PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

# Semiannual Report to Congress

## APRIL 1, 2024 - SEPTEMBER 30, 2024

# Message from the Chair

It is my privilege to present the Pandemic Response Accountability Committee's (PRAC) fall 2024 Semiannual Report to Congress. This report covers the PRAC's accomplishments from April 1, 2024 – September 30, 2024. With the bipartisan support of Congress, the PRAC has developed a new model for effective oversight based on lessons learned from the COVID-19 pandemic. As we move beyond this crisis, our mission to promote transparency and coordinate oversight of federal expenditures remains more critical than ever. Our lessons learned should be applied to all government programs to enhance program and payment integrity on behalf of taxpayers.

We urge Congress to act to expand the use of the PRAC's deep program insights, sophisticated data analytics tools, and innovative oversight models to government spending outside of pandemic relief and to sustain PRAC capabilities past our scheduled sunset on September 30, 2025. Faced with an unprecedented volume of pandemic fraud, we built a data analytics center, the Pandemic Analytics Center of Excellence (PACE), to support fraud investigations. The PACE has proven to be extraordinarily successful in identifying improper payments and fraud in pandemic relief programs, allowing Offices of Inspectors General (OIG) partners to assess applications for fraud indicators before funds are disbursed. If Congress allows the PRAC and this data analytics function to sunset, the federal government will no longer have an entity capable of proactively conducting cross-program, cross-agency analysis to help prevent improper payments in high-risk programs.

The PACE has demonstrated a strong return on investment. Notable PACE accomplishments from this reporting period include:

- In April the PACE assisted the Pension Benefit Guaranty Corporation OIG in recovering $135 million, which is more than three times the $40 million in funding that Congress provided to operate the PACE from 2021 to 2025.

- As of September the PACE has provided investigative support to more than 49 federal law enforcement and OIG partners on 951 pandemic-related investigations, with nearly 23,000 subjects and a potential fraud loss of $2.2 billion. The PACE has demonstrated a strong return on investment.

Further, the Government Accountability Office (GAO), in its 2024 report on potential cost savings in the government, estimated that sustaining the PACE could result in a billion dollars or more of financial benefits annually. Indeed, if the PRAC's analytics center had been in place at the onset of the pandemic, we would have conducted critical data analysis before pandemic relief payments were made to help prevent the loss of billions of dollars to improper payments and fraud.

The PACE is a critical asset used by law enforcement to root out issues like identity theft and fraud across multiple pandemic-related programs. Our team of data scientists work in collaboration with our own PRAC Fraud Task Force, helping OIGs and other law enforcement entities pursue data-driven investigations of pandemic relief fraud. The PRAC Fraud Task Force includes 50+ criminal investigators from 16 OIGs who provide their expertise to track down millions of stolen federal pandemic dollars. To date, PRAC Fraud Task Force efforts have led to criminal charges against 111 subjects and assisted the federal government in recovering over $16 million in restitution, seizures, forfeitures, civil settlements, and voluntary repayments. Additionally, the efforts of the Department of Justice (DOJ) COVID-19 Fraud Enforcement Task Force (CFETF),

of which the PRAC is a member, have led to criminal charges against more than 3,500 defendants and $1.4 billion in funds seized. We're proud to partner with the CFETF and other investigative agencies in this fight against fraud, and we will continue to recover every penny we can for taxpayers.

In September 2024, I testified alongside other oversight leaders before the U.S. House of Representatives Committee on Oversight and Accountability Government Operations and the Federal Workforce Subcommittee. I described how the PACE has prevented improper payments and fraud, and I urged Congress to act on the Government Accountability Office (GAO) Comptroller General's recommendation to sustain its capabilities past the PRAC's scheduled sunset and to expand its jurisdiction to all federal spending.

We submit this Semiannual Report to Congress at a crucial time in the lifespan of the PRAC. With nine months remaining until our sunset, we encourage Congress to maintain the valuable fraud-fighting tools of our data analytics center and expand its jurisdiction beyond pandemic relief funds. The time is now for the federal government to expand preparations to better safeguard future emergency and annual federal spending. Together, we must rise to the challenge of protecting American livelihoods and taxpayer dollars.

**The Honorable Michael E. Horowitz**
Chair, PRAC
Inspector General, U.S. Department of Justice

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# Highlights

## PRAC Initiatives

**4**
PRAC-led or -coordinated reports with 10 Offices of Inspectors General

**951**
investigations supported by our data analytics center

**11**
PRAC speaking engagements

## Oversight Reports

**16**
Offices of Inspectors General

**93**
Recommendations

**69**
Oversight reports

**$3 Billion**
in monetary findings

## PRAC Fraud Task Force

**50+**
Task Force Agents from 16 Offices of Inspectors General

**4**
Civil settlements

**111**
Subjects charged to date

**27**
Sentencings

**$14 million**
in restitution to the government

**59**
Years of prison time

# Background

Established in March 2020 by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the PRAC is a committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Established within the executive branch by the Inspector General Act of 1978, as amended, CIGIE is an independent entity that includes the 73 statutorily created federal Inspectors General (IGs).

The CARES Act identifies IGs from nine agencies as statutory members of the PRAC. The Chair can designate additional IGs to serve on the Committee from any agency that receives pandemic funds or is involved in the federal government's response to the COVID pandemic. The IGs serving on the Committee continue to perform their IG duties.

The PRAC comprises 20 IGs (see PRAC membership below). As of October 30, 2024, we are staffed by a full-time Executive Director, 36 employees, 34 contractors, two fellows, and one detailee, all distributed across several strategic directorates. Our committee promotes transparency and provides Congress and the public with objective, reliable information at PandemicOversight.gov about the $5 trillion in pandemic relief dollars. We also work with IGs to recommend program improvements, refer matters for criminal investigations, and identify misspent funds for recovery.

