

- Rooting Out -

WASTE & FRAUD *in* ENTITLEMENT PROGRAMS

Reverse the Curse: U.S. House Budget Resolution (FY24-FY33)

In 2022 alone, the federal government spent at least **\$247 billion on improper payments** according to the Government Accountability Office (GAO). The rate of these improper payments has increased by nearly 60 percent. According to testimony received by the Budget Committee, "over the past 10 years, the federal government has spent \$1.96 trillion (in inflation-adjusted dollars) on improper payments." The upcoming budget window projects improper payments to **exceed \$2 trillion**.

Federal Programs with Annual Estimated Improper Payment Rates Greater Than 10 Percent for Fiscal Year 2022

Purchased Long Term Services and Supports	\$1.29 billion	47.50%
American Opportunity Tax Credit	\$2.03 billion	36.10%
Title I Grants to Local Educational Agencies	\$5.43 billion	35.70%
Earned Income Tax Credit	\$18.18 billion	31.60%
Emergency Conservation Program – Disasters	\$17.8 million	29.20%
Refundable Premium Assistance Tax Credit	\$577.9 million	27.40%
Children’s Health Insurance Program	\$4.3 billion	26.70%
Special Education Grants to States	\$3.12 billion	26.70%
Senior Companion Program	\$9.8 million	26.20%
Foster Grandparent Program	\$21.8 million	23.70%
Unemployment Insurance	\$18.93 billion	22.20%
CCC Trade Mitigation Program	\$7.6 million	19.30%
Retired and Senior Volunteer Program	\$7.8 million	17.20%
Additional Child Tax Credit	\$5.19 billion	15.80%
Medicaid	\$80.57 billion	15.60%
Education Stabilization Fund	\$5.06 billion	12.10%
Pension	\$492.2 million	11.70%

Source: Government Accountability Office.
"Improper Payments: Fiscal Year 2022 Estimates and Opportunities for Improvement"

Our budget resolution assumes reducing improper payments by half, saving \$1 trillion. **Common sense solutions include:**

- **Improve data sharing** among agencies and require agencies to leverage data and protect taxpayers. According to Congressional testimony, while agencies are required to use the Do Not Pay database before spending taxpayer funds, “agencies generally receive the results after payments have been made.”
- Propose applicants for the Earned Income Tax Credit and Child Tax Credit **use a valid Social Security Number**.
- Allow states to **keep a percentage** of recovered fund.
- **Condition funding** for states on compliance with anti-fraud rules,
- Hold underperforming agencies **accountable for their mismanagement** of taxpayer resources.



CHAIR JODEY ARRINGTON

**HOUSE BUDGET
COMMITTEE**