PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE
A Committee of the Council of the Inspectors General on Integrity and Efficiency
PandemicOversight.gov

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before the

U.S. House of Representatives

Committee on Oversight and Government Reform
Subcommittee on Government Operations

concerning

"Using data and innovative tools to detect and prevent fraud in federal programs"

January 13, 2026

Chairman Sessions, Ranking Member Mfume, and Members of the Subcommittee:

Thank you for inviting me to testify at today's important hearing about using data and innovative tools to detect and prevent fraud in federal programs. Thanks in no small part to the Committee on Oversight and Government Reform, in March 2020 Congress created the Pandemic Response Accountability Committee (PRAC) as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). I have served as the PRAC's Executive Director since July 2024 where I am privileged to work with 28 dedicated and talented federal employees and a team of contractors. Operating on an annual budget of approximately $18.5 million, to date the PRAC team has helped recover over $500 million for the taxpayer. Prior to this role, I spent over 29 years fighting fraud as a federal law enforcement agent at multiple agencies, with a specific focus on federal grant fraud.

I testified before this Subcommittee in March 2025 about the path forward in preventing fraud and other forms of improper payments and how improved data sharing can help in these efforts. We applaud the Subcommittee's bipartisan commitment to these issues and efforts to identify solutions that can reduce improper payments and fraud. I look forward to continuing that conversation in today's hearing and updating the Subcommittee on the PRAC's progress to date in fraud prevention, detection, and mitigation.

With your support, in partnership with the Senate Committee on Homeland Security and Governmental Affairs, and in recognition of the success of the PRAC model, in July 2025 the One Big Beautiful Bill (OBBB) Act (Public Law 119-21) extended the PRAC's sunset date until September 30, 2034, expanded our jurisdiction to programs funded in the bill, and provided $88 million in funding to support our anti-fraud efforts. The entire PRAC team looks forward to fulfilling this new mandate and demonstrating how to prevent fraud, advance transparency and accountability, and improve government operations.

Over the last five plus years, the PRAC has documented dozens of federal pandemic programs that had serious control weaknesses that led to billions of dollars in fraud. We have collected key datasets and developed novel tools to enhance agency fraud prevention going forward. Through our efforts, we now have over 1 billion records from more than five dozen public, non-public, and commercial data sources. This includes over 15 million potentially compromised internet protocol addresses, email addresses, bank account numbers, street addresses, Social Security numbers (SSNs), and Employer Identification Numbers that pandemic fraudsters attempted to, or successfully used, to defraud federal spending. Our graph analytics database has 622 million nodes—such as tax IDs, phone numbers, internet protocol addresses, email addresses, and physical addresses—and 1.65 billion relationships, totaling 2.3 billion data points. Each dataset is subject to strict privacy and security requirements outlined in applicable memoranda of understanding or data-use agreements, and we rigorously adhere to those data governance standards. This data could be used to flag future applications or payments that are associated with any of these same attributes.

The PRAC is at the forefront of leveraging artificial intelligence, including machine learning, network analysis, natural language processing, and robotic process automation to efficiently collect, organize, and analyze text, documents, and other forms of data to provide rapid insights into potential fraud and other compliance risks. The time is now to use this data to prevent fraud schemes before taxpayer dollars are lost and hold wrongdoers accountable.

The PRAC's Fraud Prevention Focus

The PRAC recently issued our Strategic Plan for 2025 to 2030, highlighting our mission to promote and support fraud prevention and detection efforts across federal programs by leveraging innovation and data analytics. Of note is our objective to "demonstrate the value and effectiveness of fraud prevention." It is critical to show the clear and quantifiable benefits that result from investment in fraud prevention. We look forward to using this Strategic Plan to help inform the public, Congress, and other stakeholders about the important mission of the PRAC and guide our delivery of high-quality and impactful services.

In furtherance of these goals, we recently issued two Fraud Prevention Alerts that demonstrate the clear need to invest in and prioritize fraud prevention:

- In May 2025, we issued a fraud alert showing how we were able to compare data of individuals using similar identifying information who successfully received low-income housing benefits from the Department of Housing and Urban Development (HUD) as well as Paycheck Protection Program (PPP) loans from the Small Business Administration (SBA). We found that in over 40,000 cases, the applicant reported significantly higher income to SBA than to HUD. These anomalies indicated potential fraud in more than $860 million in PPP loans and an undetermined amount of fraud in low-income housing programs. These discrepancies may reflect intentional misreporting of income by individuals, or they could stem from identity theft involving one or both programs. As a result, individuals may have improperly obtained PPP loans or HUD housing benefits, effectively denying assistance to applicants who legitimately qualified.

