say that improper payments includes underpayments. So, the 10 percent could also include underpayments.

Ms. CROCKETT. Oh. But—OK. Oh, got what you are saying. So, we are saying that there is potentially—OK.

So, my question is this: If we had to tie down—and if you do not know the answer, that is fine, because literally I am just going here because I just was surprised by the number.

If I had to tie down how much money we are losing specifically as it relates to fraud, do we have a number for that?

Ms. BROWN. So, we did an estimate of losses related to fraud, based on 2018 to 2022 data.

Ms. CROCKETT. OK.

Ms. BROWN. And we estimate that the range is between $233 and $521 billion dollars annually.

Ms. CROCKETT. OK. And my next question is—because I do not have this information. So, if you do not, that is OK as well. As it relates to recommendations around technology, there have been a lot of conversations around basically upgrading, doing something

different, basically moving us forward instead of kind of sticking to the old way.

Do we have estimates or proposals or requests that have been made by any agency as it relates to what it would cost us to go ahead and put in the technology that would be most helpful?

Ms. BROWN. I am not aware of an estimate.

Mr. HOROWITZ. I am not aware of an estimate. And I think one of the challenges, Congresswoman, is what you and others have talked about here, which is, agencies are not incentivized necessarily to come forward with that number and to focus on fixing this problem, which is why I think this hearing has been so valuable.

Ms. CROCKETT. OK. Well, I am going to say this right now. I am charging all of you all to go and get me some numbers, because at the end of the day the American people are relying upon us, especially those of us that sit on Oversight, to actually be watchdogs over their tax dollars.

And so, I really hate to leave a situation where we have had lots of good, feel-good conversations and we have no solutions. And so, most technology costs money. For instance, we have had Oversight hearings as it relates to issues with the Department of Defense, who cannot pass their audits, and at least we are getting estimates on what the cost would be.

I at least would like to say that we have had that information before us, because none of us—and I am maybe being presumptuous—sitting up here have the expertise to know what it is that you need to make sure that these agencies are going to be able to better do their jobs.

And the reason that I ask for the numbers is because I could guess—this is just a guesstimate—that whatever the technology costs, it is less than $233 to $521 billion dollars a year. That is just my guess, but I could be wrong. And I am here to provide some sort of solutions.

In addition to that, you know, I appreciate this hearing because, No. 1, we are acknowledging that there is a problem. That is a good start for us, specifically here in Congress, to agree on that.

But one of the issues that I have is kind of this blind eye that we sometimes turn, because as we are in election season. And there is definitely a candidate that said that he is just going to get rid of fraud in his first 6 months. You know, I do not know what kind of wizardry he has going on to be able to snap his fingers and get rid of anything in 6 months, but I would like real solutions, because the talking is not getting us anywhere.

It is my understanding that if we go back a few years, back to 2013, I believe the number was, the number as it relates to this particular conversation was down at $35 billion? Yes, back in 2003, the number was $35 billion. And now we are truly just going through the roof.

And again, as we are hearing the conversations around how the American people are struggling, we need to do something better about the moneys that we are getting in so that we can then move on to help people that need help, such as those that are relying on SNAP benefits and things like that.

So, I appreciate any assistance that you all can provide. And maybe the next proposed budgets, you all can put in something for technology upgrades to help and assist all agencies that need the help and assistance to make sure that we can start to rein this in.

Thank you so much, and I yield.

Mr. SESSIONS. The gentlewoman yields back her time.

The gentlewoman, Ms. Tlaib.

Ms. TLAIB. Thank you, Mr. Chair. I really appreciate both you and Ranking Member Mfume for working on this.

I know we always talk about money, but I want to talk about the human impact. It is devastating when they—when our residents get that letter. And, honestly, when they get those checks, they do really have no idea, but they are like, 'OK, I got a check from the Federal Government.'

They have no idea to say, pause and let us figure this out, because what happens, not in a month, not in a few months, sometimes over 6, 8 months later, and they get charged—Mr. Chair, Ranking Member, they get charged interest and back fees.

And this reminded me of when I served in the state house, the Michigan Unemployment Agency at that time, they had put in a computer system. We have a lot of auto workers in Michigan. And so, in July, they would take—I think it was around the summertime—they would take a couple weeks off for what they call turnover.

