



CHAIR JODEY ARRINGTON

# HOUSE BUDGET COMMITTEE

## Budget Committee to Introduce Legislation to *Rein-In Improper Payments*

WASHINGTON, D.C. – Today, the House Budget Committee announced a forthcoming package of legislation that will **rein-in improper payments within the federal government.**

House Budget Committee Chairman Jodey Arrington (R-TX) recently published an op-ed on the importance of ending the derelict practice of wasting federal tax dollars on improper payments in [The Hill](#) entitled, *“It’s Time to Stop Talking and Start Acting on Fraud and Improper Payments.”* In the piece, Chairman Arrington highlights the importance of reigning-in wasteful and erroneous government spending by setting clear guidelines that will improve fiscal responsibility.

The package of bills – scheduled to be introduced next week – will be known as the *Improper Payments Transparency Act* and the *Enhancing Improper Payment Accountability Act*, which are a result of the House Budget Committees’ [extensive work](#) on finding a solution to the severe problem of improper payments.

### CHAIRMAN ARRINGTON ON IMPROPER PAYMENTS

#### **Chairman Arrington on the need to act on improper payments:**

*“The House Budget Committee has a plan to rein in improper payments, starting with focusing on the serial offenders. 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 ON IMPROPER PAYMENTS

The Government Accountability Office (GAO) defines improper payments as “payments that should not have been made or were made in the incorrect amount.”

The federal government makes hundreds of billions in improper payments every year, all at the expense of the American taxpayer. In 2023 alone, the federal government spent **\$236 billion** on improper payments, according to the GAO.

House Republicans are dedicated to ensuring accountability in the government and rooting out this waste, fraud, and abuse. The House Budget Committee’s FY 2025 budget reduces improper payments by 50 percent, achieving **\$1 trillion** in savings over 10 years.

Since 2003, the government has made an estimated \$2.7 trillion in improper payments. Under the Biden Administration, the problem of improper payments has become significantly worse. 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.

## IMPROPER PAYMENTS TRANSPARENCY ACT

### ***The Problem:***

Since 2003, the federal government has made **\$2.7 trillion in improper payments**. The true cost of improper payments is likely even higher than



reported, however, as some agencies with programs susceptible to significant improper payments do not report estimates or report incomplete data.

***The Solution:***

The *Improper Payments Transparency Act* **corrects** gaps in improper payment reporting by requiring the President’s budget request to include descriptions of programs required to report on improper payments, details on why improper payments occurred, steps agencies are taking to reduce improper payments, and the status of these actions.

This legislation would aid executive branch agencies and Congress in **preventing, detecting, and reducing improper payments by providing a more accurate account of the extent of improper payments within the federal government and context on why these erroneous payments occur.**

## ENHANCING IMPROPER PAYMENT ACCOUNTABILITY ACT

***The Problem:***

As new programs are created and federal spending soars, **so does the risk of improper payments.** Annual improper payments have increased from **\$106 billion in 2013 to \$247 billion in 2022, a 133 percent increase.** These numbers are **likely even higher** as some programs that are considered susceptible to significant improper payments and are required to report estimates do not.

***The Solution:***

The *Enhancing Improper Payment Accountability Act* addresses wasteful and fraudulent spending in new programs by codifying more stringent and timely reporting requirements for federal programs dispensing **more than \$100 million** annually in their initial years of operation.



This legislation also addresses improper payments in current programs by **reinstating the requirement that agencies report on fraud risk management efforts annually** and directing the President's budget request to include details on programs that are required to report on improper payments but do not.

## THE BOTTOM LINE

A critical part of the House Budget Committee's plan to *reverse the curse* of our nation's public debt is ensuring the federal government doesn't waste taxpayer dollars **in the first place**.

As Chairman Arrington has said, **every dollar lost to improper payments and fraud represents a theft from the American people**.

Congress must recommit itself to being good stewards of American tax dollars. These pieces of legislation will help rein-in improper payments and bring more transparency and accountability to government spending.

## MORE FROM THE HOUSE BUDGET COMMITTEE ON IMPROPER PAYMENTS

***Read*** Chairman Arrington's op-ed on improper payments in The Hill [HERE](#).

***Read*** more on the improper payment statistics for FY 2023 [HERE](#).

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

***Read*** Chairman Arrington and Chairman Comer's statement on GAO's improper payments report [HERE](#).

***Read*** about the House Budget Committee's roundtable discussing improper payments [HERE](#).

***Read*** more about the problem of improper payments [HERE](#).