## PRAC Membership

| Name | Department or Agency OIG |
|---|---|
| Michael E. Horowitz, Chair | Department of Justice |
| Paul K. Martin, Vice Chair | United States Agency for International Development |
| Phyllis K. Fong | Department of Agriculture |
| Robert P. Storch | Department of Defense |
| Sandra D. Bruce | Department of Education |
| Christi A. Grimm | Department of Health and Human Services |
| Joseph Cuffari | Department of Homeland Security |
| Rae Oliver Davis | Department of Housing and Urban Development |
| Mark Lee Greenblatt | Department of the Interior |
| Larry D. Turner | Department of Labor |
| Eric J. Soskin | Department of Transportation |
| Richard Delmar | Department of the Treasury |
| Michael J. Missal | Department of Veterans Affairs |
| Jennifer L. Fain | Federal Deposit Insurance Corporation |
| Mark Bialek | Federal Reserve Board/Consumer Financial Protection Bureau |
| Allison C. Lerner | National Science Foundation |
| Hannibal "Mike" Ware | Small Business Administration |
| Brian D. Miller | Special Inspector General for Pandemic Recovery |
| Heather M. Hill | Treasury Inspector General for Tax Administration |
| Tammy Hull | United States Postal Service |

# PRAC Accomplishments

The PRAC was established to serve the American public by promoting transparency and facilitating coordinated oversight of the federal government's COVID pandemic response and associated spending. We aim to serve as the eyes and ears of the American public, monitoring the government's pandemic response spending, and reporting accessible, timely, accurate, and comprehensive data that can be translated into actionable insights.

We released our Strategic Plan for 2020 through 2025 in July 2020. The plan identified four goals to carry out our mission and vision:

- Promote coordinated, comprehensive oversight.
- Prevent and detect fraud, waste, abuse, and mismanagement.
- Promote transparency.
- Ensure effective and efficient PRAC operations.

We present our key accomplishments during this reporting period that align with these goals.

# **Part One**–Oversight Products

Our efforts this period included the publication of four oversight products.

## Explaining the Surge in Pandemic Unemployment Insurance Fraud

On April 16, 2024, we released Why Unemployment Insurance Fraud Surged During the Pandemic. This report sheds light on the unprecedented levels of fraud in unemployment insurance (UI) benefits during the pandemic. In response to an unemployment rate increase from 3.5 percent to 14.7 percent, Congress authorized more than $888 billion federal and state UI benefits paid during the UI pandemic period—March 27, 2020, through September 6, 2021. In September 2023, the Government Accountability Office (GAO) estimated UI program fraud totals between $100 and $135 billion, or about 11 to 15 percent of benefits paid during the pandemic. We examined various schemes used to defraud pandemic UI benefits programs such as stolen identities, recruiting co-conspirators, and abusing debit cards the government used to pay benefits.

Many schemes perpetrated against the system were exacerbated by pre-existing identified weaknesses in state UI programs. To learn more about how this happened, we identified a set of schemes to commit and conceal fraud by reviewing publicly available court documents, and Department of Justice (DOJ) press releases for 45 pandemic UI fraud cases from April through December 2020.

UI fraud schemes were prevalent during the pandemic due to a variety of factors including the processes by which State Workforce Agencies (SWAs) administered benefits. We found that UI claims surged to historic levels and that many SWAs did not have the capacity or sufficient internal control environment to process claims on time without bypassing safeguards in place to prevent fraud. SWAs administered benefits with varying levels of effort to verify eligibility, leading to widespread abuse of the system.

A body of oversight work identified recommendations to reduce the occurrence of fraud in UI programs in the future. Specifically, the Department of Labor (DOL) OIG has made several recommendations that are critical to UI program integrity, and we encourage stakeholders to implement these recommendations and continue to proactively address known program vulnerabilities.

*Figure 1. : Schemes and Methods Fraudsters Used to Commit and Conceal Fraud*

## Schemes Used to Commit Fraud

### Identity Fraud

- Stole the identities of individuals and filed claims in their names.
- Stole and sold individuals' identities to other co-conspirators and filed claims in their names.
- Filed claims using prisoner and cellmates' names.

### Eligibility Fraud

- Filed in their own name but falsified their work history or other aspects of their unemployment claim.

### Pharming

- Created websites, mimicking unemployment benefit websites, to lure consumers and steal their personally identifiable information (PII).

### Multi-state Claims

- Filed fraudulent applications in multiple states.

### Insider Fraud

- Accessed their employer's databases containing customers' PII and other information to file fraudulent claims.

## Methods Used to Conceal Fraud

### Incorrect Addresses

- Requested the SWA mail debit cards to various addresses including vacant buildings or homes, those of family members, neighbors, and out-of-state businesses.
- Had other individuals retrieve debit cards from homes and withdraw funds from ATMs.

### Fake Bank Accounts

- Opened multiple bank accounts using fake names and had UI funds deposited directly into those accounts.
- Requested the SWA wire funds to co-conspirator's bank account.