You know, they would do some maintenance on some of the auto companies in assembly lines. And so, folks would apply. And, of course, just like every year, they would get their 2-week unemployment check. Years pass by, or so forth, and all of a sudden, they get this automated letter saying, you committed fraud. We had people lose their homes, like homes, over just not being able to pay their taxes and a number of other things.

The question I have—and, you know, Ms. Williams Brown, you can help me. We cannot determine whether a payment went to the right person in the right amount. We call it improper payment, correct? That is what we call it, improper payment.

Ms. BROWN. Correct.

Ms. TLAIB. So, are most improper payments financial fraud or are there other causes at play? And you guys talked a little bit about it, but I read that 91 percent of improper payments are attributed to an agency's failure.

And we are seeing this now, right now, where I have folks that were getting unemployment during the pandemic, and they continued getting payments, even though they had—you know, did the proper paperwork saying—you know, did not send in their paperwork, they were getting automated payments.

And now they are getting back and they are saying, you committed fraud, even though they could prove like, 'hey, I did not fill out the paperwork, I did not do anything.' But it takes a long time, because they have to go through the process of showing that they are innocent.

Can you talk a little bit about that, Ms. Brown? Because it is devastating when they do get those letters.

Ms. BROWN. So, we have done work.

I will take an example from the Social Security Administration space and their disability program. They have a program called Ticket to Work that encourages people with disabilities to work. We found that it also creates a disincentive, because if you breach the threshold for the program, you then risk having your disability either reduced or cut. And there are a number of issues in terms of timing of reporting that can result in an improper payment or the beneficiary actually provides all of their paperwork in time but Social Security Administration does not process that paperwork in time to adjust——

Ms. TLAIB. Yes.

Ms. BROWN [continuing]. A payment.

Ms. TLAIB. I have actually heard about this.

Ms. BROWN. Yes.

Ms. TLAIB. Yes.

Ms. BROWN. So, I have a—we testified on this in June. I am happy to submit that testimony for the record. But it creates—it creates an issue.

So, it is definitely a challenge. And if you look at some of the root causes, we really stressed that agencies need to get behind the root causes of improper payments.

Ms. TLAIB. Yes.

Ms. BROWN. And often if you look at the root causes they provide, they really are providing reasons. They are providing categories of improper payments but not the root cause.

So, the Social Security Administration identified, you know, kind of failure to process the paperwork as one of the causes of improper payments. But the question then becomes, well, what was the cause for the slowness in processing the information? And that is where you start to pull the thread to get behind what the real root cause of the improper payment is in order to be able to address it.

Ms. TLAIB. One question to the Chair Horowitz. One of the things I hear—and I do not know if it is you. But during the pandemic, what I heard is, you know, even some people were coming back to work, but it was not full 40 hours. It was not the original. So, they were trying to at least still be able to make up the difference between, you know—they went back to work.

And I actually have family—a resident right now that did everything right but said, oh, but my hours were reduced. So, I still would qualify at least because I am not back at 40 hours.

And there was this whole mix-up. And they were, I guess, given different kind of information.

But then they said, no, you are committing fraud. You are back at work.

But I am not back at work at the full 40 hours. I am only back at 20.

I mean, can you talk about what we can do? Because our families are stuck in this. It is—you know, there are the scammers, and I love going after scammers. I cannot stand them. I do not care if they are billionaires or not, all of them. The ones who scam our IRS system, all that, I cannot stand it.

But it is our families that just do not know, and they get that check. And, of course, they are not like, let me go send it back, let

me make sure this is right. They cash it. They put it in their bank account. They go pay their bills.

Mr. HOROWITZ. Right.

Ms. TLAIB. And I do not know how to fix it and how to make sure that we are not ruining their lives because we cannot get it right on our end.

Mr. HOROWITZ. Yes. Yes, I agree with you, Congresswoman. And I think it is something we have talked about here. When that happens, when the agency makes a mistake and sends the wrong amount of money out, they hold the person who got the check accountable.

Ms. TLAIB. Yes.

Mr. HOROWITZ. But they do not hold themselves accountable——

Ms. TLAIB. That is right.

Mr. HOROWITZ [continuing]. For it.

And what we have to figure out is a way to have that happen. I think the scorecard is a very important part of that actually, the bipartisan scorecard——

Ms. TLAIB. Uh-huh.

Mr. HOROWITZ [continuing]. Because I agree that, you know, the public should know, you should know, the policymakers should know which agencies are doing it well and which agencies are falling down on the job.

