

May 6, 2024

The Honorable Representative Rudy Yakym
Chairman, Budget Process Reform Task Force, House Budget Committee
349 Cannon House Office Building
Washington, D.C. 20515

The Honorable Rep. Jack Bergman
Chairman, Oversight Task Force, House Budget Committee
566 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Yakym and Chairman Bergman,

I appreciate the opportunity to review a draft version of the *“Improper Payments Transparency Act.”* That proposed legislation would require the President’s annual budget request to include specific data related to the improper payment of key federal benefits, and to describe corrective actions federal agencies plan to take to address elevated improper payments.

That sort of transparency is the least federal taxpayers should expect, especially given the massive scale of improper payments witnessed during the pandemic. Amy Simon and I provided a detailed review of the incredible extent of improper payments involving pandemic unemployment benefits in a January 2024 [report](#) titled *“Pandemic Unemployment Fraud in Context: Causes, Costs, and Solutions.”* A

February 2024 [summary](#) of our findings noted that, during the pandemic,

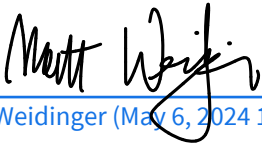
soaring demand for help included [unprecedented fraud and abuse](#). Everyone from small-time crooks to [criminal organizations based in Russia](#) and [China](#) attacked the unemployment benefits system, in what one expert dubbed [“the Super Bowl of fraud.”](#) One fraudster even [rapped](#) about how easy it was to rip off California’s unemployment system.

More than two years after temporary pandemic programs ended, the scale of improper payments and outright fraud is still just coming into focus. Official federal estimates suggest improper payments totaled a “low end” of [\\$191 billion](#), but admit that doesn’t include elevated losses under the most-abused program, Pandemic Unemployment Assistance (PUA). Some private experts believe as much as [\\$400 billion was lost](#), or over 40 percent of the record [\\$900 billion](#) spent to help the unemployed.

Our January [report](#) includes a number of legislative and related recommendations designed to prevent such wholesale abuse of unemployment benefits from recurring in the future. And in a newly-released [report](#), Simon and I discuss important data-reporting improvements that would help policymakers and the public better understand the administrative capacity of the state agencies that operate unemployment benefit programs, including to fend off fraud attacks and otherwise prevent improper payments.

Those important policy goals would be advanced by greater executive branch attention to ongoing improper payments involving federal programs and corrective actions needed to better protect taxpayer funds. Such transparency is a necessary ingredient to recognizing when programs are failing to reach their intended recipients and fixing them through executive branch actions, or legislation if needed. While the American Enterprise Institute does not take institutional positions, I am pleased to offer my personal support for the “*Improper Payments Transparency Act*,” which would advance all of those critical goals.

Sincerely,

A handwritten signature in black ink that reads "Matt Weidinger". The signature is written in a cursive style and is positioned above a blue horizontal line.

[Matt Weidinger \(May 6, 2024 14:44 EDT\)](#)

Matt Weidinger

Rowe Scholar and Senior Fellow

American Enterprise Institute
1789 Massachusetts Ave. NW
Washington, DC 20036

CC:

The Honorable Jodey Arrington
Chairman, House Budget Committee