- In June 2025, we issued another fraud alert outlining our findings regarding the use of potentially stolen or invalid Social Security numbers (SSNs) to obtain funds from three major pandemic relief programs: SBA's COVID-19 Economic Injury Disaster Loan program, the Paycheck Protection Program, and the Department of Labor's pandemic unemployment insurance programs. We randomly sampled identity records from 67.5 million applications that received funding from those three programs and provided the Social Security Administration (SSA) with the SSNs, name, and date of birth from the randomly selected applications, and asked SSA to verify the validity of the data in the applications by answering three questions: (1) Was the SSN a real SSN? (2) If it was real SSN, was the name and DOB provided by the applicant the same as the name and DOB in the SSA's records for that SSN? and (3)

Was the person living or dead? Importantly, we did not ask SSA for its records; we only asked for yes/no answers to our three questions, which SSA was able to complete in a matter of days. Based on SSA's responses, we estimated that these pandemic programs disbursed approximately $79 billion in potential fraudulent payments due to the use of over 1.4 million potentially stolen or invalid SSNs. Had our analytics platform been in existence at the outset of the pandemic, we could have used this verification process to timely identify this potential fraud before it occurred and provided the program agencies with the information needed.

These Fraud Prevention Alerts highlight how the PRAC's analysis can be used to verify identities and flag potential anomalies in applications before money is disbursed. By using advanced data analytics to detect red flags and prevent fraud and other types of improper payments, the PRAC helps federal agencies learn from the past and prepare for future crises. These insights can guide how future emergency and non-emergency funding is designed and distributed—ensuring monies reach the right people at the right time.

Support to the Oversight Community

The PRAC has also continued to support our oversight partners with novel and impactful projects, including:

- Risk Model for a $91 Billion PBGC Program: We continue to collaborate with the Pension Benefit Guaranty Corporation Office of Inspector General to support a PRAC-developed risk scoring model to streamline the Special Financial Assistance application review process. This project includes 10 years' worth of data to help the OIG identify risky applications among more than 1,000 multiemployer pension plans. This effort helped identify plans for OIG review, which directly resulted in $261.9 million in civil and administrative recoveries to date.

- Risk Model for $11 Billion in FCC Programs: In collaboration with the Federal Communications Commission (FCC) Office of Inspector General, we recently launched risk models related to three FCC pandemic programs [Emergency Connectivity Fund ($7.1 billion), Emergency Broadband Benefit ($3.2 billion), and COVID-19 Telehealth Program ($450 million)] and the 14,000 entities that participated in these programs. This project links and matches FCC data with existing PRAC data sources, including known pandemic fraud schemes, and identifies patterns, trends, and other risk indicators to help better target FCC OIG oversight efforts.

- Analytic Center Expansion: This project involves expanding the PRAC's shared analytics center to a broader set of users and adding system enhancements to help Offices of Inspectors General detect potential fraud in OBBB Act or pandemic programs. The program currently includes data from nine sources and specific risk

flags to allow auditors and investigators to more efficiently detect anomalies and leads for audit or investigation.

- Investigative Support: We continue to use graph analytics and other advanced tools to support ongoing pandemic investigations for OIGs and law enforcement agencies, with a focus on identifying potential organized fraud schemes, often resulting in increased financial recoveries and a higher number of targets. The PRAC's investigative support to more than 50 federal law enforcement and OIG partners has so far supported over 1,200 pandemic-related investigations, with over 24,000 subjects and a potential fraud loss of $2.5 billion.

- Investigative Lead Identification: We are using graph analytics and artificial intelligence/machine learning to proactively generate investigative leads for the U.S. Department of Justice's COVID-19 Fraud Enforcement Task Force, U.S. Attorney Offices' Strike Forces, and other law enforcement entities, with a focus on leads involving potential fraud rings and/or organized crime activity.

- Administrative False Claims Act Referral Tool: We are creating a robotic process automation (RPA) capability that can automatically generate referral letters related to Administrative False Claims Act (AFCA) matters to facilitate the recovery of taxpayer funds. We previously created an RPA solution to automatically review user-provided judgment and indictment documents to generate debarment letters. The AFCA RPA tool can leverage our existing capability to save resources.