And when that happens with agencies, what you are mentioning—and Social Security Administration has had this problem——

Ms. TLAIB. Uh-huh.

Mr. HOROWITZ [continuing]. As talked about, what accountability measures are there internally——

Ms. TLAIB. I agree, yes.

Mr. HOROWITZ [continuing]. To figure that out?

And, frankly, as we have all talked about today and as we have discussed in this hearing, there aren't many. There are not many agencies that are doing that. There are a few but not many, and that is what we need to sit and work together on to address.

Ms. TLAIB. I apologize. I went over time. I did not realize that Mr. Chair. I apologize sincerely.

But we do need to talk about timing. Our residents, after they made the mistake and they get the letter in a year, that is not fair. They have already spent the money. They are living check by check. They do not deserve to be punished.

Thank you so much, Mr. Chair. And I yield.

Ms. BROWN. Could I just add one—one thing about this issue? One of the things I want to make sure I mention, that agencies do have some flexibility in terms of waiving nonfraud payments that have been deemed to be improper because of eligibility concerns. And two things they can consider is fairness and impact.

So, agencies do have some flexibility to try to parse out someone who may have innocently received an overpayment and they tried to do the right thing versus fraudsters.

Mr. SESSIONS. The gentlewoman yields back her time.

The gentleman from Florida is recognized.

Mr. FROST. Thank you, Mr. Chair. And thank you so much for calling this hearing.

Americans have heard about improper pandemic relief payments and the bad actors who took advantage. There are also many folks, to what my colleague, Congresswoman Tlaib, was just talking about, folks in my own family who are, you know, not fraudsters, received incorrect overpayments, and were very stressed receiving those letters, receiving those calls, figuring out what they need to do next.

These bad actors use the government's need to act urgently as an opportunity to claim taxpayer dollars meant for those who needed it the most.

Mr. Horowitz, I want to talk really quick about trends and patterns. Have you—I mean, you have helped identify several individuals who have stolen and misused COVID relief money. Are these individuals usually pretty sophisticated fraudsters?

Mr. HOROWITZ. We are seeing the range of fraud. It was mentioned earlier about the Secret Service. We have worked with them on international organized crime efforts.

On the other hand, you have people who just do it as an opportunity, as an opportunity to get money. Some people because they really thought they needed more money, because they were economically disadvantaged—does not excuse the fraud—and other people who were billionaires or millionaires who decided to buy luxury yachts, Lamborghinis, we call them—refer to them as Lamborghini cases sometimes—people stealing the money and buying expensive cars, yachts, diamonds, et cetera, going on trips.

We have plenty of those cases, sadly, as well.

Mr. FROST. And do you feel like the government was very clear in what would be a proper use and improper use of all the funds that people were requesting?

Mr. HOROWITZ. Well, I think one of the challenges with the Small Business Administration programs was the lack of clarity on expectations. And we have heard in other programs, that we have had hearings on and discussed with program administrators, the lack of clarity from the agencies on how to implement new programs, the lack of guidance, and that they—they struggled with states, localities, other entities that were getting grants and loans.

That is something that also needs to happen with regularity.

Mr. FROST. Are there patterns in their behaviors, the fraudsters, that make catching future ones easier to catch?

Mr. HOROWITZ. You know, one of the things I have talked about is avoiding the perfect being the enemy of the good.

There are plenty of hurdles we can put in place of people who try to engage in fraud. And what we have seen over and over again—and I was formerly a prosecutor earlier in my career. If you put a hurdle or enough hurdles in front of people, you might not stop the most sophisticated fraudster. You might need even more stringent efforts and guardrails, but you are likely to stop most people. Because when they first get the call or are told, you know, you triggered an alert, we want to talk to you, most people who know they are fraudsters drop it right there, right. They do not show up for the interview.

I have, again, compared it at the airport. If you know there is the magnetometer there, you are probably going to think before you

try and walk through with a weapon, right? That does not happen with great frequency, fortunately.

But if there is no magnetometer there, if it is, like for many of these programs, just sign a form and say you are telling the truth and we will give you the money, you get fraudsters lining up.

Ms. MILLER. Could I—could I add something really quickly?

Mr. FROST. Yes, please.

Ms. MILLER. The Comptroller General testified several times during the pandemic that, you know, GAO put the GAO fraud framework out almost a decade ago and agencies did not implement the practices within.

