

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

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MEMORANDUM

March 28, 2022

To: Members of the Subcommittee on Government Operations

Fr: Committee Staff

Re: Hearing on “Follow the Money: Tackling Improper Payments”

On Thursday, March 31, 2022, at 9:30 a.m. ET, the Subcommittee on Government Operations will hold a hybrid hearing titled, “Follow the Money: Tackling Improper Payments.” The hearing will convene in person in room 2154 of the Rayburn House Office Building and remotely over Zoom.

Congress has a vested interest in addressing improper payments, which include any payment made by the government in the incorrect amount or to the wrong person. Medicaid, unemployment insurance, and Medicare are the top three examples of federal programs that incur improper payments.¹ Improper payments include underpayments and overpayments—intentional or otherwise—and can indicate that fraud, waste, and abuse has occurred.² According to the Government Accountability Office (GAO), “reducing improper payments ... is critical to safeguarding federal funds.”³ Federal agencies reported \$108 billion in improper payments in fiscal year (FY) 2012. Since then, the federal government’s annual improper payment estimate ballooned to \$175 billion in FY 2019, before skyrocketing during the pandemic to \$208 billion in FY 2020 and \$281 billion FY 2021.⁴

According to GAO, “proactively managing fraud risks” should “facilitate, not hinder, the program’s mission and strategic goals by ensuring that taxpayer dollars and government services

¹ PaymentAccuracy, *FY2021 Payment Accuracy Dataset_3_14_2022* (online at www.cfo.gov/payment-accuracy/FY2021%20Payment%20Accuracy%20Dataset_3_14_2022.xlsx) (accessed Mar. 16, 2022).

² Government Accountability Office, *A Framework for Managing Fraud Risks in Federal Programs* (July 2015) (GAO-15-593SP) (online at www.gao.gov/assets/gao-15-593sp.pdf).

³ Government Accountability Office, *Improper Payments* (online at www.gao.gov/improper-payments) (accessed Mar. 21, 2022).

⁴ GovWin from Deltek, *FY 2021 Improper Payment Totals Hit an All-Time High of \$281B Due to the Pandemic* (online at <https://iq.govwin.com/neo/marketAnalysis/view/FY-2021-Improper-Payment-Totals-Hit-an-All-Time-High-of-281B-Due-to-the-Pandemic/6334?researchTypeId=1&researchMarket=>) (accessed Mar. 16, 2022).

serve their intended purposes.”⁵ Enhancing program integrity includes reducing improper payments of all kinds, such as innocent mistakes—like paperwork errors.⁶

Past legislative efforts have enhanced reporting and provided a more accurate picture of the extent of improper payments. While those efforts have also established programs to prevent improper payments, such as the Treasury Department’s Do Not Pay initiative, they have not successfully lowered the amount of improper payments agencies identify and report.⁷ As such, it is clear that the federal government must evolve its efforts to mitigate fraud, waste, and abuse—while improving the delivery of and access to critical federal services.

I. WITNESSES

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Former Deputy Executive Director, Pandemic Response Accountability Committee

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⁵ Government Accountability Office, *A Framework for Managing Fraud Risks in Federal Programs* (July 2015) (GAO-15-593SP) (online at www.gao.gov/assets/gao-15-593sp.pdf).

⁶ Department of Agriculture, *What is Program Integrity?* (online at <https://fns.usda.gov/program-integrity>) (accessed Mar. 22, 2022).

⁷ Department of Treasury, *About Do Not Pay* (online at <https://fiscal.treasury.gov/dnp/about.html>) (accessed Mar. 16, 2022).