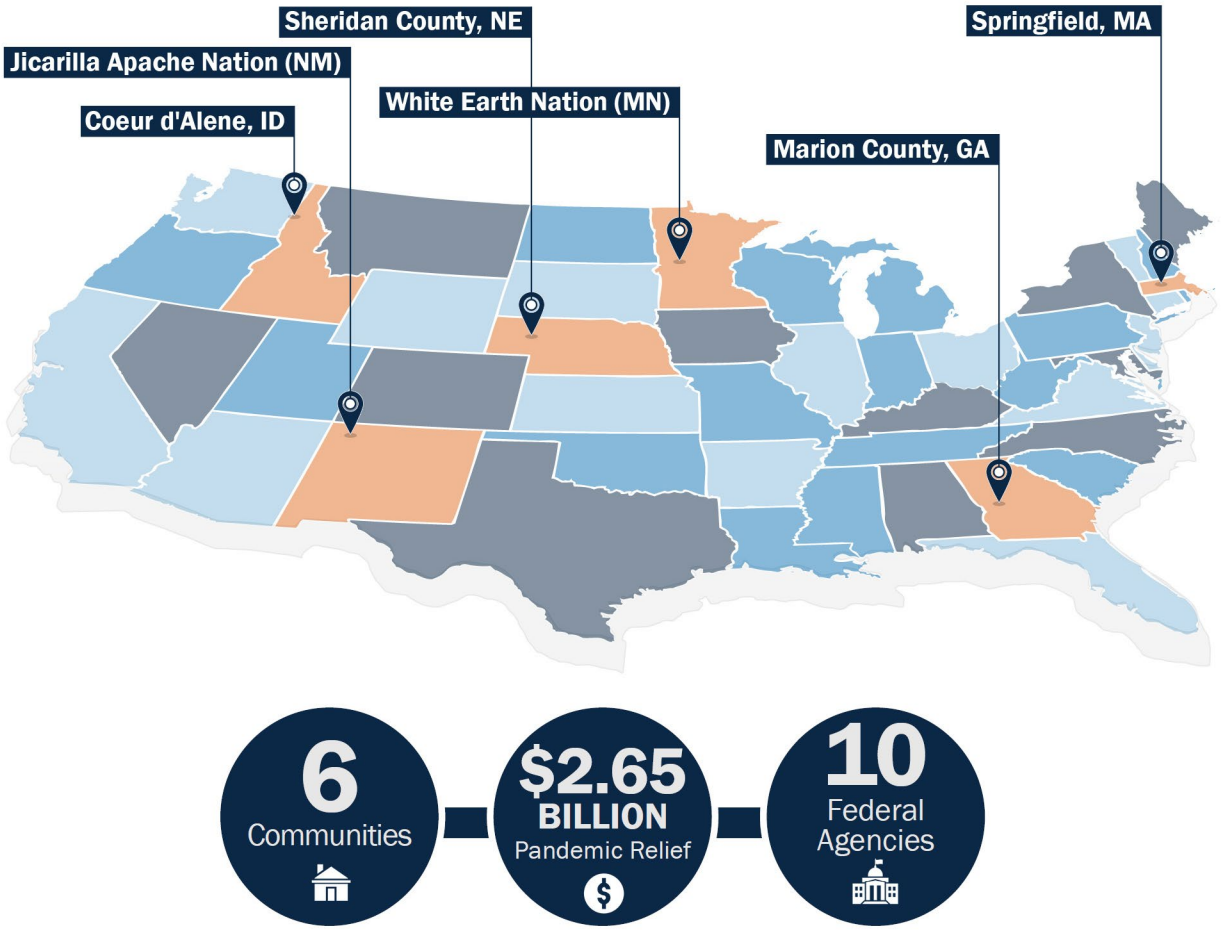
### Concealed Identity

- Used temporary or fake email addresses or Virtual Private Networks (VPNs) to conceal identity.

# Focus on Communities

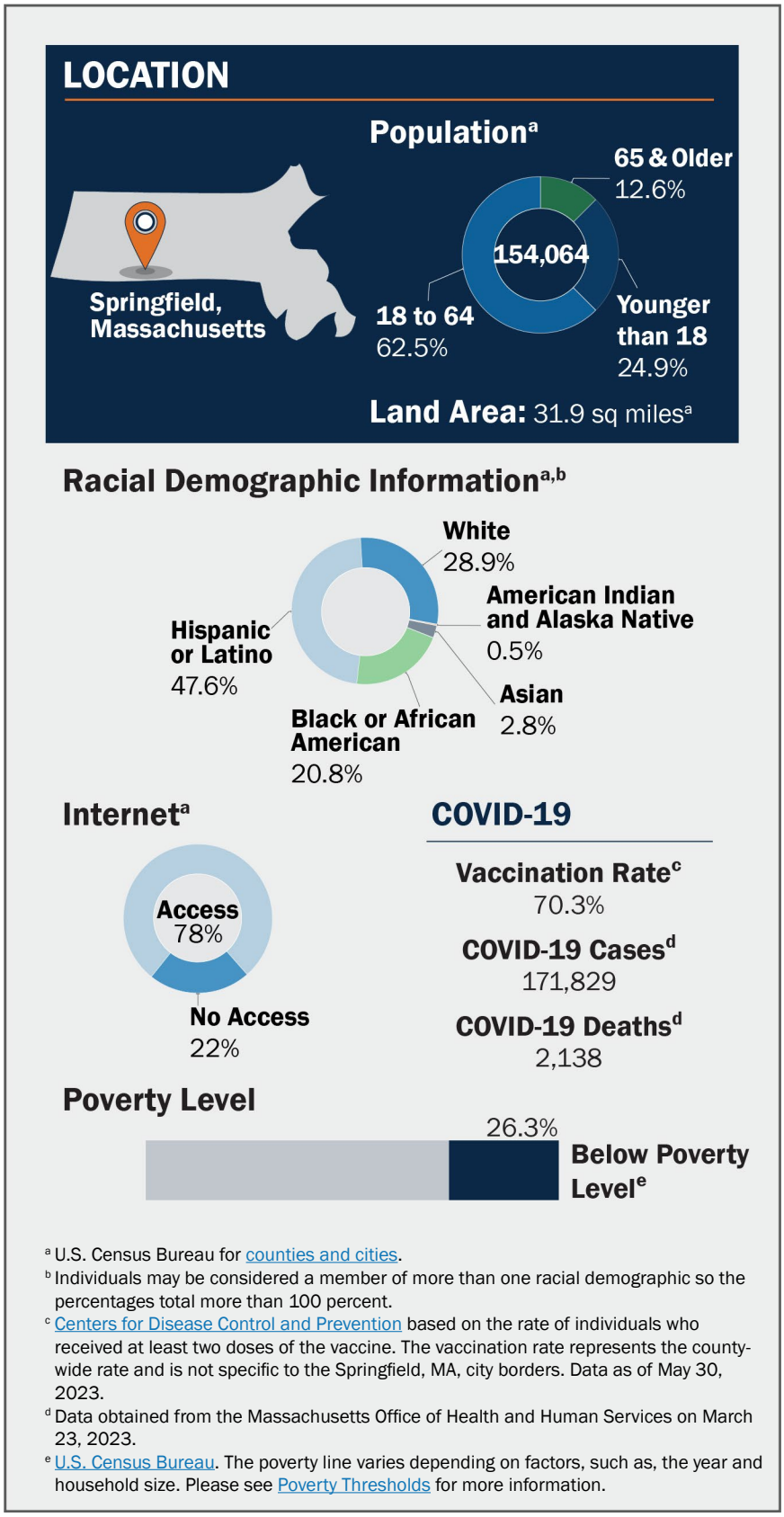
To truly understand how the pandemic impacted people on the ground across the country, you have to get out into communities—both big and small, rural, urban and suburban. During the last Semiannual Report to Congress, we highlighted our March 2024 report, Pandemic Relief Experiences: A Focus on Six Communities, which summarized the observations of our coordinated oversight work with 10 of our PRAC member OIGs examining how six communities used the emergency relief funds and whether the federal aid helped the communities. Between April and September 2024, we issued individual reports for three of the six locations that focused on the specific programs and subprograms that provided funding in each locale.