And one example, when you ask about these fraud cases during the pandemic, there was a case in California where an enterprising group of fraudsters applied for unemployment insurance on behalf of every prisoner in the California state penal system, and they got it.

So it was, you know, hundreds of millions of dollars of obviously improper stolen unemployment insurance. When the California State Auditor went back and looked, the state had never conducted a fraud risk assessment.

Now, if these things are done well, as the GAO fraud framework clearly lays out, then the state of California would have at some point in that time prior to the pandemic asked—that would have been a fraud scheme, somebody posing as a prisoner trying to get an unemployment benefit.

And then they would say, how would we mitigate that? Well, we have access to prisoner data. Do we have access to prisoner data? We do not. So, we see a gap. Now we are going to get access to prisoner data, and we have now closed that fraud scheme, that risk.

And that is what is—you know, when Ms. Brown is talking about the importance of implementing the GAO fraud framework, that is really a real-world example is, if the state had done that, then they would have known they needed that access to the data prior to the pandemic. They would have gotten that data-sharing agreement in place, and that fraud scheme and that—those hundreds of millions of dollars would not have been stolen.

Ms. BROWN. And that is also the importance of the states and the Federal Government working together, because California can then share its experience with all the other states and all the states can look for it.

And to his credit, the Department of Labor IG in April put out a fraud alert about this, and that was one of the situations that they put states on alert to.

But just to add on to Mr. Horowitz' point with another example. The retention tax credit program is an IRS program. And what they have done is they suspended the program and they put a pause on all of the folks that had filed claims for this particular tax credit. And they ran analytics and they identified a number of them as likely fraud. And then they had a category of, like, a higher-risk level that they were uncomfortable with and then a lower level. And they also offered folks who had filed a claim an opportunity to withdraw their claim.

And a number of people withdrew their claim because it is, like, if you—you know, IRS has now flagged it. So, if this is problematic, we are going to give you an opportunity to withdraw your return.

So, I think that is another example of where an agency was proactive in preventing money from going out the door fraudulently.

Mr. FROST. Well, thank you to the three of you for being here.

I think, you know, something I am really getting out of this is it is not that—it is that we have—we have a ton of best practices, right, and use cases that we can use in the future, so that way the conversation is not around not doing programs that are going to help the American people, especially in time of need, but making sure we do it in a better, more efficient way.

Thank you. I yield back.

Mr. SESSIONS. The gentleman yields back his time.

The distinguished gentleman from Arizona is recognized.

Mr. BIGGS. Thank you, Mr. Chairman. Thank you for holding this hearing today.

And I thank the witnesses for their testimony. I am sorry I have missed most of it.

GAO has estimated the Federal Government improper payments totaled $236 billion in Fiscal Year 2023. Since 2003, it is estimated that the cumulative improper payments total $2.7 trillion.

And while we will never know the exact total of improper payments made, that in and of itself, that statement in and of itself, is a sad one to make.

We will not know the total funds lost to fraud during COVID. GAO estimates that it exceeded half a trillion dollars.

While congressional and agency attention to this longstanding problem has resulted in increased accountability, improper payments and outright fraud persists, particularly when policymakers, including congressional policymakers, prioritize shoveling money out the door in response to a crisis instead of ensuring those funds reach their intended recipients.

Ms. Williams Brown, thank you for your testimony and for GAO's attention to improper payments. We appreciate that.

In a 2022 review of COVID–19 relief programs entitled, "Emergency Relief Funds: Significant Improvements Are Needed to Ensure Transparency and Accountability for COVID–19 and Beyond"—a very pithy title to your report—GAO made a number of recommendations for Congress to consider in order to reduce fraud in Federal emergency programs.

I am happy to announce that my office has drafted a bill that is actually in GAO's hands now for review to implement some of those recommendations.

One of those recommendations is that Congress enact a law effectively requiring Federal agencies to adopt model internal control plans based on OMB guidance which can be used in or adapted to a future emergency response.

Can you please talk about the need for agencies to adopt emergency internal control plans and what steps those plans should include?

Ms. BROWN. Absolutely. And thank you so much for your support on this endeavor.

So, what we really want OMB to do in conjunction with the agencies is to really think about how they will handle emergency situations before they happen. Trying to figure out what those upfront controls are in the moment, it is not going to happen. The priority is going to be getting the money out the door. And many of the controls that need to be in place are controls that need to be in place for existing programs. So, it is not that they necessarily need to do something special or different, but it is making sure that agencies are building those controls in upfront, having a plan in place so they are thinking about it.