PRAC reports serve as powerful tools to guide the oversight community and other stakeholders on ways to better address high-priority issues. In June 2022, we shared Lessons Learned in Oversight of Pandemic Relief Funds, which informed Congress and leaders across federal agencies of challenges we identified in the operation of some of the largest pandemic relief programs. We also recently completed our five-chapter Blueprint for Enhanced Program Integrity, which shares lessons learned and best practices to help strengthen federal programs, enhance stewardship, and ensure that taxpayer-funded programs and assistance are delivered to the communities that need them. Both reports were incorporated in FCC OIG's recent report on the Emergency Connectivity Fund, which will help Congress and FCC mitigate or avoid programmatic risks and reduce fraud, waste, and abuse in current and future programs.

Fraud Prevention Engine

The PRAC has also developed an artificial intelligence-enabled "Fraud Prevention Engine" that can review approximately 20,000 applications for federal funds per second to identify anomalies, trends, and patterns before funds are disbursed.

The purpose of this proof-of-concept project was to determine if such a model could be developed and to identify and address any technical hurdles. The model was trained using a sample of approximately 5 million SBA COVID-19 EIDL applications. The Fraud Prevention Engine includes modular components, including unsupervised machine learning models to detect anomalies, supervised machine learning models to identify similar patterns and identifiers as we have found in pandemic fraud cases, and rules-based flags such as invalid SSNs and Employer Identification Numbers. These anomalies can often reveal hidden connections such as a shared bank account amongst seemingly independent applicants. We are also building the capability to rapidly detect anomalies in supporting documentation submitted by applicants.

The Fraud Prevention Engine can flag applications requiring additional due diligence and applications with attributes indicative of organized criminal fraud rings, including those operating across multiple federal programs, and newly emerging threats to program integrity. In practice, the Fraud Prevention Engine will be adjusted for each distinct program to account for their specific risk profile.

Once an application for federal funds is analyzed by this tool and assigned a risk score, the PRAC would then provide feedback to the awarding agency and its OIG indicating one of three primary outcomes: 1) no issues identified; 2) irregularities, such as an invalid identifier, have been identified; or 3) significant issues have been identified that are indicative of a fraud scheme.

Applications in the third category, where we have predication of a potential fraud scheme, would be further analyzed by the PRAC and the applicable OIG to determine if a formal investigation, fraud alert, or other proactive action is warranted. To keep with our commitment to track and demonstrate the value of fraud prevention, we will track and share the statistical outcomes of the Fraud Prevention Engine's work.

We estimate that had our Fraud Prevention Engine been in use in March 2020 it would have quickly identified a significant number of funding applications for further due diligence and would have flagged potentially tens of billions of dollars in payments for further scrutiny before the funds were disbursed. This model demonstrates how advanced analytics can proactively identify high-risk applications, strengthen program integrity, and reduce the need for resource-intensive pay and chase. The PRAC team looks forward to deploying this tool with federal partners.

Helping Prevent Fraudsters from Receiving OBBB Act Funds

The OBBB Act provides hundreds of billions in new spending primarily through the Department of Defense, the Department of Homeland Security, and the Department of Agriculture. The majority of this funding is for the procurement of goods and services, with some funding in the form of grants, direct assistance to individuals, or monies for agency use such as hiring.

For example, the OBBB Act provided the Department of Defense funding for shipbuilding, air and missile defenses, munitions and supply chains, and other military capabilities and the Department of Homeland Security with monies related to immigration enforcement efforts and other programs. It also increased the Department of Agriculture's farming-related appropriations for direct payments related to agricultural safety net programs, such as the Price Loss Coverage and program grants for agricultural research, among other key priorities. The Department of Justice was provided funds for the Radiation Exposure Compensation Act which makes payment available to those exposed to certain hazardous materials.

Given the PRAC's expanded jurisdiction to the programs funded in OBBB Act, we are actively engaging with our partner OIGs to identify opportunities to prevent fraud in OBBB Act programs and ensure that the funding goes to those Congress intended. These projects will include risk dashboards to present a more complete risk picture and the new PRAC Fraud Prevention Engine to provide near instantaneous insights into patterns, trends, and anomalies and other indicators of potential fraud schemes. We have identified several specific programs where our data and technology can provide valuable insights to program officials and the oversight community to enhance due diligence efforts.