*Figure 2. Six Locations Selected for Review*



# Springfield, Massachusetts

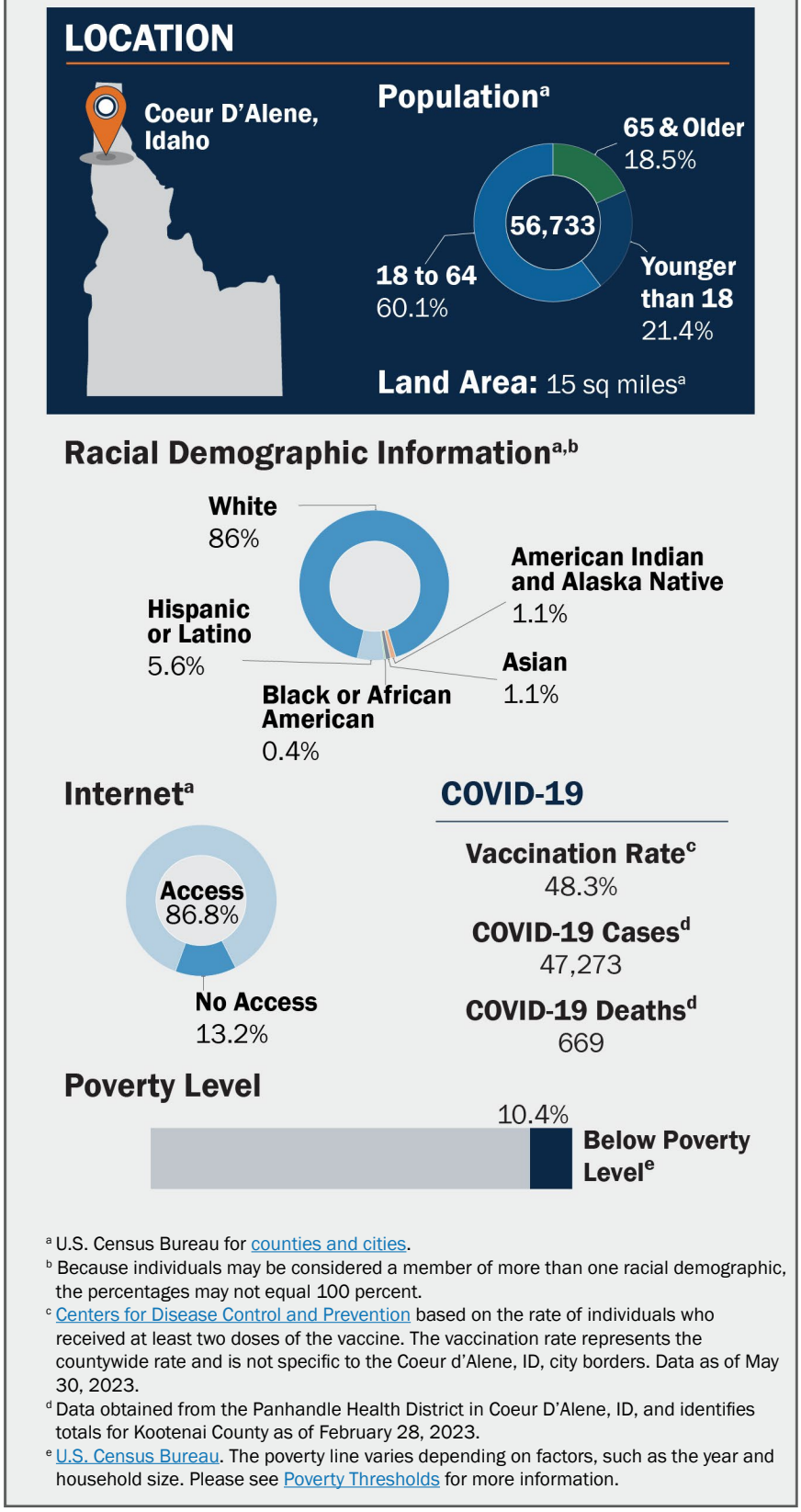
Springfield, MA, was the first of six locations we visited to hear directly from local program administrators, government officials, and other community members about their experiences during the pandemic. Springfield, the third largest city in Massachusetts with a population of 154,064, received more than $1.8 billion across 52 pandemic relief programs and subprograms during the first 18 months of the pandemic. This report provides a closer look at nine of the federal programs that aimed to respond to and ease the effects of the pandemic on the community.




[a] U.S. Census Bureau for counties and cities.
[b] Individuals may be considered a member of more than one racial demographic so the percentages total more than 100 percent.
[c] Centers for Disease Control and Prevention based on the rate of individuals who received at least two doses of the vaccine. The vaccination rate represents the county-wide rate and is not specific to the Springfield, MA, city borders. Data as of May 30, 2023.
[d] Data obtained from the Massachusetts Office of Health and Human Services on March 23, 2023.
[e] U.S. Census Bureau. The poverty line varies depending on factors, such as, the year and household size. Please see Poverty Thresholds for more information.

# Coeur d'Alene, Idaho

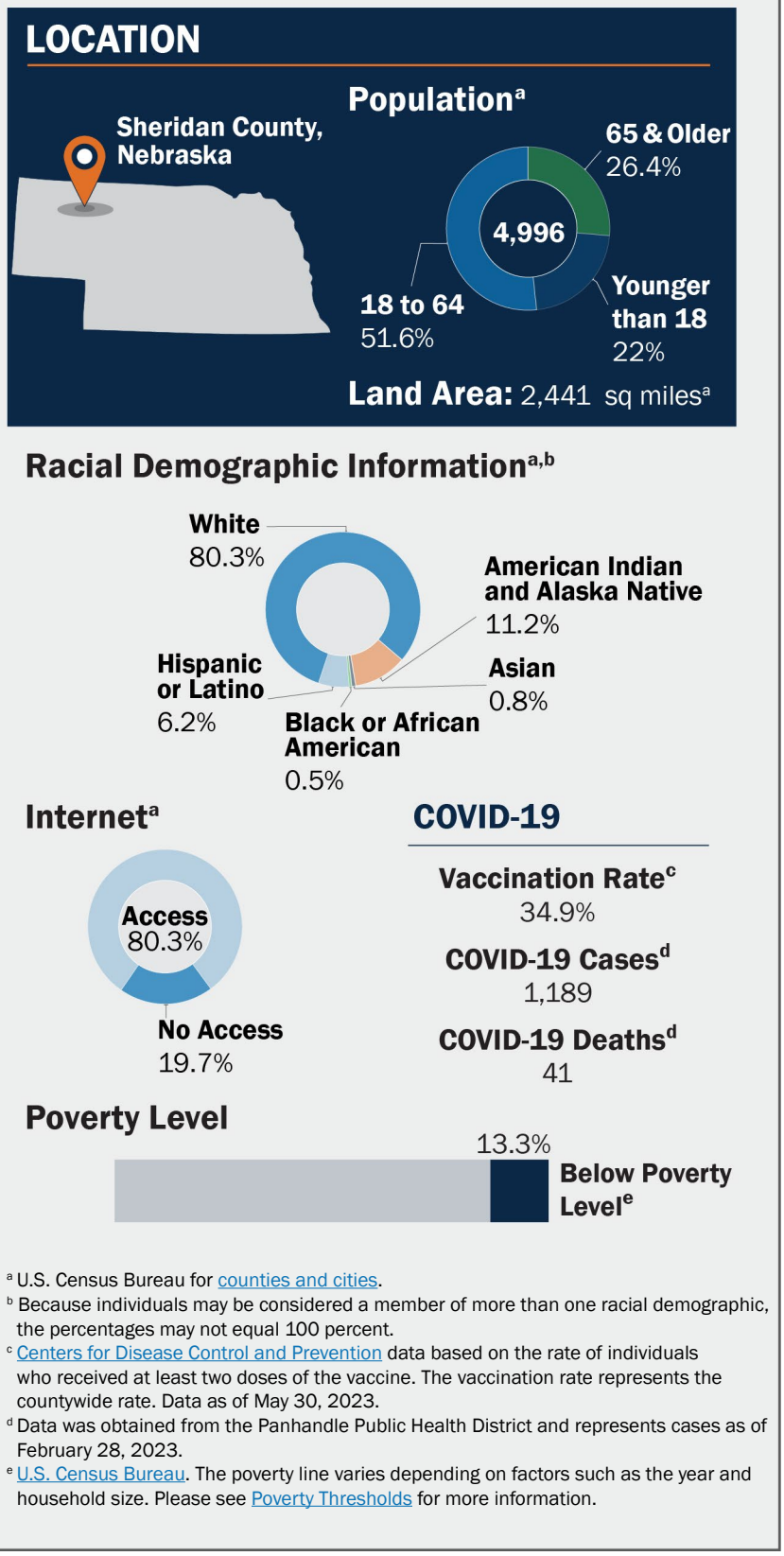
Coeur d'Alene, ID, was the second of six locations we visited to hear directly from local program administrators, government officials, and other community members about their experiences during the pandemic. Coeur d'Alene is one of the top 10 largest cities in Idaho with a population of 56,733. Coeur d'Alene recipients, including city government, small businesses, and individuals, received more than $314.4 million across 45 pandemic relief programs and subprograms during the first 18 months of the pandemic. This report provides a closer at eight of the federal programs that aimed to respond to and ease the effects of the pandemic on the community.