So, it is similar to coming up with, you know, a contingency plan. You think about it ahead of time so when you are faced with the emergency, you already have the muscle memory to know what you need to do in place.

And this is—this is what we want OMB to work with the agencies to do because we think that is the best way to really achieve that goal of preventing those dollars from going out the door, before they go out the door.

Mr. BIGGS. I appreciate that. Thank you.

The widespread proliferation of sensitive personal identifiable information due to data breaches, like the recent national public data breach or the activities of the unregulated data broker industry, is making it very easy for fraudsters to assume identities and steal government benefits using date of birth, Social Security number, or childhood address. Yet many methods of identity verification actually rely upon the data matching conducted by those same data brokers.

Some recommendations to Congress mentioned data matching as a useful tool to prevent improper payments. But as Congress is working to strike a balance on preventing fraud and protecting consumer privacy, can you speak to the pros and cons of deploying it as a fraud prevention solution?

Ms. Brown?

Ms. BROWN. Identity verification is critically important. It is a complicated issue, but it is one that has to happen. I think Mr. Horowitz may be able to speak to it, but I think identity theft was a huge issue during the pandemic, as well as synthetic identities. That is a new, complicating factor that makes it even more complicated to identify the fraud.

So, there was a perfect storm brewing as the pandemic hit and the fraudsters were really ready to pounce because there was lots of readily available personally identifiable information available on the dark web for them to exploit.

Mr. BIGGS. Thank you.

Now, Mr. Horowitz, this next three questions, I am putting them into one compound question before I run out of time, because he will let you run on and answer a question but he is not going to let me run on too long.

So, here is my three questions for you. Last time you were here, I flagged that early implementation of ID verification technology in Arizona based on NIST Digital Identity Guidelines is credited with preventing more than $75 billion in unemployment insurance fraud. There was 99 percent reduction in fraud in Arizona using that.

What has prevented more states from implementing similar measures? How can Congress encourage states to consider identity verification technology and other fraud tools more broadly?

Now while you are thinking about that, I am going to ask the other question real quick too. We wrote to you on August 22, 2023, about the IRS whistleblower cases and specifically the scope of your investigation of their claims of retaliation. Are you—can you today, before you leave, can you provide us an update about their cases and maybe tell us a bit about the scope of your inquiry and when we can expect a resolution?

So, two very different topics, but I—you know, I tried to get those in before my time was too far expired.

Mr. HOROWITZ. Thank you, Congressman.

On the first issue, I think, you know, as we have talked about during the hearing, we have—every state has its own workforce agency. They are at varying levels of sophistication on technology. Some of them have very old technology. Some of them have newer technology that makes it, frankly, a lot easier to implement some of the verification tools that you and I have talked about in the past.

And so, I think probably first and foremost, that is the overlying issue, which is I think it is very important for us to get a baseline understanding of where the states are, not to point fingers and wag fingers at people, but you cannot know the scope of the problem unless you understand what they can and cannot do. And I think that is very important up front.

Mr. BIGGS. So how do you get that?

Mr. HOROWITZ. Well, I think what Congress needs to do—and we are happy to come and speak with you about this—is put together an effort with the Labor Department and the state workforce agencies, which, by the way, we worked with closely on pandemic-related issues, and understand how we can figure that out and how we can understand best what they need and also what kind of identity verification tools will work for them and can work for them.

We have been seeing this at the Federal level in trying to understand—and we have seen varying programs be out there, including facial recognition software, others on how to identify individuals. And there are challenges.

When a pandemic hits, for example, people are not going—could not walk into the agency, right. They were closed. So, how do you do that from a distance?

Not everybody has, as we saw, broadband or internet access. And so, people in rural areas, we saw, were not able to timely apply for some of these programs and got shut out from some of them because they did not have access to that kind of software, individuals who were elderly who did not have internet access or did not know how to best pursue that.

So, it is a complicated area. But I think the first thing that is missing is, you and I have talked about, what you mentioned, which is understanding what the state workforce agencies can and cannot do in the first instance, because it is widely varying out there.

