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The Honorable Blake Moore
The Honorable Jodey Arrington
United States House of Representatives
1131 Longworth House Office Building
Washington, DC 20515

Dear Representatives Moore and Arrington,

I am writing to express my strong support for the 'Enhancing Improper Payment Accountability Act,' which you are introducing in the House of Representatives. This bill represents a critical first step forward in our collective efforts to address the pressing issue of improper payments within federal programs. As Warren Buffet insightfully noted during his shareholder meeting, 'artificial intelligence scams could become the growth industry of all time.' This underscores the urgency and relevance of our initiatives to combat such emerging threats.

With over twenty years of experience in combating fraud within government programs, I deeply appreciate your leadership in enhancing transparency and accountability. The provision in the bill for annual identification of new programs susceptible to significant improper payments is especially commendable. It demonstrates a proactive approach to risk mitigation from the very inception of programs, ensuring that we protect our most vulnerable populations effectively.

While the bill advances the cause of reducing improper payments, there are additional measures that could further strengthen our ability to combat this issue effectively. Specifically, I recommend the inclusion of incentive structures for state agencies administering federal assistance programs. Allocating a portion of the savings from identified fraud, waste, and abuse back into their budgets could dramatically enhance their commitment to these critical efforts. This approach aligns with the principles I discussed in my recent [op-ed](#) in The Hill, where I advocated for the power of incentives in driving significant changes in organizational behavior and outcomes, as have existed in the business world for years.

To establish a robust framework for preventing improper payments, I propose the following enhancements to the bill. We must address these issues proactively, because reactive measures—often characterized by the inefficient 'pay and chase' method—are largely ineffective:

1. **Eliminate Self-Attestation:** Mandating verification over self-reported data will significantly reduce the risk of fraud.
2. **Require Asset Verification:** This will prevent the misallocation of resources by ensuring that aid reaches those who truly need it.
3. **Discontinue Broad-Based Categorical Eligibility:** By tightening eligibility criteria across programs, we can further ensure that resources are not misappropriated.
4. **Implement Best-in-Class Front-End Identity Verification:** Introducing advanced systems for identity verification at the outset will prevent stolen personally identifiable information (PII) from being used to illicitly access government programs.

The current draft of the bill does an excellent job of raising awareness about improper payments. By incorporating additional measures, we can transform this awareness into actionable, measurable outcomes that not only reduce improper payments but also restore public trust in our government's ability to manage and distribute public funds effectively.

Recently, I worked in collaboration with United States Secret Service during Operations [‘April Fools’](#) and [‘Sandblast’](#), which were conducted in California and Nevada. I saw first-hand the millions in fraud perpetrated by transnational criminal groups, diverting essential Electronic Benefit Transfer (EBT) funds from food-insecure families and Americans facing financial hardships. Legislation aimed at strengthening the integrity of these critical programs will ensure that aid reaches its intended recipients and will also provide vital support to law enforcement in preventing and investigating fraud.

While we marshal resources and refine strategies to curb this continued fiscal hemorrhage that will increase exponentially because of new technology, it is imperative that federal agencies commit a more substantial portion of their budgets to fraud prevention and improper payment reduction. Astonishingly, despite the hundreds of billions lost annually to improper payments, most agencies spend only a minuscule fraction of their budgets to protect these critical programs. Mandating increased financial commitment will ensure that agencies prioritize safeguarding taxpayer dollars, thereby fortifying our efforts to restore fiscal integrity across government operations and insuring support for those truly in need.

To further enhance the bill's effectiveness, I also recommend the establishment of an external enforcement mechanism leveraging the robust network of Offices of Inspector General (OIGs). These offices have a proven track record of integrity and success in auditing and overseeing federal programs to prevent improper payments through fraud, waste, and abuse. Instructing the OIGs to utilize data and recommendations from the Government Accountability Office (GAO) will ensure that oversight is not only rigorous but also informed by the latest findings and best practices in improper payment prevention. This approach will complement existing efforts and introduce a layer of accountability that is both external and highly specialized, amplifying the impact of the legislation and ensuring that resources are safeguarded against misuse.

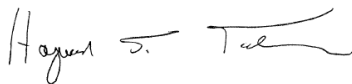
In conclusion, I wholeheartedly endorse the 'Enhancing Improper Payment Accountability Act' and commend your efforts to prioritize this critical issue within the legislative agenda. With the proposed amendments, I am confident that this bill will not only elevate accountability but also cultivate a culture of integrity and efficiency throughout all levels of government. As highlighted in the recent Government

Accountability Office (GAO) report, improper payments potentially constitute over 10 percent of government expenditures amounting to nearly \$500 billion annually. Given our federal deficit surpassing \$34 trillion and annual debt service payments exceeding \$658 billion, addressing this issue could significantly enhance our fiscal outlook. Moreover, it would thwart transnational criminal groups from exploiting U.S. taxpayer dollars and reinforce our national financial security.

Thank you for considering my suggestions. I look forward to the possibility of further discussing these ideas with you and supporting the enactment of this vital legislation.

Sincerely,

Haywood J. Talcove



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