[a] U.S. Census Bureau for counties and cities.
[b] Because individuals may be considered a member of more than one racial demographic, the percentages may not equal 100 percent.
[c] Centers for Disease Control and Prevention based on the rate of individuals who received at least two doses of the vaccine. The vaccination rate represents the countywide rate and is not specific to the Coeur d'Alene, ID, city borders. Data as of May 30, 2023.
[d] Data obtained from the Panhandle Health District in Coeur D'Alene, ID, and identifies totals for Kootenai County as of February 28, 2023.
[e] U.S. Census Bureau. The poverty line varies depending on factors, such as the year and household size. Please see Poverty Thresholds for more information.

# Sheridan County, Nebraska

Sheridan County, NE, was the third of six locations we visited to hear directly from fund recipients and other community members about their experiences during the pandemic. The first rural county we visited, Sheridan has a population of 4,996 and is the fourth largest county in the state with a land area of 2,441 square miles. Recipients in the county, including local governments, small businesses, and individuals, received more than $61 million across 31 pandemic relief programs and subprograms during the first 18 months of the pandemic. This report provides a closer at six of the federal programs that aimed to respond to and ease the effects of the pandemic on the community.




[a] U.S. Census Bureau for counties and cities.
[b] Because individuals may be considered a member of more than one racial demographic, the percentages may not equal 100 percent.
[c] Centers for Disease Control and Prevention data based on the rate of individuals who received at least two doses of the vaccine. The vaccination rate represents the countywide rate. Data as of May 30, 2023.
[d] Data was obtained from the Panhandle Public Health District and represents cases as of February 28, 2023.
[e] U.S. Census Bureau. The poverty line varies depending on factors such as the year and household size. Please see Poverty Thresholds for more information.

# **Part Two**–Investigating Fraud

## Hold Wrongdoers Accountable

Led by the PRAC's Investigative Services team, our PRAC Fraud Task Force continues to be a critical investigative component in the government's fight against fraud in pandemic programs. For example, to date, we have helped criminally charge 111 subjects and assisted the federal government in recovering over $16 million in restitution, seizures, forfeitures, civil settlements, and voluntary repayments.[1]

We continue to take part, along with 30 partner agencies, in the whole-of-government effort coordinated by the DOJ CFETF. As of April 2024, the efforts of the task force's member agencies have led to criminal charges against more than 3,500 defendants for losses of over $2 billion, civil enforcement actions resulting in more than 400 civil settlements and judgments of over $100 million, and over $1.4 billion seized or forfeited.[2] The CFETF has established five strike forces in California, Florida, Maryland, Colorado, and New Jersey to focus on the most complex and harmful pandemic fraud—often committed by overseas, organized, or violent actors.

### The PRAC Task Force

The PRAC's Fraud Task Force brings together 50+ agents from 16 member OIGs to: enhance our ability to coordinate investigations; exchange information about fraud schemes that we identified; and share resources that enable agents to support investigations across the Inspector General community. This task force and other federal law enforcement agencies use the data scientists and resources of the PRAC's data analytics center to uncover patterns, irregularities, and red flags that point to potential fraud.

We are a member of DOJ's International Organized Crime Intelligence and Operations Center, Organized Crime and Drug Enforcement Task Force Fusion Center (IOC-2), and the National Unemployment Insurance Fraud Task Force, which enables us to engage in case deconfliction and share and receive investigative intelligence. The PACE serves as a key contributor to both the PRAC Fraud Task Force and DOJ's COVID-19 Fraud Enforcement Task Force by using advanced analytics tools that incorporate multiple pandemic program data sources to uncover suspicious network activity and identify anomalies that may indicate potential fraud. The PACE is a critical asset used by law enforcement to root out issues like identity theft and fraud that crosses program and agency boundaries. As of September 2024, the PACE has provided investigative support to more than 49 federal law enforcement and OIG partners on 951 pandemic-related investigations with nearly 23,000 subjects and a potential fraud loss of $2.2 billion.

The collaboration between the PRAC Fraud Task Force, CFETF, PACE, and our partners continues to deliver results with successful investigations leading to arrests, convictions, and sentences.

1 Although the scope of this report covers through September 2024, we were not able to show the statistics by the end of that date. We provide these statistics as of October 2024.
2 Although the scope of this report covers through September 2024, we were not able to show the statistics by the end of that date. We provide these statistics as of April 2024.