On the second issue, as we have talked about before on this, when there is an ongoing criminal case, we put on hold some of our work. We have met with the whistleblowers in the past. We continue to have that matter on our list of items, but we follow our usual course. We hit a pause while a criminal case is going on. That may be winding down, and that will allow us to consider where we go from there, so—and I am reminded, OSC has jurisdiction on this, and I know they have a matter, the Office of Special Counsel, the agency, not the Justice Department Office of Special Counsel. Now we are talking about a separate agency for the public's purpose. I know you know that.

And so, they have the look of the retaliation. What we have is the management-related issues that I have authority over as the Justice Department Inspector General.

So, we are trying to keep those lanes, as we always do by the way, separate.

Mr. BIGGS. So, the DoJ, are you able to pursue and investigate now the management side which is the DoJ side?

Mr. HOROWITZ. If and when the criminal case gets completely resolved, which is—you know, it is not completely resolved yet—we can then reengage on that. And I am happy to talk with you further about that, Congressman.

Mr. BIGGS. Thank you, Mr. Chairman. And thank you for indulging me. Thank you.

Mr. SESSIONS. The gentleman yields back his time.

I am going to ask one more set of questions that will be perhaps a bow on top of this package that has been developed today. So, welcome to the lightning round.

I really want to ask a question. Let us suppose this is 2026 and you are looking back to 2024. We have been getting numbers about what previously was 2018 through 2022, somewhere between $233 billion a year and $531 billion. That was looking back.

It is now 2026. How much fraud are we going to subscribe to in 2024?

Mr. Horowitz?

Mr. HOROWITZ. I am not going to predict an exact number because I will probably get it wrong. But you know what I would love to see?

Mr. SESSIONS. Well, we will not know yet.

Mr. HOROWITZ. Yes. But what I would love to see is working together to get the number on a downward trend for 2, 3, 4 years in a row——

Mr. SESSIONS. OK.

Mr. HOROWITZ [continuing]. Because it is going the wrong direction.

Mr. SESSIONS. But you did not want to play my game.

Mr. HOROWITZ. Well——

Mr. SESSIONS. My point is——

Mr. HOROWITZ. I would say 10 percent——

Mr. SESSIONS [continuing]. A little bit longer is that we have talked about the past and we have talked about, hey, we have caught on, we saw things, we are making changes. We are now applying the Social Security data. We are now doing those things as if it was happening this year.

Mr. HOROWITZ. Right.

Mr. SESSIONS. So, I am asking, so we will go to Ms. Brown—I understand you do not have to play my game—and Ms. Miller, what is going to be our number that we see in 1926 for 1924?

Lightning round. Go.

Ms. BROWN. I also do not have a predictive number, but what I would like to see——

Mr. SESSIONS. Well——

Ms. BROWN [continuing]. Us do is really——

Mr. SESSIONS. You have got between $233 and $531. So, we kind of gave you guardrails there, and this is really telling me how much confidence you have the things that you have been doing provided some worth.

Thank you. Not everybody has to play my game.

Ms. Miller?

Ms. MILLER. It will be higher, and here is why.

The fraud actors are getting more sophisticated every single day. We are not. Just patting ourselves on the back that we have finally got access to a dataset that took a decade to get access to, is not going to work when we are dealing with really, really sophisticated actors using artificial intelligence, generative AI, and all kinds of deepfake technologies. We are losing this game big time. And we are losing ground every year by a bigger and bigger margin.

So, I do not personally feel great about the things we have done to date, though we have talked about things that have been done and definitely we are in a better place than we were in 2020. But we are nowhere near where we need to be. And in 2026, we are going to be further behind unless we make some really, really significant changes in the way that we are doing things today.

Mr. HOROWITZ. Can I just jump in on that? I agree if nothing is done—if we come out of the hearing and nothing is done, it will go up.

Mr. SESSIONS. Well, I——

Mr. HOROWITZ. I think we have——

Mr. SESSIONS. That was not the question.

Mr. HOROWITZ. No, I know, but I think——

Mr. SESSIONS. Well, of course——

Mr. HOROWITZ [continuing]. We come out of here——

Mr. SESSIONS [continuing]. We could say that.

So, if you—I am not putting words in your mouth, but if you view that Mr. Mfume and I are lackeys and would hold this hearing and not do something, then perhaps that could be a true statement.

Mr. HOROWITZ. No.

Mr. SESSIONS. I was trying to gain a foothold off now that we are hearing positive things that each of you have presented, how—what kind of an impact those things had. And the bottom line is it is a bigger swell of water against us than we are making headway, treading water, and making advances. So, it simply proves to me in that bow that I wanted to put on the top, get ready.