The PRAC is also exploring how we can add value to address a wider variety of fraud risks, beyond identity theft and eligibility fraud issues, in OBBB Act programs including collusive bidding, product substitution, Buy America Act violations, public corruption, foreign influence, and hidden relationships. This broader set of risks requires more in-depth analysis to identify such issues as suspicious bidding patterns and post-award schemes including presenting false claims or failing to follow terms and conditions of an award.

Of particular focus will be cross-program risks, including some state-run federally funded programs, as fraudsters rarely target just one government program but instead exploit program vulnerabilities wherever they exist. This more comprehensive view of fraud risks will help ensure that the right amount of money goes to the right person or entity for the proper purpose and that taxpayer dollars are better protected.

Collaborating with Partners to Add Value

A key to the PRAC's historic and future success lies in strategic partnerships across the federal oversight community, with the Department of Justice, including their COVID-19 Fraud Enforcement Task Force and the Antitrust Division's Procurement Collusion Strike Force, and the Government Accountability Office. This collaboration process also includes state and regional governments, who manage over 80% of federal grant dollars via subgrants. This flow of funds exacerbates existing fraud risks and adds additional risks. For example, most state-run federal funding programs lack information sharing frameworks across states to identify schemes impacting more than one state, such as when one Social Security number is used in multiple states.

The PRAC also maintains a critical relationship with the Department of Treasury Bureau of Fiscal Service's Office of Payment Integrity and their Do Not Pay (DNP) platform. It is important to note that the PRAC and Treasury's DNP system are complementary platforms that both work to protect taxpayer dollars from different angles, using different tools.

The PRAC focuses on providing insights into a broad set of risks, depending on the specific program, and identifies patterns, trends, anomalies, and hidden connections across the population of all applications. The PRAC's access to over 119 million applications for pandemic aid and over 127,000 known or suspected pandemic fraud cases result in comprehensive analysis of fraud and other compliance risks, and serves as an early warning system for organized, often transnational, criminal conspiracies and other emerging threats to program integrity.

Additionally, the CARES Act provided the PRAC the authority to store and leverage law-enforcement sensitive data and conduct criminal investigations—tools critical to uncovering hidden schemes and connecting bad actors.

The PRAC and the Office of Payment Integrity regularly collaborate, explore potential joint projects, and exchange information to ensure both organizations are efficient and effective in the fraud prevention space.

Considerations for Congress

To further support the work of the PRAC, Congress should consider four additional measures:

1) updating the PRAC's name to better reflect the fraud prevention mission and focus beyond the pandemic;
2) adding automatic apportionment language to any appropriations bills related to the PRAC and the Council of the Inspectors General on Integrity and Efficiency. Congress has intentionally provided the PRAC with funds that extend beyond one fiscal year, meaning that our fraud-fighting efforts can continue even in the event of a lapse in appropriations. Automatic apportionment language would ensure that Congress' policy choice with regard to the PRAC's funding is upheld, and there is no unnecessary disruption to our data-driven efforts to combat waste, fraud and abuse in federal spending;
3) extending the statute of limitations for all pandemic-related fraud from five to 10 years given the enormous scope of the fraud that we have uncovered to date, so that investigators and prosecutors have time to effectively pursue and hold accountable those groups and individuals that targeted and defrauded these programs; and
4) expanding the PRAC's jurisdiction to ensure our fraud prevention tools can be applied to a broader set of government spending that cuts across agencies, such as grant programs.

Prevention is the Way

In one of the tens of thousands of pandemic fraud cases, a PRAC investigation identified one scheme involving more than 450 applications associated with $2.6 million in funded loans from over 100 applicants across 24 states. This is but one example where the proactive use of data and technology could likely have prevented or aided in the early detection of a scheme, mitigated the need for a resource-intensive investigation, and helped ensure taxpayer dollars are used as Congress intended.

Prevention and early detection of fraud schemes are clearly better than relying solely on the "pay and chase" model. With the support of the Congress and the PRAC's talent, tools, and data we will clearly demonstrate the value and impact of robust fraud prevention efforts.

Thank you again for your continued strong support of the PRAC, the Inspector General community, and independent oversight. This concludes my prepared remarks, and I look forward to your questions.