# PRAC Fraud Task Force Cases

## Convicted Individual Sentenced to Probation for Theft of Government Funds

On April 26, 2024, the defendant was convicted on one count of theft of government funds, ordered to pay restitution and fines totaling $200,000, and was sentenced to probation for a period of three years. The defendant failed to disclose he was a debarred individual when applying for and receiving COVID-19 Economic Injury Disaster Loan (EIDL) funds.

**Lead PRAC Task Force Investigative Agency:** Department of the Treasury (Treasury) OIG
**Other Investigative Partners:** PRAC's PACE/ Investigative Services

## Business Owner Pleads Guilty to Defrauding CARES Act Programs

On July 15, 2024, the defendant pleaded guilty to making false statements and theft of government funds. The defendant, a business owner, applied for multiple CARES Act loans receiving COVID Paycheck Protection Program (PPP) and EIDL loans totaling $354,542.50. After receiving these loan proceeds, the defendant spent more than $11,000 at two high-end retail stores in New Orleans and more than $900 for tickets to an amusement park in Florida. The defendant is awaiting sentencing and is facing a maximum sentence of 10 years imprisonment, and/or a fine of $250,000, and a term of supervised release not to exceed three years.

**Lead PRAC Fraud Task Force Investigative Agency:** Department of Veterans Affairs (VA) OIG
**Other Investigative Partners:** United States Secret Service and PRAC's PACE/Investigative Services

## Incarcerated Individual Falsely Claimed Business Revenue for COVID EIDL Fraud Scheme

On July 29, 2024, a federal court sentenced the defendant to three years in prison, five years of supervised probation, and ordered him to pay restitution totaling $75,000 for having made false statements on an EIDL application. The defendant falsely claimed business revenue of more than $200,000 in 2019, when in fact he spent most of 2019 in federal prison, and he had applied for the loan while in a Bureau of Prisons residential reentry center in Florida. During sentencing the judge noted that the defendant had conspired in filing additional fraudulent COVID relief loan applications totaling more than $400,000, and in doing so, took advantage of a "genuine public health emergency."

**Lead PRAC Fraud Task Force Investigative Agency:** PRAC
**Other Investigative Partners:** PRAC's PACE/ Investigative Services

## Individual Pleaded Guilty for Theft of Government Property

On July 29, 2024, the defendant was charged with one count of theft of government property. The defendant applied for and received an EIDL in the amount of $1.2 million. Upon receipt of the EIDL proceeds, he used $20,000 to pay for landscaping services, as well as heating, ventilation, and air conditioning services at his home. He also misused EIDL proceeds when purchasing an $83,000 diamond ring for his wife and spent another $71,290 on home remodeling services. On September 18, 2024, the defendant pleaded guilty to theft of government property and is awaiting sentencing.

**Lead PRAC Fraud Task Force Investigative Agency:** VA OIG
**Other Investigative Partners:** Federal Bureau of Investigation (FBI), Small Business Administration (SBA) OIG, and PRAC's PACE/Investigative Services

## Defendant Charged for Supplying False Information

On August 8, 2024, the defendant was charged with one count of wire fraud and one count of making false statements to the SBA. When applying for an EIDL, which he ultimately received in the amount of $498,000, the defendant allegedly failed to disclose a March 19, 2018, criminal conviction for aggravated identity theft, and he allegedly falsely listed gross revenues of $675,000, when he had previously reported $21,000 in earnings during 2019 when applying for unemployment benefits. The investigation also alleged that after receiving EIDL proceeds, he made $20,000 in purchases through Amazon, $15,000 in purchases through eBay, and Uber payments totaling $2,000. Using EIDL proceeds, the defendant also allegedly made mortgage payments, and initiated purchases from jewelry and gold companies, as well as pawn shops.

**Lead PRAC Fraud Task Force Investigative Agency:** Department of Education (ED) OIG
**Other Investigative Partners:** SBA OIG and PRAC's PACE/Investigative Services

## Six Individuals Pleaded Guilty for Joint Effort to Frequently Obtain PPP Loans

Between April 1 and August 12, 2024, six individuals pleaded guilty in federal court, admitting their involvement in a COVID loan fraud scheme.

The indictment alleged the defendants created fictitious businesses and made numerous false and misleading statements about those businesses for the purpose of obtaining PPP loans. In support of the fraudulent loan applications, the defendants conspired to submit fake and altered documents, including altered and fictitious bank statements, identification documents, and tax records.

Defendant 1 pleaded guilty to causing an interstate wire transfer by submitting a PPP loan application for $20,832 in the name of a fictitious person as well as making a false statement to the Department of Housing and Urban Development (HUD) when filing a recertification form. Defendant 1 agreed to pay restitution of $1,292,857.32 to SBA and $10,422 to HUD. Defendant 1 is currently awaiting sentencing and is facing a maximum sentence of 20 years' imprisonment, fines up to $250,000, and three years' supervised release.

Defendant 2 pleaded guilty to making a false statement to a financial institution for the purpose of influencing approval of a PPP loan for $20,832. Specifically, she falsely stated she was not the owner of any other businesses. On September 26, 2024, Defendant 2 was sentenced to participate for 120 days in the Remote Location Monitoring Program on home detention and pay restitution and fines totaling $93,097.50.

Defendant 3 pleaded guilty to having submitted a PPP loan application form falsely stating he was not the owner of any other businesses for the purpose of securing a PPP loan. Defendant 3 agreed to pay restitution in the amount of $85,800. He is awaiting sentencing and faces a maximum sentence of five years' imprisonment, fines up to $250,000, and three years' supervised release.

Defendant 4 pleaded guilty to having submitted a PPP borrower application that falsely stated he had not been convicted of a felony involving fraud, bribery, or embezzlement within the last five years, knowing he was convicted on May 30, 2019, of the felony offenses of forgery in the second degree and falsely presenting the license of another for purposes of committing fraud in a commercial transaction. Defendant 4 agreed to pay restitution in the amount of $70,832. He is awaiting sentencing and faces a maximum sentence of five years' imprisonment, fines up to $250,000, and three years' supervised probation. On April 16, 2024, Defendant 4 was charged with felony escape following his escape from federal custody while being transported to a county jail where he was being held. Defendant 4 was later recaptured by law enforcement, and he remains in custody pending sentencing on both the SBA loan fraud charges as well as the additional escape charge.

Defendant 5 pleaded guilty to having submitted a PPP borrower application that falsely stated he was not the owner of any other businesses for the purpose of qualifying for a PPP loan. On September 25, 2024, Defendant 5 was sentenced to three years' supervised probation and ordered to pay restitution and fines totaling $61,265.