So, Mr. Mfume, would you like to give any closing remarks to our distinguished panel?

Mr. MFUME. Well, I would, Mr. Chairman.

I want to again thank you for this hearing and this really bipartisan effort that you and I have been able to put forth throughout the 118th Congress.

I only hope that it does more than last. I really hope that many of the other committees look at this as a starting point. I mean, we have got a million things that we do not agree on. But on something like this, where it is a starting point, it is very important.

I want to thank our witnesses again.

Ms. Miller, thank you for being so outraged about what was going on that you took it upon yourself to form your own organization, to find a way to come at this in a very straightforward fashion, as has been the case with the other two. I really appreciate that that has not been lost on me.

Mr. Horowitz, thank you for the eloquence of the example that you have provided over the years at the Department of Justice, a real steady hand as Inspector General, receiving the confidence of former Presidents Obama, Trump, and Biden. That says a lot in and of itself. I can tell you that Members of this Committee trust also in what you have said to us today and in previous times.

And, Ms. Brown, thank you for almost 34 years of exemplary work at the Government Accounting Office. That says a lot. And congratulations also on the—I think it is the Roger Jones Award that you have received for excellence in leadership. I can tell you the American University does not give that out lightly. So, congratulations belatedly.

Mr. Chairman, you and I are of like minds on this. And because it is such a priority, I am looking forward to the joint action that we move ahead with.

People hearing a lot of this for the first time probably are about as disturbed as we were when we heard it over and over again, this whole notion of how people just robbed us during the pandemic. We were in a rush to get it out the door. We as a Congress—I think that is the blame of all of us—did not do enough to put up guardrails.

This notion of self-certification, I do not know where in the hell that came from. God knows that is the—it is just unbelievable that any agency would put forward self-certification as a way of getting government dollars. It is like, here, come take it, we do not want it. And so, when you see, particularly in SBA, the amount of fraud that came out of that, it is just—it is unbelievable.

So, we know we have a lack of access to data. We know we have got inadequate technology. We know all the problems that have been said and said over again, including my little look down the telescope at the last 37 years.

We are here, Mr. Chairman, and I think it would be great if we can now find a way, given all of the suggestions that the witnesses have given, given all of the testimony that we have taken in previous hearings from other witnesses, and given what we know really will get us to where we are going, if you and I can look at constructing, along with Members of your side of the aisle and mine, a sort of omnibus antifraud act that incapsulates all of that, that runs up, by the way, also, the penalties for those who are caught, and that gives some sense of assurance that, once and for all, we

are going to either do this as a Congress united or we are going to pass the ball on again.

So, I would absolutely be in favor of something like that. I am not speaking for you, but I know where your heart is on this and I know you would also.

I agree first priority right now is to track down and to continue to track down the fraudsters and to lock them up and put them in jail for very long periods of time. But at the same time, I do want to pursue this omnibus antifraud act, for lack of a better term, so that we can do what we know we have to do and then lay that before Members of the House and Senate for adoption.

So, I would yield back. And thank you again for the opportunity.

Mr. SESSIONS. I thank the gentleman.

We often, and I think our panel knows this, Members of Congress get challenged back home about a number of things that the American people see. But one of them is, I sure wish you guys would work well together.

And I think Mr. Mfume landed on what might be my point now, and that is, I think that it is possible to find areas of concentration. And we found it with each of you today, also.

I will accept the challenge that, as we began talking about this today behind the dais, I will accept the challenge and be prepared next week with some things in writing——

Mr. MFUME. And me too.

Mr. SESSIONS [continuing]. To gather together. I would like to be able to deal with all three of you.

I am interested, Ms. Miller, in your feedback, even if you want to give us your scorecard. I think that would be fair. If we are going to rate some other people, let them rate us other than just at the ballot box.

I want to thank each of you.

Ms. Brown, I am going to get something from you that I know you brought me today.

We will come down, Mr. Mfume and I, and thank each of you. This now concludes the hearing.

But we need to read the statement about that Members would have 5 days—5 legislative days within this to submit additional written questions for our witnesses which will be forwarded to them.

Not seeing any further business from the Subcommittee, we are now adjourned.

[Whereupon, at 12:38 p.m., the Subcommittee was adjourned.]

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