

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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Ranking Member Kweisi Mfume

Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs

Hearing on “Waste, Fraud, and Abuse Go Viral: Inspectors General on Curing the Disease”

March 9, 2023

Thank you, Chairman Sessions.

Today, the Oversight Subcommittee on Government Operations and the Federal Workforce convenes for its first hearing of the 118th Congress. As Ranking Member of this Subcommittee, and as a member who represents a large population of federal workers, I look forward to supporting our nation’s hardworking civil servants. The American people deserve a federal government that delivers responsible, credible, and effective policies and programs. Though we may differ in strategies, I believe the Chair and I are committed to serving our constituencies to the best of our abilities. Chairman Sessions, I look forward to working with you this Congress and finding places where we can agree, and remaining cordial on issues where we differ.

Today, we hold the second hearing of this Congress focused on evaluating improper payments and fraud in pandemic programs. **I remind my fellow members that millions of Americans, regardless of political affiliation or geography, felt the effects of the global pandemic — when individuals, families, and communities desperately needed a lifeline.**

Congress acted swiftly to provide expanded unemployment benefits to workers. We directed administrative funding to states that were struggling to process skyrocketing unemployment insurance claims. These expanded benefits helped millions of Americans make ends meet and my Office alone worked with hundreds of constituents to ensure they receive these crucial dollars. These are real dollars for real people.

The pandemic triggered economic uncertainty particularly disastrous to our small businesses. By April 2020, an estimated 45% of small businesses across the country were forced to shut their doors.

Thankfully, Congress’s Paycheck Protection Program (PPP) authorized the Small Business Administration to distribute a record \$800 billion to help effective businesses across the country continue to pay their employees.

Unfortunately, the previous Administration failed to implement the safeguards that we, in the Congress, explicitly designed by statute, which exacerbated pandemic fraud. On the other hand, Congress and the Biden Administration took decisive action to identify improper payments and combat fraud. For example, Congressional Democrats passed the American Rescue Plan, which included additional funding for federal Offices of Inspectors General to combat fraud. We established the COVID-19 Fraud Enforcement Task Force.

In the previous Congress, while I was Vice Chair of the Committee on Small Business, the Committee held substantial hearings on COVID-19 pandemic relief programs. We participated in numerous bipartisan briefings with SBA. I cosponsored and voted to pass H.R. 7352, the PPP and Bank Fraud Enforcement Harmonization Act of 2022, which was a bipartisan bill to extend the statute of limitations to go after individuals that committed PPP fraud. These are real solutions that help agencies crack down on fraud and make sure federal dollars go where we intended.

In March 2020, the Subcommittee on Government Operations, led by my friend Rep. Connolly of Virginia, held a hearing exploring how the federal government should use data sharing, pro-active analytics, and customer experience research to prevent improper payments and fraud before they occur.

Throughout the pandemic Democrats have been working hard on behalf of the American people. Under Chairman Clyburn's leadership, the Subcommittee on the Coronavirus Crisis held seven hearings focused on combatting fraud in relief programs and recovered millions of dollars in improper payments. Among many distinguished accomplishments, this Committee helped secure the return of \$109 million from a nursing home chain that was not using the loan as Congress intended.

I would now like to enter into the record the final report of the Subcommittee on the Coronavirus Crisis, which details the major successes of House Democrats, including efforts to prevent fraudsters from exploiting weaknesses in programs Americans rely on to keep afloat.

Let me be clear: fraudsters must be identified and prosecuted. We must work to ensure these critical dollars end up with those who Congress intended.

I would like to thank Inspector General Turner, Deputy Inspector General Shoemaker, and Deputy Inspector General Delmar for testifying before us today and for their commitment to hold our government accountable.

Congress must continue to empower Inspectors General and the broader oversight community to ensure they have the tools they need. I applaud President Biden for releasing his sweeping Pandemic Anti-fraud Proposal last week. His proposal would take significant steps to invest in fraud prevention and financial integrity, enhance agencies' use of data and analytics to reduce fraud, hold fraudsters accountable, and fortify the inspector general community.

As we begin the important work of this Subcommittee, I encourage my colleagues to engage in productive, fact-based discussions with a desire to generate well-informed policies on behalf of every American.

Thank you, Chairman. I yield back.

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