Defendant 6 pleaded guilty to having submitted a PPP borrower application in which she falsely stated she had a sole proprietorship business with a gross income of $225,000 for tax year 2020 for the purpose of securing a PPP loan. On October 3, 2024, Defendant 6 was sentenced to three years' supervised probation and ordered to pay restitution and fines totaling $41,765.

**Lead PRAC Fraud Task Force Investigative Agency:** PRAC

**Other Investigative Partners:** U.S. Agency for International Development (USAID) OIG, Social Security Administration (SSA) OIG, SBA OIG, HUD OIG, Internal Revenue Service (IRS) Criminal Investigations, U.S. Postal Inspection Service (USPIS), Oklahoma State Bureau of Investigation, Mid-States Organized Crime Information Center (MOCIC), and PRAC's PACE/Investigative Services

# **Part Three**–Successes of the Pandemic Analytics Center of Excellence (PACE)

The PACE has more than four dozen data sources, with over one billion records from public, non-public, and commercial data sources, each of which has specific rules governing their use. Some of these data sets are shared across the OIG community. For example, we shared SBA nonpublic loan level data sets with 45 OIGs and law enforcement agencies as part of our effort to combat fraud detected in SBA's PPP and EIDL programs. Further, thanks to the hiring authority provided to the PRAC in the CARES Act, we have been able to attract top data science talent from across the country. Not only has this aided us, but also our highly successful Data Science Fellows program has detailed 27 data scientists to 14 OIGs to support their pandemic-related data analytics efforts. The sophisticated work of our data scientists and our data analytics platform have been instrumental in advancing our efforts to identify improper payments and fraudulent activity in pandemic programs.

Our experience and insights highlight the value of expanding data sharing agreements to better detect and prevent fraud to protect the American public and taxpayer dollars. Our data scientists have developed automated robotic processes for some of the tasks associated with monitoring pandemic relief spending. These processes help identify flags and anomalies, which are then sent to our investigators for a closer look. We have also developed risk models to help IGs identify high-risk recipients of pandemic funds. The risk flags used across various risk models also support case-lead generation and streamline investigative analysis. Additionally, we have shared code and models (e.g., data transformation scripts, entity resolution code) with 15 OIGs and law enforcement agencies to help accelerate their analytic efforts.

Some of our successes this reporting period include:

- Used graph analytics to generate investigative leads for the DOJ COVID-19 Fraud Enforcement Task Force, and other law enforcement entities, with a focus on leads involving potential fraud rings and/or organized crime activity.
- Used graph analytics to support ongoing pandemic cases for the OIG and law enforcement community with a focus on identifying potential network activity, often resulting in an increased potential fraud amount subject to recovery and higher number of targets.
- Developed entity resolution models that can identify and determine that different stylings of an individual's name, birth date, and other information included in benefit applications across different federal benefits programs are all the same person. Entity resolution is a key requirement to address fraud. The entity resolution models enable the PACE to create accurate and comprehensive risk profiles for pandemic funds recipients and identify potentially high-risk entities such as those that received funds from multiple pandemic programs.
- Shared insights and best practices with partner OIGs on how to develop and use an Enterprise Data Management (EDM) strategy to manage data governance and comply with memoranda of understanding (MOUs) and data usage agreements (DUAs) requirements.

- Completed the development of the Analytic Center Pilot, a data sharing and risk analytics product for the oversight community. During this period, the PRAC set up an ongoing user feedback process to help gather information from testers and learn how they are interacting with the system. The product has received positive feedback. Users reported significant time savings to perform data search and validation tasks using the Pilot. Users also reported that the data sharing approach is considered the "gold standard" for sharing data among agencies.

# **Part Four**–Promoting Transparency Through Our Website

We continue to gain valuable insights into how users interact with PandemicOversight.gov through our customer satisfaction survey. With input from nearly 5,000 visitors between April 1 and September 30, 2024, we have learned even more about who visits our site, what they are interested in, and how we can improve their experience.

- 61 percent of visitors who answered the survey identified themselves as "Interested Citizens."
- 63 percent of respondents rated their overall experience with the website at a four or five, on a scale of one to five (five being the highest).
- The most common content survey respondents were looking for continued to be information on the Paycheck Protection Program.
- State and local government employees were the most satisfied with our site, as their average rating was 4.2 out of five, while across the board our website received an average rating of 3.82 for this time period.

We greatly appreciate the feedback from all our site visitors and use this information to continually improve the website.

# **Part Five**–Blueprint for Enhanced Program Integrity

We launched the Blueprint for Enhanced Program Integrity (Blueprint), a comprehensive capstone research project that compiles recommendations and insights issued by the OIG community, the GAO, memoranda from the Office of Management and Budget (OMB), and testimony to Congress.

The purpose of the project is to share lessons learned and best practices to help strengthen federal programs, enhance stewardship, and ensure that taxpayer-funded programs and assistance are timely delivered to communities that need them. In addition, the Blueprint focuses on the necessary controls that must be in place to protect critical programs from improper payments and fraud.

The Blueprint is organized into five chapters, each geared to engage and assist key stakeholders who are integral to the success of federal programs:

Chapter One: Best Practices for Strengthening Federal Programs is geared to federal and state program administrators. The chapter highlights key recommendations related to the development, implementation, and maintenance of strong internal controls.

Chapter Two: Opportunities for Policymakers to Improve Program Integrity focuses on strategies that can be adopted when drafting legislation and policy to deter and prevent fraud, such as extending statutes of limitation and statutory access to data.

Chapter Three: Fraud Prevention and Detection for the Oversight Community and Policymakers outlines leading practices for designing and implementing programs to detect and prevent fraud. Key themes include establishing fraud risk assessments, sharing data across agencies, and verifying applicants' eligibility and identity.

Chapter Four: Whole of Government Approach is for the oversight community, OMB, the Administration, and agency heads. This chapter will focus on how state, local, and federal governments worked together during the pandemic to share solutions for mitigating the increased challenges. This chapter will be published in 2025.

Chapter Five: Cross-Cutting Products for the Oversight Community will provide actionable insights, tips, and lessons learned on how to collaborate when developing joint oversight products. The chapter will be published in 2025.

To develop the chapters, we limited our scope to reports with recommendations related to the pandemic. We structured the chapters based on themes and categories identified in the source materials and provide links to each report with the page number and recommendation.

