



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Op-Ed, *The Hill*: Chairman Arrington Says, “It’s Time to Stop Talking and Start Acting on Fraud and Improper Payments”

WASHINGTON, D.C. – Today, House Budget Committee Chairman Jodey Arrington (R-TX) penned an op-ed in [The Hill](#) highlighting the importance of reigning in wasteful and erroneous government spending and ensuring fiscal responsibility.

CHAIRMAN ARRINGTON IN THE HILL

[The Hill](#):

*“Forty years ago this month, President Reagan announced a plan to address **“the river of waste, fraud, and abuse that’s been rising for years.”** flooding the federal government’s balance sheets.*

But that tide has continued to surge to this day, and only now are we beginning to understand the scale of the damage these floodwaters are inflicting on taxpayers.

*The nonpartisan Government Accountability Office (GAO) recently issued its **first-ever government-wide report** on taxpayer dollars lost to fraud, revealing direct losses of anywhere from \$233 billion to \$521 billion each year. To put it in perspective, those estimates assume the equivalent of over half of what the U.S. spent on defense in fiscal year 2024 may have been spirited away on waste, fraud and abuse. And this deluge shows no signs of abetting—actually, it’s only gotten worse.*

*The GAO also **reports** that improper payments have increased from \$106 billion in 2013 to \$247 billion in 2022—a surge of 133 percent. Since 2003, an estimated \$2.7 trillion has been spent erroneously—more than the entire discretionary budget for*



fiscal year 2023. This goes beyond financial mismanagement; it is gross fiscal negligence.

This is your money being wasted, it should alarm you—and it should infuriate you that the federal government has done essentially nothing to fix the problem beyond lip service.

We need to stop just pointing out the scale of the problem. In the words of the late country singer [Toby Keith](#), we need “a little less talk and a lot more action.”

This week, the House Budget Committee will announce a full-scale plan to rein in improper payments, starting with focusing on the serial offenders. Last year, nearly 80 percent of all the improper payments came from just five federal programs—Medicare, Medicaid, Unemployment Assistance, the Earned Income Tax Credit, and the pandemic Paycheck Protection Program (PPP).

Several of the most error-ridden programs lack proper incentives and guardrails to prevent abuse. States and administrators have little motivation to recoup and recover improper payments. Our plan will realign incentives to ensure states and agencies have more skin in the game and allow them to keep some of the recouped funds from the fraud and improper payments they recover.

Our plan will also propose changes to the way the Congressional Budget Office (CBO) scores efforts to reduce improper payments. Only in Washington would it make sense to regard legislation aimed at stopping fraud as “costly” because it considers only the short-term administrative expenses and ignores long-term savings. That isn’t just inaccurate, it’s short-sighted and obstructionist to those striving to implement necessary reforms. Our plan will thwart this issue by clearly demonstrating the return on investment from tackling mismanagement.

Lastly, we will help save billions by strengthening oversight of new and emergency spending. GAO identified a clear lack of internal control plans at agencies responding to emergencies as a major source of improper payments. Usually, bureaucracies are too slow to act, but they can also move too fast. We will require the Office of Management and Budget (OMB) to provide specific guidance to agencies about the distribution of emergency funds and develop safeguards for every new program to minimize the amount of fraud and misdirected funding and make sure critical relief is being used effectively.



The consequences of failing to act now are clear, and costly. Without reform, the federal government is likely to spend another \$2 trillion in improper payments over the next decade—or perhaps even more. Saving even half that amount represents a major and realistic accomplishment with our plan.

A big part of reversing the curse of public debt is ensuring the government doesn't waste taxpayer dollars in the first place, and our Fiscal Year 2025 budget resolution will accomplish this by enhancing transparency and accountability across government programs. Our plan won't get it down to zero on Day One, but it will stem the rising tide Reagan talked about all those years ago and give us the tools we need to hold Washington accountable.

Every dollar lost to improper payments and fraud represents a theft from the American people. We must restore fiscal integrity by acting directly and decisively against these financial abuses. Now is the moment for less talk and more action.”

BACKGROUND

The Government Accountability Office (GAO) defines “[improper payments](#)” as **when the U.S. federal government spends money it should not have spent or makes a payment in the incorrect amount.**

The U.S. federal government makes hundreds of billions of improper payments every year, **all spent at the expense of the American taxpayer.**

Since 2003, the U.S. federal government has **recklessly squandered away an estimated \$2.7 trillion in improper payments.**

Under the Biden Administration, the practice of wasting taxpayer dollars on improper payments has worsened. Since Biden took office, **over \$750 billion in federal funds have been distributed improperly,** which is **nearly a third of cumulative improper payments.** If trends continue, federal improper payments will likely **exceed \$2 trillion and could be as high as \$3.5 trillion** in the next budget window.



House Budget Committee Republicans, led by Chairman Arrington, will continue to prioritize fiscal accountability within the federal government by striving to root out all forms of waste, fraud, and abuse of taxpayer dollars.

The House Budget Committee's FY 2025 budget resolution **reduces improper payments by 50 percent**, achieving **\$1 trillion** in savings over 10 years.

MORE FROM THE HOUSE BUDGET COMMITTEE ON IMPROPER PAYMENTS

Click [HERE](#) to see the improper payment statistics for FY 2023.

Click [HERE](#) to read Chairman Arrington's statement on the first government-wide fraud estimate report.

Click [HERE](#) to reach Chairman Arrington and Chairman Comer's statement on GAO's improper payments report.

Click [HERE](#) to read about the House Budget Committee's roundtable discussing improper payments.

Click [HERE](#) to read more about Improper Payments.