# **Part Six**–PRAC Outreach

We proactively work to keep the public informed with public-facing events, email campaigns, and an active social media presence. In this reporting period, we instituted numerous email campaigns highlighting our work and other resources to thousands of subscribers and critical stakeholders. We regularly provided updates on pandemic-related fraud schemes in our monthly Fraud Feature series and details on PRAC Fraud Task Force cases. We also shared key insights from our reports on pandemic programs and funding in two cities, the first two chapters of our Blueprint report series, and the PRAC Chair's testimony before Congress on September 10, 2024. We continue to be committed to keeping the public, congressional stakeholders, and our partners informed on our ongoing efforts in the oversight of pandemic-related fraud, waste, and abuse. We regularly provided congressional staff and members with updates on our work and are available to answer any questions they may have.

In April 2024, PRAC Chair Horowitz appeared on the Federal News Network radio show, "Federal Drive with Tom Temin," to discuss the bipartisan Government Spending Oversight Act, how it would broaden our data analytics platform, and why it is key to protecting taxpayer funds from fraud. PRAC Executive Director Kenneth Dieffenbach also appeared on the show during this reporting period to discuss how the PRAC's data analytics center helped the Pension Benefit Guaranty Corporation Office of Inspector General recover $135 million in improper payments that were made to pension plans that erroneously included nearly 3,500 deceased individuals among their plan participants in their program applications. We will continue to find opportunities to spotlight how our data analytics work advances critical oversight efforts in the IG community.

Our senior leaders and other staff members have provided insights, lessons learned, and demos to other oversight professionals through 11 speaking engagements, including presentations for the Association of Government Accountants (AGA) and the Association of Certified Fraud Examiners (ACFE). These engagements centered on topics such as fraud prevention, improving program integrity, strengthening cybersecurity infrastructure, and compliance and ethics in auditing.

Our unique vantage point allows us to share our insights and lessons learned with other oversight entities at the federal, state, local, and international level to ensure watchdogs can work together to protect American taxpayer dollars both now and in the future. When we share our insights through platforms such as these, we build new ways to ensure that our partners and other stakeholders can approach these challenges effectively and support the public as best they can.

# **Insights** Through Oversight Reports

From April 1 through September 30, 2024, federal IGs issued 69 oversight reports related to the federal government's COVID pandemic response, and these reports identified over $3 billion in monetary findings (e.g., questioned costs or funds put to better use). OIGs also made 93 recommendations to improve the government's response to the pandemic and to future emergencies, such as improving the government's ability to ensure assistance funding reached the intended beneficiaries. Oversight products issued during this reporting period help highlight the health and financial impacts on the American public and the intended beneficiaries of assistance across different assistance programs. See the following table for more information about the reports issued by our federal OIG partners. For a complete list of all federal oversight reports issued, see Oversight.gov.

### Federal Oversight Reports from April 1 through September 30, 2024

| *Office of Inspector General* | *Total Reports* | *Total Recommendations* | *Total Monetary Findings* |
|---|---|---|---|
| Department of Defense | 1 | 0 | $0 |
| Department of Education | 9 | 14 | $0 |
| Department of Homeland Security | 1 | 0 | $0 |
| Department of Housing and Urban Development | 4 | 9 | $0 |
| Department of Justice | 1 | 0 | $0 |
| Department of Labor | 3 | 10 | $129,600,000 |
| Department of Transportation | 1 | 4 | $446,900,000 |
| Department of the Treasury | 17 | 13 | $16,009,832 |
| Federal Reserve Board & Consumer Financial Protection Bureau | 2 | 4 | $0 |
| General Services Administration | 1 | 9 | $0 |
| Pandemic Response Accountability Committee | 4 | 0 | $0 |
| Pension Benefit Guaranty Corporation | 1 | 2 | $400,000,000 |
| Small Business Administration | 6 | 14 | $145,409,691 |
| Special Inspector General for Pandemic Recovery | 1 | 1 | $0 |
| United States Agency for International Development | 10 | 2 | $0 |
| United States Election Assistance Commission | 6 | 7 | $10,000 |
| Treasury Inspector General for Tax Administration | 1 | 4 | $1,885,749,111 |
| **Totals** | **69** | **93** | **$3,023,678,634** |

# **Appendix A:** Abbreviations and Acronyms

| | |
|---|---|
| ACFE | Association of Certified Fraud Examiners |
| AGA | Association of Government Accountants |
| Blueprint | Blueprint for Enhanced Program Integrity |
| CARES Act | Coronavirus Aid, Relief, and Economic Security Act |
| CIGIE | Council of the Inspectors General on Integrity and Efficiency |
| COVID-19 | Novel coronavirus disease 2019 |
| COVID-19 EIDL | COVID-19 Economic Injury Disaster Loan |
| DOJ | Department of Justice |
| DOL | Department of Labor |
| DOT | Department of Transportation |
| CFETF | Covid-19 Fraud Enforcement Task Force |
| CRF | Coronavirus Relief Fund |
| COVID-19 EIDL | Economic Injury Disaster Loan |
| DUA | Data Usage Agreement |
| EDM | Enterprise Data Management |
| EIDL | Economic Injury Disaster Loan |
| FAEC | Federal Audit Executive Council |
| FBI | Federal Bureau of Investigation |
| GAO | Government Accountability Office |
| HUD | Department of Housing and Urban Development |
| IG | Inspector General |
| IOC-2 | DOJ's International Organized Crime Intelligence and Operations Center, Organized Crime and Drug Enforcement Task Force Fusion Center |

| | |
|---|---|
| IRS | Internal Revenue Service |
| IRS-CI | Internal Revenue Service Criminal Investigation |
| MOCIC | Mid-States Organized Crime Information Center |
| MOU | Memorandum of Understanding |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| PACE | Pandemic Analytics Center of Excellence |
| PPP | Paycheck Protection Program |
| PRAC | Pandemic Response Accountability Committee |
| SBA | Small Business Administration |
| SCCE | Society of Corporate Compliance and Ethics |
| SSA | Social Security Administration |
| SWA | State Workforce Agency |
| Treasury | Department of the Treasury |
| UI | Unemployment Insurance |
| USAID | U.S. Agency for International Development |
| USPIS | U.S. Postal Inspection Service |
| VA | Department of Veteran Affairs |

# **Appendix B:** Hotline Data

The PRAC was undergoing updates to our hotline platform during this reporting period. As a result, we are not reporting hotline statistics.

## For more information:

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## Visit us at:

PandemicOversight.gov

## Follow us at:

## Report Fraud, Waste, Abuse, or Misconduct:

To report allegations of fraud, waste, abuse, or misconduct regarding pandemic relief funds or programs please go to the PRAC website at PandemicOversight.gov.

A Committee of the
Council of the Inspectors General
on Integrity and Efficiency